FINANCE COMMITTEE AGENDA

Tuesday, November 28, 2017
11:30 a.m. – Bidder's Room

GENERAL BUSINESS

11:30 a.m.

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

   Contact: Donna Witt, Director of Financial Services 455-3968

11:35 a.m.

2. Report on the General Fund Reserve for Contingencies.

   Contact: Donna Witt, Director of Financial Services 455-3968

11:40 a.m.

3. Consider a request to adopt a resolution to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $36,182.98 with resources of $18,091.49 from the Bulletproof Vest Partnership 2017 Grant Program and $18,091.49 transferred from the FY 2018 General Fund Police Department ($13,703.99) and Sheriff's Office ($4,387.50) budgets to purchase 43 replacement bulletproof vests for law enforcement officers.

   Contact: Captain Randall Houck 455-6177

11:45 a.m.

4. Adopt a resolution to amend the FY 2018 Stormwater Capital Fund budget and appropriate $70,494 with resources from a Stormwater Local Assistance Fund (SLAF) Grant to reimburse costs associated with a stormwater quality improvement project needed to meet Phase II Municipal Separate Storm Sewer System (MS4) permit compliance.

   Contact: Tim Mitchell, Director of Water Resources 455-4252

11:50 a.m.

5. 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 September 30, 2017.

Fund	**Preparer**
GLTC	Brian Booth, General Manager of GLTC
Regional Airport Fund	Mark Courtney, Airport Manager
Lynchburg Regional Juvenile Detention Center	Tamara Rosser, Director of Human Services
Children's Services Act Fund (CSA)	Tamara Rosser, Director of Human Services
Water Operating Fund	Tim Mitchell, Director of Water Resources
Sewer Operating Fund	Tim Mitchell, Director of Water Resources
Stormwater Operating Fund	Tim Mitchell, Director of Water Resources
General Fund	Donna Witt, Director of Financial Services

12:30 p.m.

6. Receive a report on the FY 2017 Write-Off of Uncollectible Accounts Receivable.

    Contact: Donna Witt, Director of Financial Services 455-3968

12:35 p.m.

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

    Contact: Donna Witt, Director of Financial Services 455-3968

12:40 p.m.

8. Roll Call

The next Finance Committee meeting is Tuesday, December 12, 2017, at 11:30 a.m.

AGENDA ITEM: 1

FINANCE COMMITTEE NOTES-- DRAFT
Tuesday, September 26, 2017

GENERAL BUSINESS

Meeting commenced at 11:30 a.m.

ATTENDEES

Committee Members: *Council Member Jeff S. Helgeson, Chair; Council Member Mary Jane Dolan; Mayor Joan Foster, Ex-Officio.*

Others: *Bonnie Svrcek, City Manager; Charles Hartgrove, Deputy City Manager; John Hughes, IV, Assistant City Manager; Donna Witt, Director of Financial Services; Starlette Early, Budget Analyst*

1. Report on the General Fund Reserve for Contingencies

   Donna Witt reported the City Manager's Discretionary Funding of $50,000 is being used to fund the approved City-wide Compensation and Implementation Study. In addition, there is one pending item of $12,500 for the 2017 Byrne/Justice Assistance Smart Policing Program Development Grant. Anticipating the successful award of this grant, the balance of the FY 2018 General Fund Reserve for Contingencies is $1,137,500.

2. Consider a request to adopt a resolution to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $11,383 with resources from a grant from the Library of Virginia to preserve Deed Book 56, 1897 – 1898, Deed Book FF, 1880 – 1881, and Marriage Bonds A-L, 1805 – 1824 at the Lynchburg Circuit Court Clerk's Office.

   The Committee unanimously approved this item. The item will be considered by City Council at tonight's meeting, September 26, 2017.

3. Consider a request to adopt a resolution to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $36,784 with resources of $17,647 from the Virginia Office of Emergency Medical Services – Rescue Squad Assistance Fund (RSAF) and $19,137 transferred from the FY 2018 General Fund Fire Department budget to purchase two (2) Power Pro stretchers for the Fire Department.

   The Committee unanimously approved this item. The item will be considered by City Council at tonight's meeting, September 26, 2017.

4. Approve the submittal of a grant application to the Virginia Office of Emergency Medical Services – Rescue Squad Assistance Fund (RSAF) for $94,961 with resources of $75,968 from the RSAF grant and $18,993 from the FY 2018 General Fund Fire Department budget to purchase one (1) chest compression device, one (1) Power Pro stretcher, and one (1) cardiac monitor / defibrillator.

   The Committee unanimously approved this item.

5. Consider a request to adopt a resolution to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $49,650 with resources of $33,100 from the Department of Motor Vehicles Highway Safety Grant, an in-kind service and equipment match of $14,140 and

$2,410 transferred from the FY 2018 General Fund Police Department budget to provide selective enforcement activities and attend related training.

The Committee unanimously approved this item. The item will be considered by City Council at tonight's meeting, September 26, 2017.

6. Consider a request to adopt a resolution to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $21,000 with resources of $14,000 from the Department of Motor Vehicles Highway Safety Grant, an in-kind service and equipment match of $5,929 and $1,071 transferred from the FY 2018 General Fund Police Department budget to provide funds for speed enforcement activities.

   The Committee unanimously approved this item. The item will be considered by City Council at tonight's meeting, September 26, 2017.

7. Approve the Police Department's application for the 2017 Byrne/Justice Assistance Smart Policing Program Development Grant in the amount of $112,500 with a 10% local match of $12,500 with resources from the FY 2018 General Fund Reserve for Contingencies, for a total amount of $125,000.

   The Committee approved this item, with the recommendation the Police Department look to find the required $12,500 local match in their FY 2018 budget if awarded.

8. Approve Emergency Services application for the Virginia 911 Services Board FY 2019 Public Safety Answering Point (PSAP) Education Program Grant in the amount of $2,000 which will be used to send employees to educational training.

   The Committee unanimously approved this item.

9. Approve Emergency Services application for the Virginia Wireless E-911 Services Board FY 2019 Public Safety Answering Point Grant Program (PSAP) in the amount of $26,400 which will be used to replace aging computer equipment for 12 Computer Aided Dispatch (CAD) workstations.

   The Committee unanimously approved this item.

10. Consider a request to adopt a resolution to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $156,391 with resources of $117,293 from the Commonwealth of Virginia Department of Social Services (VDSS) through the Employment for TANF Participants Grant and $39,098 from In-kind contributions.

    The Committee deferred making a recommendation and asked staff to present to the full Council at tonight's meeting with additional information.

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

    Donna Witt reported the actual FY 2017 revenues from Sales and Use Tax did not meet the adopted budget by $114,169; staff projected growth of 3% and actual growth for FY 2017 was 2.4%. Localities across the Commonwealth faced similar outcomes, with the increase in online sales as a likely factor for their shortfall. Consumer Utility Tax revenue ended flat with

projections, due to both a mild winter and spring. Communication Sales and Use Tax revenue continues to decline as anticipated, ending the FY 2017 year approximately $18,000 below the adopted budget. The City will be working in collaboration with other localities to lobby the General Assembly to include video streaming services under this tax category. Revenues from Meals Tax increased, but at 1.9% instead of the adopted 2.0%. And Lodging Tax revenues were up by $124,000 over FY 2016, ending the FY 2017 year at a 5.9% growth rate. Staff will present a full report on FY 2017 revenues at City Council's retreat on November 7, 2017.

12. Roll Call

There were no items for roll call. Donna Witt reported the City closed on the bond refunding.

Meeting adjourned at 12:28 p.m.

DRAFT

AGENDA ITEM NO.: 2

FY 2018 GENERAL FUND RESERVE FOR CONTINGENCIES

	Reserve for Contingencies	City Manager's Discretionary Funding
BEGINNING BALANCE, JULY 1, 2017	$1,150,000	$50,000
Carryforward to FY 2018 Reserve for Contingencies - FY 2018 Adopted Budget	0	
BALANCE	**$1,150,000**	**$50,000**
APPROPRIATIONS (Second Reading)		
City Manager's Discretionary Fund - City-wide Compensation and Implementation Study		(50,000)
TOTAL APPROPRIATIONS	**$0**	**($50,000)**
REMAINING BALANCE	**$1,150,000**	**$0**
ITEMS INTRODUCED		
TOTAL INTRODUCED ITEMS	**$0**	**$0**
REMAINING BALANCE	**$1,150,000**	**$0**
PENDING ITEMS		
~~2017 (FY 2018) Byrne/Justice Assistance Smart Policing Program Development Grant ($12,500)~~ - NOT APPROVED	$0	
TOTAL PENDING ITEMS	**$0**	**$0**
PROJECTED BALANCE, JUNE 30, 2018	**$1,150,000**	**$0**

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 28, 2017** AGENDA ITEM #: **3**

CONSENT: REGULAR: **X** WORK SESSION: CLOSED SESSION:
ACTION: **X** INFORMATION: (Confidential)

ITEM TITLE: 2017 Police Bulletproof Vest Partnership Grant Funding

KEY ELEMENTS:
___Economic Development ___Excellent Government ___Natural and Built Environment _X_Safe Community ___Vibrant Community

RECOMMENDATION: Adopt a resolution to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $36,182.98 with resources of $18,091.49 from the Bulletproof Vest Partnership 2017 Grant Program and $18,091.49 transferred from the FY 2018 General Fund Police Department ($13,703.99) and Sheriff's Office ($4,387.50) budgets to purchase 43 replacement bulletproof vests for law enforcement officers.

SUMMARY: Total vest replacement costs are $36,182.98. The grant requires a 50% local match; these funds are available in the FY 2018 General Fund Police and Sheriff's Office operating budgets.

PRIOR ACTION(S): Finance Committee, November 28, 2017

FISCAL IMPACT: The required local match is budgeted in the FY 2018 General Fund Police and Sheriff's Office operating budgets; therefore, no additional funds are required.

CONTACT(S):
Captain R.S. Houck, 455-6067
Major K.T. Swisher, 455-6154

ATTACHMENT(S): Resolution

REVIEWED BY:

RESOLUTION:

BE IT RESOLVED that the FY 2018 City/Federal/State Aid Fund budget is amended and $36,182.98 is appropriated with resources of $18,091.49 from the Bulletproof Vest Partnership 2017 Grant Program and $18,091.49 transferred from the FY 2018 General Fund Police Department ($13,703.99) and Sheriff's Office ($4,387.50) budgets to purchase 43 replacement bulletproof vests for law enforcement officers.

Introduced: Adopted:

Certified: _____
Clerk of Council

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 28, 2017** AGENDA ITEM #: **4**

CONSENT: REGULAR: **X** WORK SESSION: CLOSED SESSION:
ACTION: **X** INFORMATION: (Confidential)

ITEM TITLE: Budget Amendment and Appropriation of a $70,494 Stormwater Local Assistance Fund (SLAF) Grant for Fire Station No. 8 Water Quality Improvement Project

KEY ELEMENTS:
___Economic Development ___Excellent Government _X_Natural and Built Environment ___Safe Community _X_Vibrant Community

RECOMMENDATION: Adopt a resolution to amend the FY 2018 Stormwater Capital Fund budget and appropriate $70,494 with resources from a Stormwater Local Assistance Fund (SLAF) Grant to reimburse costs associated with a stormwater quality improvement project needed to meet Phase II Municipal Separate Storm Sewer System (MS4) permit compliance.

SUMMARY: The City has been awarded a SLAF grant in the amount of $70,494, from the Department of Environmental Quality (DEQ) for a water quality improvement project located at Fire Station No. 8 on Old Graves Mill Road. This project was identified in the City's Chesapeake Bay Total Maximum Daily Load (TMDL) Action Plan as a project towards meeting the pollution reduction requirements of the Phase II MS4 Permit.

A local match of 50% is required with this grant award. Grant funds will be used to reimburse costs incurred by the Stormwater Capital Fund for this project.

PRIOR ACTION(S):
Adoption of the FY 2018 – FY 2022 Capital Improvement Program
Finance Committee, November 28, 2017

FISCAL IMPACT: $70,494 local match from the Stormwater Capital Projects Fund

CONTACT(S): Tim Mitchell, Director of Department of Water Resources, 455-4252
Erin Hawkins, Water Quality Manager, 455-3869

ATTACHMENT(S): Resolution

REVIEWED BY: bms

RESOLUTION:

BE IT RESOLVED that the FY 2018 Stormwater Capital Fund budget is amended and $70,494 is appropriated with resources from Stormwater Local Assistance Fund (SLAF) matching grant to reimburse costs for Fire Station No. 8 Water Quality Improvement Project.

Introduced: Adopted:

Certified: _____
Clerk of Council

GREATER LYNCHBURG TRANSIT COMPANY

We're Here To Get You There!

November 7, 2017

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

RE: September 30th, 2017 (1st Quarter – FY 2018) Financial Report – Greater Lynchburg Transit Company

The attached Greater Lynchburg Transit Company Quarterly Income Statement summarizes the financial activities for the first quarter of FY18 and YTD data for the fiscal year.

REVENUE

GLTC has begun FY 2018 in a good position by meeting the budgeted revenues for the first quarter. We have seen variances from the budget in some revenue sources with the most impactful being passenger revenue down approximately 14%. This decrease is attributed to lower ridership which follows a consistent trend experienced statewide. Our Other Contract and Non-Operating revenue are below which is primarily due to how this budget was written differently than previous years. Several revenue sources are overbudget assisting to offset the decreased passenger revenue which include, Advertising Revenue 25%, County Operating Assistance 2%, State Assistance 1%, and Federal Assistance 4%. We are working to clear up inconsistencies in the Other Revenue and Non-Operating Revenue line items in the FY 2019 budget and are currently updating our Transit Development Plan which will provide data to improve services which may assist with increasing ridership and passenger revenue.

EXPENDITURES

On the expense side, total expenses are down about 8% for the first quarter. Our Fixed Route and Demand Response expenses are below budget due to staff vacancy and furloughs during the summer for Liberty University. General Admin Salaries and Overtime are over budget due to staff assisting with coverage for vacancies in operations due to staff out on extended medical leave. Tires and Tubes are overbudget due to an increase in the cost of tires and a credit not being received yet for incorrect stock and Other Materials and Supplies are overbudget due to more costly repairs from an aging fleet. Casualty and Liability Expenses are over budget due to an increase in vehicle insurance rolling over from FY 2017.

SUMMARY

GLTC is experiencing a more constrained budget for the start of this fiscal year due to some unexpected expenses arising shortly after the start. We have identified several areas for cost savings to cover the unexpected expenses and will be monitoring the areas we are overbudget closing to ensure we remain solvent.

Respectfully submitted,

Brian Booth
General Manager

419 Bradley Drive • Lynchburg, VA 24501 | PO Box 11286 • Lynchburg, VA 24506
434.455.5080 Office • **434.528.4582** Fax • www.GLTConline.com

The Central Virginia Transit Management Company, Inc., *employs all Administrative Staff, Bus Operators and Maintenance Personnel for the Greater Lynchburg Transit Company (GLTC). GLTC is professionally managed by First Transit, a division of First Group America.*

CENTRAL VIRGINIA TRANSIT MANAGEMENT CO INC.

QUARTERLY INCOME STATEMENT
AS OF SEPTEMBER 30, 2017

	QTR TO DATE FY2018 QTD ACTUAL	FY2018 QTD BUDGET	% VAR	FY2018 YTD ACTUAL	FY2018 YTD BUDGET	% of Budget
REVENUE						
FRT Passenger Revenue	$ 144,663	$ 170,000	-15%	$ 144,663	$ 170,000	85%
DRT Passenger Revenue	18,411	20,250	-9%	18,411	20,250	91%
Contracts (LU Access)	12,012	12,012	0%	12,012	12,012	100%
Contracts (LC Access)	6,135	6,135	0%	6,135	6,135	100%
Contracts (CVCC Access)	13,526	13,527	0%	13,526	13,527	100%
Liberty University Revenue	332,775	332,775	0%	332,775	332,775	100%
Other Contract Revenue	4,433	5,362	-17%	4,433	5,362	83%
Non-Operating Revenue	2,162	4,465	-52%	2,162	4,465	48%
Advertising Revenue	20,366	16,251	25%	20,366	16,251	125%
City Operating Assistance	443,951	443,951	0%	443,951	443,951	100%
County Operating Assistance	18,328	17,969	2%	18,328	17,969	102%
State Operating Assistance	424,570	420,527	1%	424,570	420,527	101%
Federal Operating Assistance	568,502	549,275	4%	568,502	549,275	104%
TOTAL REVENUE	**$ 2,009,835**	**$ 2,012,496**	**0%**	**$ 2,009,835**	**$ 2,012,496**	**100%**
EXPENSES						
FIXED ROUTE						
Operator Labor	$ 384,903	$ 490,943	-22%	$ 384,903	$ 490,943	78%
Operator-Overtime	54,601	43,338	26%	54,601	43,338	126%
Other Salaries & Wages	72,103	82,273	-12%	72,103	82,273	88%
Supervisors-Overtime	6,058	2,942	106%	6,058	2,942	206%
Fringe Benefits	238,215	295,215	-19%	238,215	295,215	81%
TOTAL FIXED ROUTE	**$ 755,880**	**$ 914,709**	**-17%**	**$ 755,880**	**$ 914,709**	**83%**
DEMAND RESPONSE						
Operator Labor	$ 71,903	$ 86,366	-17%	$ 71,903	$ 86,366	83%
Operator-Overtime-PTS	2,322	5,157	-55%	2,322	5,157	45%
Other Salaries & Wages	12,355	15,786	-22%	12,355	15,786	78%
Fringe Benefits	39,842	51,927	-23%	39,842	51,927	77%
TOTAL DEMAND RESPONSE	**$ 126,423**	**$ 159,236**	**-21%**	**$ 126,423**	**$ 159,236**	**79%**
MAINTENANCE						
Other Salaries & Wages	$ 167,403	$ 189,167	-12%	$ 167,403	$ 189,167	88%
Inspection&Maint,Srvc-Overtim	8,354	8,124	3%	8,354	8,124	103%
Fringe Benefits	80,878	95,468	-15%	80,878	95,468	85%
Fuel & Lubricants	130,959	155,841	-16%	130,959	155,841	84%
Tires & Tubes	38,777	22,651	71%	38,777	22,651	171%
Other Materials & Supplies	172,963	115,463	50%	172,963	115,463	150%
TOTAL MAINTENANCE	**$ 599,335**	**$ 586,712**	**2%**	**$ 599,335**	**$ 586,712**	**102%**
ADMINISTRATION						
Other Salaries & Wages	$ 103,619	$ 90,330	15%	$ 103,619	$ 90,330	115%
Fringe Benefits	47,683	43,710	9%	47,683	43,710	109%
Services	107,171	114,432	-6%	107,171	114,432	94%
Utilities	39,873	39,826	0%	39,873	39,826	100%
Casualty & Liability Expenses	82,199	68,945	19%	82,199	68,945	119%
Information Technology	43,917	43,076	2%	43,917	43,076	102%
Other Materials & Supplies	9,203	7,925	16%	9,203	7,925	116%
Miscellaneous	12,275	29,793	-59%	12,275	29,793	41%
TOTAL ADMINISTRATION	**$ 445,938**	**$ 438,037**	**2%**	**$ 445,938**	**$ 438,037**	**102%**
TOTAL EXPENSES	**$ 1,927,577**	**$ 2,098,693**	**-8%**	**$ 1,927,577**	**$ 2,098,693**	**92%**
NET INCOME/(LOSS)	**$ 82,257**	**$ (86,197)**		**$ 82,257**	**$ (86,197)**	

Lynchburg Regional Airport

A City of Lynchburg Enterprise Fund

350 Terminal Drive • Suite 100
Lynchburg, Virginia 24502
P 434-455-6090 • F 434-239-9027
www.lynchburgva.gov/airport

November 6, 2017

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: September 30, 2017 – Quarterly Financial Summary - Lynchburg Regional Airport

REGIONAL AIRPORT FUND

The attached Lynchburg Regional Airport Operating Fund Financial Summary reflects the financial activity for the FY 2018 first quarter ending September 30, 2017. I am pleased to report that first quarter operating revenue and expense projections are largely in line with budget estimates. The Airport is expected to remain self-sufficient for the foreseeable future and will not require a subsidy this fiscal year.

REVENUE HIGHLIGHTS

- Terminal Revenue: Revenue is projected to be $15,000 more than budget due to modest growth in parking concession revenue.
- General Aviation: Revenue is projected to be $10,000 more than budget due to projected higher aircraft parking fees than originally anticipated.
- Federal Security Aid: Revenue is projected to be $15,000 less than budget due to a decrease in the allowable daily hours eligible for federal reimbursement.
- Interest & Other: Revenue is projected to be $7,500 more than budget due to higher interest earnings on investments.

EXPENSE HIGHLIGHTS

- Expenses are projected to be consistent with budgeted amounts.

SUMMARY

Revenues for the year are projected to be modestly higher than budgeted while expenses are projected to be consistent with the budget. Based on current air service levels, competitive airfares, and anticipated passenger demand combined with decreasing debt service, the airport is projecting no need for a subsidy this fiscal year.

Respectfully submitted,

Mark P. Courtney, A.A.E.
Airport Director

cc: Bonnie Svrcek, City Manager
Charles Hartgrove, Deputy City Manager
Donna Witt, Director of Financial Services
Wesley Campbell, Airport Finance Manager

LYNCHBURG REGIONAL AIRPORT
OPERATING FUND FINANCIAL SUMMARY
September 30, 2017

	FY 2017 Amended Budget	FY 2017 Actual (thru 9/30/16)	FY 2017 % of Budget		FY 2018 Amended Budget	FY 2018 Actual (thru 9/30/17)	FY 2018 % of Budget		FY 2018 Amended Budget	FY 2018 Projected (as of 9/30/17)		FY 2018 $ Variance Actual vs. Amended Budget
BEGINNING NET ASSETS	$ 250,000	$ 33,651,691			$ 250,000	$ 36,977,478	**(1)**		$ 250,000	$ 36,977,478	**(1)**	
Less: Invested in Capital Assets, net of related debt		(33,640,389)				(36,717,501)				(36,717,501)		
Less: GASB68 Prior Period Adjustment-Pension Accrual												
BEGINNING UNRESTRICTED NET ASSETS	$ 250,000	$ 11,302			$ 250,000	$ 259,977			$ 250,000	$ 259,977		$ -
USE OF ENCUMBRANCES CARRIEDFORWARD	$ 160,369				$ 21,155				$ 21,155			
BOND REFUNDING PROCEEDS									$ -			
USE OF RESERVES - DEBT SERVICE	$ 39,876				$ 32,597				$ 32,597			
REVENUES												
Airfield	96,000	25,681	27%		98,000	17,305	18%		98,000	98,000		0
Terminal	1,450,827	393,816	27%		1,475,827	401,254	27%		1,475,827	1,490,827		15,000
General Aviation	514,557	133,962	26%		518,557	137,004	26%		518,557	528,557		10,000
Other Leased Property	260,400	68,425	26%		261,900	55,729	21%		261,900	261,900		0
State Airport Aid	288,750	0	0%		120,000	0	0%		120,000	120,000		0
Federal Security Aid	107,500	0	0%		95,000	0	0%		95,000	80,000		(15,000)
General Fund Subsidy	0	0	0%		0	0	0%		0	0		0
Interest & Other	72,000	49,923	69%		28,250	10,045	36%		28,250	35,750		7,500
	$ 2,790,034	$ 671,807			$ 2,597,534	$ 621,337			$ 2,597,534	$ 2,615,034		$ 17,500
EXPENSES												
Airfield Operations	304,098	66,862	22%		306,181	68,744	22%		306,181	306,181		0
Terminal Operations	544,277	125,919	23%		546,407	106,031	19%		546,407	546,407		0
General Aviation	126,409	27,073	21%		141,454	32,837	23%		141,454	141,454		0
Administration	683,976	154,101	23%		723,431	154,569	21%		723,431	723,431		0
Safety (ARFF & LEO)	418,543	109,860	26%		423,125	106,095	25%		423,125	423,125		0
Snow Removal	21,930	0	0%		22,430	322	1%		22,430	22,430		0
Debt Service	126,139	376	0%		117,244	308	0%		117,244	117,244		0
Small Projects & Equipment (State-Supported)	491,819	59,452	12%		154,528	6,552	4%		154,528	154,528		0
Transfers to Other Airport Funds	10,000	0	0%		5,000	0	0%		5,000	5,000		0
Other Airport Expenses	62,732	7,764	12%		60,422	7,604	13%		60,422	60,422		0
	$ 2,789,923	$ 551,409			$ 2,500,222	$ 483,063			$ 2,500,222	$ 2,500,222		$ -
ENDING UNRESTRICTED NET ASSETS	$ 450,356	$ 131,700			$ 401,064	$ 398,252			$ 401,064	$ 374,789	**(2)**	

FOOTNOTES:

1) Beginning Net Assets agrees with the Comprehensive Annual Financial Report (CAFR) with the following adjustment:

Total Net Assets per CAFR 6/30/17	$ 38,765,606
Less: Net Assets in Capital & PFC Funds	$ (1,788,128)
Total Beginning Net Assets	$ 36,977,478

2) FY 2018 Ending Unrestricted Net Assets is comprised of the following:

Des. for Debt Service (Rental Car Facility)	$ -	($30,935.52 -$30,935.52 reserve use in FY18 = $0)
Des. for Maintenance (Rental Car Facility)	$ 124,223	($124,222.54 + or - year-end change)
Reserve for Encumbrances		($????? encumbrances carried forward to FY19)
GASB68 Pension-related Accrual	$ (1,147,614)	(net liability as of the end of FY17)
Undesignated Retained Earnings	$ 1,398,181	
	$ 374,789	

11/16/2017

November 28, 2017

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

RE: September 30, 2017 Quarterly Financial Report - Lynchburg Regional Juvenile Detention Center

Lynchburg Regional Juvenile Detention Center

The attached Lynchburg Regional Juvenile Detention Center (Detention Center) financial report summarizes the financial activities through September 30, 2017 for FY 2018. The financial spreadsheet provides comparative year-to-date data for the same period of FY 2017.

REVENUES

Charges for Services

Revenue in this category for the first quarter of FY 2018 is $333,122 or 36.2% of the budget.

Department of Juvenile Justice Block Grant

This revenue category represents allocations from the Virginia Department of Juvenile Justice (DJJ) for operational expenses of the Detention Center. Revenues received from the DJJ through the first quarter of FY 2018 are $255,599.

Community Placement Program

This revenue category represents allocations from the Virginia Department of Juvenile Justice (DJJ) for operational expenses of the Community Placement Program (CPP). The CPP is a partnership between DJJ and local detention facilities to provide secure, highly structured, disciplined residential services for juvenile offenders committed to the Department of Juvenile Justice. The CPP focuses on skill development and competency in the areas of education, job readiness, life and social skills to ensure seamless transition back into the community. The goal is to place residents in the CPP closest to their home community in order to increase community connections and family visitation.

Revenues received from the DJJ through the first quarter of FY 2018 are $336,330 or 51.2% of the budget. The first quarter revenues include two quarterly payments from the Department of Juvenile Justice for the Community Placement Program.

United States Department of Agriculture (USDA)

This revenue category consists of reimbursements for meals served to juveniles at the Detention Center. Year-to-date revenues from USDA for FY 2018 are $8,771 or 19.5% of the budget.

EXPENDITURES

Overall expenditures for the first quarter of FY 2018 were $609,127 and are within budget. The allocated cost for the Community Placement Program and the contracting localities through the first quarter of FY 2018 is approximately 69%; Lynchburg's allocated share is approximately 31%.

Juvenile Population

The average number of juveniles being served per day through the first quarter of FY 2018 is 25.43 as compared to 21.98 in FY 2017. The percentage of Lynchburg City's juveniles through the first quarter is 31% of the total juvenile population.

SUMMARY

The first quarter report reflects a continuing upward trend in the juvenile population at the Lynchburg Regional Detention Center because of the addition of the Community Placement Program. The Lynchburg Regional Detention Center is an outstanding facility recognized by the juvenile judicial system for providing educational services, mental health services, physical health services, and partnerships with local area businesses.

Respectfully submitted,

Tamara Rosser
Director, Department of Juvenile Services

c: Bonnie Svrcek, City Manager
Charles Hartgrove, Deputy City Manager
Donna Witt, Director, Financial Services
Robin Mamola, Accounting Supervisor, Human Services
Sherry McIntyre, Accountant, Juvenile Services

Lynchburg Regional Juvenile Detention Center
Special Revenue Fund
Financial Summary
First Quarter: As of September 30, 2017

	FY 2017 Amended Budget	FY 2017 Actual 1 QTR YTD	FY 2017 % of Budget	FY 2018 Amended Budget	FY 2018 Actual 1 QTR YTD	FY 2018 % of Budget	FY 2018 Amended Budget	FY 2018 Revised Estimates	FY 2018 Actual to Amended
Beginning Funds at July 1									
Revenues:									
* Charges for Services	889,012	305,463	34.4%	919,704	333,122	36.2%	919,704		-
Intergovernmental- Department of Juvenile Justice Block Grant	1,063,886	511,012	48.0%	1,063,886	255,599	24.0%	1,063,886		-
Intergovernmental- USDA	45,000	7,106	15.8%	45,000	8,771	19.5%	45,000		-
Community Placement Program (CPP)	657,000	275,924	0.0%	657,000	336,330	51.2%	657,000		-
Department of Criminal Justice Services (DCJS)	0	0	0.0%	0	0	0.0%	0		-
Miscellaneous and State Ward Per Diem	0	816	0.0%	1,650	0	0.0%	1,650		-
Budget Designations/Purchase Orders	102,390	0	0.0%	105,251	0	0.0%	105,251		-
Total Revenues	2,757,288	1,100,320	39.9%	2,792,491	933,822	33.4%	2,792,491		
Expenditures:									
Salaries	1,353,844	306,590	22.6%	1,357,686	322,331	23.7%	1,357,686		-
Employee Benefits	565,186	114,090	20.2%	579,444	120,190	20.7%	579,444		-
Contractual Services	41,672	12,244	29.4%	43,552	15,197	34.9%	43,552		-
Internal Services	14,704	4,099	27.9%	14,014	3,173	22.6%	14,014		-
Supplies and Materials	130,170	23,741	18.2%	131,670	41,953	31.9%	131,670		-
Utilities	85,800	13,761	16.0%	80,750	13,455	16.7%	80,750		-
Training and Conferences	3,050	1,329	43.6%	4,550	920	20.2%	4,550		-
Telecommunications	4,500	587	13.1%	4,200	501	11.9%	4,200		-
Postage and Mailing	850	66	7.7%	850	0	0.0%	850		-
Indirect Costs	218,938	54,734	25.0%	259,063	64,766	25.0%	259,063		-
Self Insurance	18,752	4,688	25.0%	16,937	4,234	25.0%	16,937		-
Dues and Memberships	500	120	24.0%	500	165	33.0%	500		-
Rentals and Leases	1,855	370	19.9%	2,964	555	18.7%	2,964		-
Health and Dental Benefits for Retirees	51,388	11,712	22.8%	53,704	11,712	21.8%	53,704		-
Professional Services	4,172	1,265	30.3%	9,649	1,204	12.5%	9,649		-
SpecialUseEquipment	2,000	0	0.0%	2,000	0	0.0%	2,000		-
Computer Equipment	0	0	0.0%	0	0	0.0%	0		-
Serial Bond Interest	6,442	7,106	110.3%	4,654	0	0.0%	4,654		-
Debt Service	108,465	0	0.0%	81,305	0	0.0%	81,305		-
USDA Grant	45,000	0	0.0%	45,000	8,771	19.5%	45,000		-
Capital Outlay	0	0	0.0%	0	0	0.0%	0		-
Budget Designations	100,000	0	0.0%	100,000	0	0.0%	100,000		-
Contingency	0	0	0.0%	0	0	0.0%	0		-
Total Expenditures	2,757,288	556,501	20.2%	2,792,491	609,127	21.8%	2,792,491		
TOTAL FUND BALANCE/Purchase Orders carried forward	0	543,819		0	324,695		0	0	
TOTAL ASSIGNED FUND BALANCE Maint./Equipment	100,000	100,011		100,000	100,012		100,000		

November 28, 2017

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: Children's Services Act (CSA) Fund Financial Report for the period ending September 30, 2017.

The attached CSA Fund Financial Summary summarizes the financial activity for this Fund through September 30, 2017. Under the State guidelines, CSA prior year obligations are paid through September 30th of each year. However, the annual budget is prepared on a fiscal year (July-June). Because of the State guidelines, expenditures for this fund are unique due to the overlap of grants each fiscal year.

REVENUES

- Public Assistance – Welfare and Administration

  The Public Assistance revenue source is the reimbursement received from the State for local expenses incurred under CSA for providing services to troubled youth and their families. The current rate of reimbursement for community-based services is 86.32%, residential services is 65.8%, and for all other services, 72.64%. State funds to assist in administering the grant, ($38,437) for FY 2018 are provided by the State. Reimbursements for expenditures incurred through the first quarter of 2018 that have been submitted but not yet received are $429,835.

- CSA Contribution – General Fund and Schools

  These revenue sources are comprised of the required local match for all State funds received for the Comprehensive Services Act. For the first quarter of FY 2018, local matching funds for programs in the amount of $495,116 for the General Fund and $49,135 for the Schools have been received.

- Miscellaneous Revenue

  Miscellaneous revenues in the amount of $12,904 were collected through the first quarter of FY 2018. These revenues are mainly comprised of recoupments from children's social security payments for expenditures incurred on their behalf, and registered billings for CSA parental co-payments. Recoupments are below budget estimates due to the utilization of IV-E funding whenever possible.

EXPENSES

- Administrative expenses

  CSA Administrative funds are used for salaries, supplies, and materials. Budgeted funds for FY 2018 are $65,475. Actual YTD administrative expenditures through the first quarter of FY 2018 are $12,908 or 19.7% of the budget.

- Mandated – Foster Care

  Foster care expenses include funds for residential facilities, day care, maintenance payments to foster parents, enhanced maintenance payments to foster parents and foster care prevention. Year-to-date foster care expenditures through the first quarter of FY 2018 totaled $377,791 or 12.6% of the budget. Expenditures in this category can rise with an increase in the mandated population.

- Mandated – Special Education

  Special Education expenses include services for Special Education students from the Lynchburg City Schools. Expenditures for FY 2018 total $139,078 or 6.5% of the budget. Expenditures for this budget line will rise due to increased enrollments at private day placements such as Rivermont School, Bridges and New Vistas School, in addition to students attending for longer periods of time.

- Non-Mandated Services

  Non-mandated expenditures are for services such as counseling, mentoring, crisis intervention, and foster care prevention services. Non-mandated expenditures through the first quarter of FY 2018 are $40,945 or 11.5% of the budget. Non-mandated services are provided almost exclusively to youth involved in the court system. It's anticipated that this budget line will be fully expended.

- Community Based Services

  This category includes services to children while they are living at home, in the home of an extended family, in a regular foster family home, or in an independent living arrangement. Community services may include assessment, crisis stabilization, therapy, or intervention services provided in the child's home. Community Based Services through the first quarter of FY 2018 are $39,595 or 9.1% of the budget.

SUMMARY

The Children's Services Act Fund creates a collaborative system of services and funding that is child-centered, family-focused, and community-based when addressing the strengths and needs of at-risk youths and their families in the City of Lynchburg

While the number of children currently in foster care fluctuates during the year, the number of children receiving CSA services has increased; more children are now classified as mandated due to the severity of their issues and needs. Other factors continue to impact this budget. These factors include an increased number of children receiving more intensive services for longer periods of time, increased vendor rates as well as an increase in the number of services provided by the vendors, parental agreements, and an increase in special educational services.

The Community Policy and Management Team, in collaboration with the professional community, continues to work hard and is diligent and deliberate in efforts to reduce costs associated with CSA. We continue to work with the professional community to provide the most cost effective service to children and their families.

Respectfully submitted,

Tamara T. Rosser

Tamara T. Rosser
Director of Human Services

c:

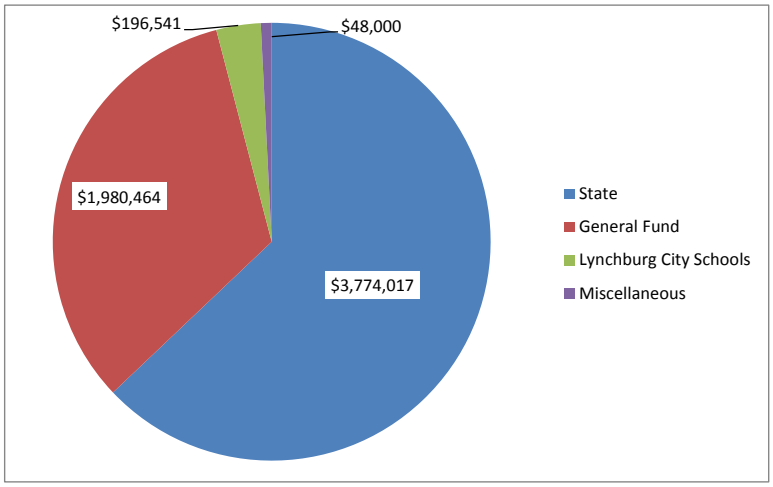
Bonnie Svrcek, City Manager
Charles Hartgrove, Deputy City Manager
Donna Witt, Director of Financial Services
Rhonda Allbeck, Assistant Director of Financial Services
Robin Mamola, Financial Professional IV
Kathy Collins, Financial Professional III

Children's Services Act
Special Revenue Fund
Financial Summary
September 30, 2017

	FY 2017 Amended Budget	FY 2017 Actual 1 QTR YTD	FY 2017 % of Budget	FY 2018 Amended Budget	FY 2018 Actual 1 QTR YTD	FY 2018 % of Budget
Beginning Fund Balance	0	0		0	0	
Revenues:						
Public Assistance - Welfare and Administration	4,295,165	346,081	8.1%	3,774,017	429,835	11.4%
Transfer from Lynchburg City Schools	196,541	49,135	25.0%	196,541	49,135	25.0%
Transfer from General Fund	1,766,816	404,204	22.9%	1,980,464	495,116	25.0%
Miscellaneous	55,500	2,405	4.3%	48,000	12,904	26.9%
Total Revenues	6,314,022	801,825	12.7%	5,999,022	986,990	16.5%
Expenses:						
Administrative Expenses	64,816	11,901	18.4%	65,475	12,908	19.7%
Mandated - Foster Care	3,215,150	270,817	8.4%	2,996,823	377,791	12.6%
Mandated - Special Education	2,229,973	146,018	6.5%	2,143,500	139,078	6.5%
Non-Mandated Services	375,836	44,360	11.8%	356,636	40,945	11.5%
Community Based	428,247	30,753	7.2%	436,588	39,595	9.1%
Total Expenditures	6,314,022	503,848	8.0%	5,999,022	610,317	10.2%
ENDING FUND BALANCE	0	297,977		0	376,673	

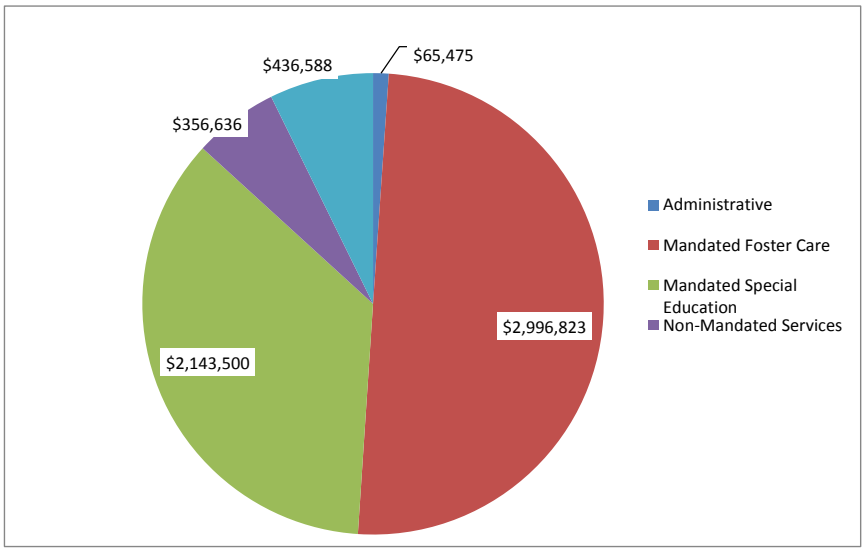
Budgeted Revenue

State	$3,774,017	63%
General Fund	$1,980,464	33%
Lynchburg City Schools	$196,541	3%
Miscellaneous	$48,000	1%
	$5,999,022	100%



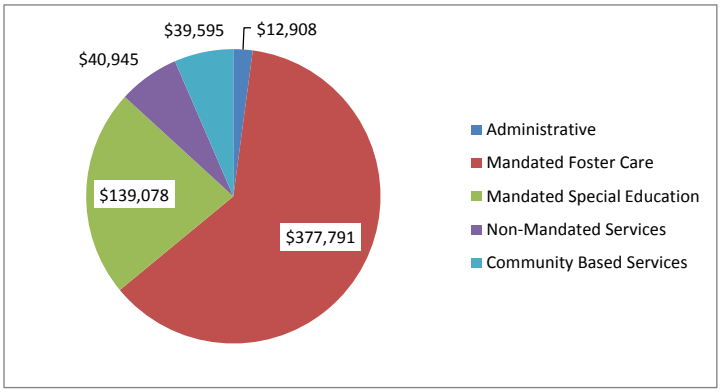
Budgeted Expenses

Administrative	$65,475	1%
Mandated Foster Care	$2,996,823	50%
Mandated Special Education	$2,143,500	36%
Non-Mandated Services	$356,636	6%
Community Based Services	$436,588	7%
	$5,999,022	100%



Expenses Ending September 30 ,2017

Administrative	$12,908	2%
Mandated Foster Care	$377,791	62%
Mandated Special Education	$139,078	23%
Non-Mandated Services	$40,945	7%
Community Based Services	$39,595	6%
	$610,317	100%



November 28, 2017

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: September 30, 2017 Quarterly Financial Report – Water Operating Fund

The attached Water Operating Fund Financial Summary summarizes the financial activity for this fund through September 30, 2017. This quarterly report provides comparative financial information for the same period of the prior fiscal year. Projected variances between the FY 2018 Budget and the Department's year end projections are described below.

REVENUES

Following the completion of the first quarter, overall revenues for FY 2018 are projected to be at budget for all categories that include the following: (1) Charges for Services, (2) Water Contracts, (3) Interest and Other.

EXPENSES

Overall expenses for FY 2018 are projected to be $53,900 (0.3%) more than budget. Explanations of this variance follow:

- **Departmental Operation and Maintenance Expenses:**

  This category includes the Water Treatment Plant, Meter Operations, Water Line Maintenance and Administration. Expenses in this category are expected to be $26,300 (0.3%) less than the FY 2018 budget (Water Treatment - $5,700 savings, Meter Operations - $9,600 savings, Water Line Maintenance - $11,000 savings, Administration - $0 savings). This variance is broken down as follows:

➢ Personal Services and Benefits	$26,000
➢ Supplies and Materials	700
➢ All Other	(400)
Total	**$26,300**

  The most significant variance is savings in Personal Services and Benefits related to unfilled positions at end of the quarter.

- **Non-Departmental Operation and Maintenance:**

  Non-Departmental operation and maintenance expenses are anticipated to be within budget.

- **Capital Outlay and Transfers to Other Funds**

  Purchases and transfers in this category are expected to be within budget.

- **Debt Service:**

  Expenditures in debt service are expected to be $80,200 (1.9%) over budget due to a September 26, 2017 bond refunding. Charges for fiscal services associated with the bond refunding were approximately $92,000 offset by the FY 2018 projected interest savings of $11,800. Additional interest savings in future years will occur during the new bond issuance term ending in FY 2046.

SUMMARY

The projected fund balance ratio of 67% exceeds the Council's financial policy target range of 25% - 40%. The projected debt coverage ratio for end of the fiscal year is 1.16 which is under Council's financial policy minimum target of 1.20. Due to the fund balance ratio exceeding the target range by 27%, the financial position of this fund is deemed stable for the first quarter.

Respectfully submitted,

Timothy A. Mitchell, P.E.
Director of Water Resources

cc: Bonnie Svrcek, City Manager
Charles Hartgrove, Deputy City Manager
Donna Witt, Director of Financial Services

WATER OPERATING FUND
FINANCIAL SUMMARY
Quarter Ending September 30, 2017

	FY 2017 Adopted Budget	FY 2017 Actual Q1 YTD	FY 2017 % of Budget	FY 2018 Adopted Budget	FY 2018 Actual Q1 YTD	FY 2018 % of Budget	FY 2018 Adopted Budget	FY 2018 Revised Estimate	FY 2018 $ Variance Adopted Budget vs. Actual
BEGINNING NET ASSETS	$29,609,547	$29,609,547		$28,183,364	$28,183,364		$28,183,364	$28,183,364	
Less: Invested in Capital Assets, net of related debt	(26,205,779)	(26,205,779)		(24,648,961)	(24,648,961)		(24,648,961)	(24,648,961)	
BEGINNING UNRESTRICTED NET ASSETS	**3,403,768**	**$3,403,768**		**$3,534,403**	**$3,534,403**		**$3,534,403**	**$3,534,403**	
REVENUES:									
Charges for Services	$12,260,891	$2,617,186	21%	$12,728,131	$2,672,156	21%	$12,728,131	$12,728,131	$0
Water Contracts	2,213,440	527,344	24%	1,892,470	432,116	23%	1,892,470	1,892,470	0
Interest and Other	261,119	138,270	53%	278,737	167,104	60%	278,737	278,737	0
	$14,735,450	**$3,282,800**		**$14,899,338**	**3,271,376**		**$14,899,338**	**$14,899,338**	**$0**
EXPENSES									
Departmental O&M	$9,490,614	$2,011,150	21%	$9,799,941	$1,946,915	20%	$9,799,941	$9,773,641	$26,300
Non-Departmental O&M	263,925	33,046	13%	325,585	33,495	10%	325,585	325,585	0
Capital Outlay/Purchases	131,000	29,823	23%	66,500	9,550	14%	66,500	66,500	0
Transfers - Capital	1,750,000	437,500	25%	1,500,000	375,000	25%	1,500,000	1,500,000	0
Debt Service	4,382,244	1,389,776	32%	4,157,150	1,606,215	39%	4,157,150	4,237,350	(80,200)
	$16,017,783	**$3,901,295**		**$15,849,176**	**$3,971,175**		**$15,849,176**	**$15,903,076**	**($53,900)**
Adjustment for Expenses from Capital Projects		**$0**			**$0**				
ENDING NET ASSETS	**$2,121,435**	**$2,785,273**		**$2,584,565**	**$2,834,604**		**$2,584,565**	**$2,530,665**	

KEY RATIOS:

Unrestricted cash target range as a % of operating expenses & debt service:	25% - 40%
Unrestricted cash as a % of operating expenses & debt service:	67%
Financial Policy targeted debt coverage ratio minimum:	1.20
Ending debt coverage ratio:	1.16 (a)

Note (a) Calculation of debt coverage includes $95,000 of projected capitalizable costs for internal labor charges applicable to time spent on capital project activities.

November 28, 2017

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: September 30, 2017 Quarterly Financial Report – Sewer Operating Fund

The attached Sewer Operating Fund Financial Summary summarizes the financial activity for this fund through September 30, 2017. This quarterly report provides comparative financial information for the same period of the prior fiscal year. Projected variances between the FY 2018 Budget and the Department's year end projections are described below.

REVENUES

Following the completion of the first quarter, overall revenues for FY 2018 are projected to exceed budget by $220,000 (1.0%). Explanations of this variance follow:

- **Charges for Services:**

  Revenue in this category is expected to be $190,000 (1.0%) over budget mostly attributable to higher than anticipated Septic Hauler Charges primarily due to a customer bringing leachate from Maplewood Landfill in Amelia County.

- **Sewer Contracts:**

  Revenue in this category is projected to be at budget.

- **Interest and Other:**

  Revenue is this category is expected to exceed budget by $30,000 (36.8%) due to higher returns on cash investments.

EXPENSES

Overall expenses for FY 2018 are projected to be $279,500 (1.2%) higher than budget. Explanations of this variance follow:

- **Departmental Operation and Maintenance:**

  This category includes the Wastewater Treatment Plant and Sewer Line Maintenance. Expenses in this category are expected to be $500 under budget (Wastewater Treatment Plant - $10,000 savings and Sewer Line Maintenance - $9,500 increase). This variance is broken down as follows:

➢ Personal Services and Benefits	$15,000
➢ All Other	(14,500)
Total	**$500**

  The savings in Personal Services and Benefits is related to unfilled positions at end of the quarter. Increased costs to All Other is mostly attributable to a much higher than expected cost of repairs to our utility trucks.

  Non-Departmental Operation and Maintenance:

  Non-Departmental Operation and Maintenance expenses are expected to be at budget.

- **Capital Outlay**

  Purchases in Capital Outlay are expected to be $265,000 (43.3%) over budget. Planned equipment purchases that were budgeted in FY 2017 that were not all delivered will be delivered in FY 2018. These equipment purchases include a closed circuit television (CCTV), off road sewer line inspection vehicle of $180,000, and $85,000 for a CCTV system retro fit of an off road inspection vehicle in our current equipment inventory.

- **Transfers to Other Funds**

  Transfers to Other Funds are expected to be at budget.

- **Debt Service**

  Expenditures in debt service are expected to be $15,000 (0.2%) over budget due to a September 26, 2017 bond refunding. Charges for fiscal services associated with the bond refunding were approximately $18,400 offset by the FY 2018 projected interest savings of $3,400. Additional interest savings in future years will occur during the new bond issuance term ending in FY 2046.

SUMMARY

This first quarter report reflects a stable FY 2018 financial position for this fund. Under the Council adopted financial policies, the two important financial ratios, debt coverage and fund balance, are within or exceed policy targets. The debt coverage ratio projected for the end of the fiscal year is 1.21 compared to a target range of 1.20 to 1.50. The fund balance ratio projected for the end of the fiscal year is 38% compared to a target range 25% to 40%.

Respectfully submitted,

Timothy A. Mitchell, P.E.
Director of Water Resources

cc: Bonnie Svrcek, City Manager
Charles Hartgrove, Deputy City Manager
Donna Witt, Director of Financial Services

SEWER OPERATING FUND
FINANCIAL SUMMARY
Quarter Ending September 30, 2017

	FY 2017 Adopted Budget	FY 2017 Actual Q4 YTD	FY 2017 % of Budget	FY 2018 Adopted Budget	FY 2018 Actual Q4 YTD	FY 2018 % of Budget	FY 2018 Adopted Budget	FY 2018 Revised Estimate	FY 2018 $ Variance Adopted Budget vs. Projected
BEGINNING NET ASSETS (1)	$145,484,847	$145,484,847		$144,586,798	$144,586,798		$144,586,798	$144,586,798	
Less: Invested in Capital Assets, net of related debt	(141,495,886)	(141,495,886)		(138,722,083)	(138,722,083)		(138,722,083)	(138,722,083)	
BEGINNING UNRESTRICTED NET ASSETS	**$3,988,961**	**$3,988,961**		**$5,864,715**	**$5,864,715**		**$5,864,715**	**$5,864,715**	
REVENUES:									
Charges for Services	$18,446,728	$3,652,300	20%	$18,494,475	$3,610,644	20%	$18,494,475	$18,684,475	$190,000
Sewer Contracts	3,687,687	586,060	16%	3,791,116	$558,085	15%	3,791,116	3,791,116	0
Interest and Other	66,599	48,087	72%	81,599	$78,565	96%	81,599	111,599	30,000
	$22,201,014	**$4,286,447**		**$22,367,190**	**$4,247,293**		**$22,367,190**	**$22,587,190**	**$220,000**
EXPENSES:									
Departmental O&M	$10,669,574	$2,323,981	22%	$11,100,918	$2,078,298	19%	$11,100,918	$11,100,418	$500
Non-Departmental O&M	305,750	36,224	12%	353,874	35,964	10%	353,874	353,874	0
Capital Outlay/Purchases	647,000	14,652	2%	612,500	23,071	4%	612,500	877,500	(265,000)
Transfers - Capital	1,300,000	325,000	25%	1,100,000	275,000	25%	1,100,000	1,100,000	0
Debt service	9,432,752	1,474,876	16%	9,301,933	1,572,781	17%	9,301,933	9,316,933	(15,000)
	$22,355,076	**$4,174,733**		**$22,469,225**	**3,985,113**		**$22,469,225**	**$22,748,725**	($279,500)
Adjustment for Expenses from Capital Projects		**$0**			-			**$0**	
ENDING NET ASSETS	**$3,834,899**	**$4,100,675**		**$5,762,680**	**6,126,895**		**$5,762,680**	**$5,703,180**	

KEY RATIOS:

Unrestricted cash target range as a % of operating expenses & debt service:	25% - 40%
Unrestricted cash as a % of operating expenses & debt service:	38%
Financial Policy targeted debt coverage ratio minimum:	1.20
Ending debt coverage ratio:	1.21 (a)

Note (a) Calculation of debt coverage includes $128,000 of projected capitalizable costs for internal labor charges applicable to time spent on capital project activities.

November 28, 2017

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: September 30, 2017 Quarterly Financial Report – Stormwater Operating Fund

The attached Stormwater Operating Fund Financial Summary summarizes the financial activity for this fund through September 30, 2017. This quarterly report provides comparative financial information for the same period of the prior fiscal year. Projected variances between the FY 2018 Budget and the Department's year end projections are described below.

REVENUES

Following the completion of the first quarter, the overall revenues for FY 2018 are projected to be at budget for all categories that includes the following: (1) Charges for Services, (2) Interest and Other (3) Transfers from Other Funds.

EXPENSES

Overall expenses for FY 2018 are expected to be $1,000 under budget. Variances are projected to occur in Departmental Operation and Maintenance. Remaining three categories, Non-Departmental Operation and Maintenance, Capital Outlay and Transfers to Other Funds are projected to be within budget. Explanations of variances follow:

- **Departmental Operation and Maintenance:**

  Departmental Operational and Maintenance are expected to be $1,000 below budget. This is mostly attributable to $4,500 savings for Engineering and Legal Services offset by rental equipment used by our field crew for repairs.

- **Non-Departmental Operational and Maintenance:**

  Non-Departmental Operational and Maintenance Expenses are expected to be at budget.

- **Capital Outlay**

  Purchases in Capital Outlay are expected to be at budget.

- **Transfers to Other Funds**

  Transfers to Other Funds are expected to be at budget.

SUMMARY

This first quarter report reflects a stable FY 2018 financial position for the fund at this time. The fund balance ratio projected for the end of the fiscal year is 26% compared to the target balance of 15% - 20%. Currently, there is no debt service in the Stormwater Fund.

Respectfully submitted,

Timothy A. Mitchell, P.E.
Director of Water Resources

cc: Bonnie Svrcek, City Manager
Charles Hartgrove, Deputy City Manager
Donna Witt, Director of Financial Services

STORMWATER OPERATING FUND
FINANCIAL SUMMARY
Quarter Ending September 30, 2017

	FY 2017 Adopted Budget	FY 2017 Actual Q1YTD	FY 2017 % of Budget	FY 2018 Adopted Budget	FY 2018 Actual Q1YTD	FY 2018 % of Budget	FY 2018 Adopted Budget	FY 2018 Revised Estimate	FY 2018 $ Variance Adopted Budget vs. Actual
BEGINNING NET ASSETS	$1,518,205	$1,518,205		$1,548,772	$1,548,772		$1,548,772	$1,548,772	
Less: Invested in Capital Assets, net of related debt	(803,265)	(803,265)		(846,681)	(846,681)		(846,681)	(846,681)	
BEGINNING UNRESTRICTED NET ASSETS	**$714,940**	**$714,940**		**$702,091**	**$702,091**		**$702,091**	**$702,091**	
REVENUES:									
Charges for Services	$3,187,400	586,360	18%	$3,199,120	586,860	18%	$3,199,120	$3,199,120	$0
Interest and Other	4,500	1,911	42%	2,000	5,545	277%	2,000	2,000	0
Transfers from Other Funds	275,000	68,750	25%	275,000	68,750	25%	275,000	275,000	0
	$3,466,900	**$657,021**		**$3,476,120**	**$661,155**		**$3,476,120**	**$3,476,120**	**$0**
EXPENSES:									
Departmental O&M	$2,346,698	$419,586	18%	$2,769,413	581,055	21%	$2,769,413	$2,768,413	$1,000
Non-Departmental O&M	42,150	2,107	5%	51,168	3,212	6%	51,168	51,168	0
Capital Outlay/Purchases	32,000	9,750	30%	0	0		0	0	0
Transfers - Capital	1,175,000	293,750	25%	850,000	212,500	25%	850,000	850,000	0
Transfers - Sewer Operating and Fleet	0	0		0	0		0	0	0
Debt Service	0	0		0	0		0	0	0
	$3,595,848	**$725,193**		**$3,670,581**	**$ 796,767**		**$3,670,581**	**$3,669,581**	**$1,000**
Adjustment for Expenses from Capital Projects		**$0**			**$0**			**$0**	
ENDING NET ASSETS	**$585,992**	**$646,768**		**$507,630**	**$566,479**		**$507,630**	**$508,630**	

KEY RATIOS:

Unrestricted cash target range as a % of operating expenses & debt service	15% - 20%
Projected unrestricted cash as a % of operating expenses at year end	26%

November 28, 2017

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: September 30, 2017 Quarterly Report - General Fund

Attached is the Financial Summary for the General Fund (Fund) for the period ending September 30, 2017.

This quarterly report provides comparative information for the same period of the prior fiscal year and an annualized projection through the end of the current fiscal year.

NON-DEDICATED REVENUES

- Real Estate Taxes:

  Real Estate taxes are due in four quarterly installments on November 15, January 15, March 15, and May 15. As of the date of this report, the first installment for FY 2018 has not been billed.

- Personal Property Taxes:

  Personal Property tax revenue for FY 2018 is $1,802,740, which is $149,337 more than the amount collected in the first quarter of FY 2017. Personal property taxes are payable in two equal installments on June 5 and December 5. Additional billings for personal property acquisitions are due March 5 and September 5.

  In 1998, the Virginia General Assembly enacted the Personal Property Tax Relief Act (PPTRA) to reimburse citizens for a portion of the local personal property tax. In the 2004 Virginia General Assembly, the State capped the amount reimbursed to localities, which equates to $950 million for FY 2017. This action eliminates the 70% reimbursement. Lynchburg's share is $5,543,584. During the first quarter of FY 2018, the State reimbursed the City $277,179 (5%), as scheduled. Future payments will be made in November 2017 (75%), February 2018 (15%), and May 2018 (5%).

- Consumer Utility Taxes - Electric:

  Consumer Utility Tax – Electric revenue is $663,285 which is on pace with the FY 2018 budget projection based on collections for 2 months. Staff is monitoring this revenue and providing the Finance Committee with monthly updates.

- Communication Sales and Use Taxes:

  Communication Sales and Use tax revenue is $255,280 which is on pace with FY 2018 budget projection based on collections for 1 month. Staff is monitoring this revenue and providing the Finance Committee with monthly updates.

- Local Sales Tax:

  In comparison to the FY 2018 budget, sales tax revenue of $1,134,520 is slightly behind by 2.3%, or $26,578 based on collections for 1 month.

- Business License

  Business License revenue collected for the first quarter of FY 2018 is $30,355. Since this tax is due May 1, the collection percentage is currently only a small part of the annual budget. The majority of the tax will be collected from March to May.

- Meals Tax

  Meals tax revenue of $2,250,381 is slightly behind FY 2018 budget projections by 3.4%, or $80,144 based on collections for 2 months. Staff is monitoring this revenue and providing the Finance Committee with monthly updates.

- Lodging Tax

  Lodging tax revenue of $473,183 is slightly behind FY 2018 budget projections by 2.4%, or $11,660 based on collections for 2 months. Staff is monitoring this revenue and providing the Finance Committee with monthly updates.

- Permit, Fees, and Licenses:

  Permit, Fees, and Licenses revenue is slightly ahead of FY 2018 budget projections with $250,263 collected.

- Fines and Forfeitures:

  Fines and Forfeitures revenue of $40,659 is behind the budget projection for FY 2018 by 71.3%, or $101,216 due primarily to the timing in receiving court fines, as well as parking fines. Staff will continue to keep a close watch on this revenue to see if an adjustment in projected revenue is necessary.

- Interest on Investments:

  Investment income is slightly ahead of pace by $85,057 with budget projections for FY 2018.

- Charges for Services

  Charges for Services revenue is slightly behind pace by $205,429 with budget projections for FY 2018 with $2,475,982 collected.

DEDICATED REVENUES

Intergovernmental Revenues (consisting of Constitutional Officers, Health and Human Services, and State & Federal subsidies) of $5,917,552 are 35.0%, or $3,181,650 less than FY 2018 budget projection. This is due to the timing of submitting and receiving reimbursements.

EXPENDITURES

- Operating Expenditures:

  The percentage of operating expenditures spent through the first quarter of FY 2018, 27.0%, is on target with budget projections.

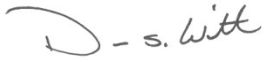
- Debt Service

  Debt Service expenditures are on pace with FY 2018 budget projections.

SUMMARY

This report represents three months of fiscal activity. Financial Services staff is working closely with the Commissioner of Revenue to analyze the assessment and collection of taxes and better understand the new trends. As the year progresses, revised estimates for revenues and expenditures will be presented to reflect the impact of changes.

Respectfully submitted,



Donna S. Witt
Director of Financial Services

cc: Bonnie Svrcek, City Manager
Charles Hartgrove, Deputy City Manager
Rhonda Allbeck, Assistant Director of Financial Services

Fiscal Year	Fiscal Calendar 2018
Fiscal Quarter of Year	Fiscal Q 1
Fiscal Month of Year	(Multiple Items)
Fund	1001 General Fund
Account Type	Revenue
Process Status	Posted

Revenues	Adopted Budget	Budget Amendment	Amended Budget	Actual Amount 9/30/17	Remaining Budget w/o Encumbrances	Percentage of Amended Budget	Actual Amount 9/30/16
100 Taxes							
02110 - Current Real Property Tax	57,013,183	-	57,013,183	1,413,162	55,600,021	2.5%	2,711,871
02110 - Delinquent Real Prop Tax	1,575,000	-	1,575,000	132,230	1,442,770	8.4%	347,091
02110 - Tax Relief For Elderly	(700,000)	-	(700,000)	(615,820)	(84,180)	88.0%	(643,883)
02110 - Tax Relief-Rehab.RealProp	(675,000)	-	(675,000)	(703,064)	28,064	104.2%	(664,367)
02120 - Current PSC Taxes	2,425,000	-	2,425,000	-	2,425,000	0.0%	-
02130 - Curr Pers Property Tx PCI	17,557,000	-	17,557,000	1,802,740	15,754,260	10.3%	1,653,403
02130 - Delinquent PP Tax PCI	1,075,000	-	1,075,000	73,517	1,001,483	6.8%	101,707
02130 - Recovery-C/O Pers Prop Tx	-	-	-	-	-	0.0%	7,479
02170 - Interest-Delinquent Taxes	395,000	-	395,000	84,646	310,354	21.4%	184,145
02170 - Penalty-Delinquent Taxes	640,000	-	640,000	101,885	538,115	15.9%	169,942
02510 - Local Sales And Use Taxes	15,465,700	-	15,465,700	1,134,520	14,331,180	7.3%	1,152,527
02515 - Consumer Util Tx-Electric	3,790,000	-	3,790,000	663,285	3,126,715	17.5%	683,935
02515 - Consumer Utility Tax-Gas	600,000	-	600,000	49,242	550,758	8.2%	49,088
02515 - Right of Way Fees	250,000	-	250,000	35,831	214,169	14.3%	2,686
02517 - Communication Sale&Use Tx	3,123,400	-	3,123,400	255,280	2,868,120	8.2%	265,192
02520 - Business License Taxes	8,283,649	-	8,283,649	30,355	8,253,294	0.4%	13,853
02520 - Consumption Tax Electric	315,000	-	315,000	54,646	260,354	17.3%	56,464
02520 - Consumption Tax Gas	30,000	-	30,000	2,461	27,539	8.2%	2,475
02520 - Pen&Int-Business License	90,000	-	90,000	15,715	74,285	17.5%	16,230
02530 - Delinquent MtrVeh LicFee	180,090	-	180,090	8,199	171,891	4.6%	8,093
02530 - Motor Vehicle LicensesPCI	1,559,440	-	1,559,440	78,371	1,481,069	5.0%	83,264
02535 - Bank Stock Taxes	775,000	-	775,000	-	775,000	0.0%	-
02540 - Probate Taxes	15,000	-	15,000	6,642	8,358	44.3%	5,675
02540 - Recordation Taxes-City	475,000	-	475,000	50,266	424,734	10.6%	109,840
02545 - Tobacco Taxes	850,000	-	850,000	218,910	631,090	25.8%	238,989
02550 - Amusement Tax	700,000	-	700,000	120,643	579,357	17.2%	122,558
02550 - Penalty/Int-Amusement Tx	-	-	-	1,151	(1,151)	0.0%	93
02555 - Lodging Tax	2,783,000	-	2,783,000	473,183	2,309,817	17.0%	375,289
02555 - Penalty/Interest-Lodging	-	-	-	2,950	(2,950)	0.0%	388
02560 - Meals Tax	14,400,000	-	14,400,000	2,250,381	12,149,619	15.6%	2,187,223
02560 - Penalty/Interest-Meals Tx	75,000	-	75,000	13,448	61,552	17.9%	20,247
100 Taxes Total	**133,065,462**	**-**	**133,065,462**	**7,754,778**	**125,310,684**	**5.8%**	**9,261,498**
110 Permits, Fees, & Licenses							
03005 - Animal Licenses	10,000	-	10,000	1,451	8,549	14.5%	1,205
03010 - Annual/Periodic Insp Fee	12,500	-	12,500	1,050	11,450	8.4%	900
03010 - Building Insp Permit Fee	438,000	-	438,000	134,303	303,697	30.7%	186,993
03010 - Building Plan Review	40,000	-	40,000	11,379	28,621	28.4%	17,710
03010 - Concealed Weapons Permit	25,000	-	25,000	6,018	18,982	24.1%	10,574
03010 - Conditional Use Permits	2,000	-	2,000	646	1,354	32.3%	400
03010 - Demolition Fees	5,500	-	5,500	1,800	3,700	32.7%	3,100
03010 - Elev Admin Fee Pen & Int	-	-	-	39	(39)	0.0%	154
03010 - Elevator Inspec Admin Fee	20,000	-	20,000	8,295	11,705	41.5%	9,369
03010 - False Alarm Serv Assessmt	100,000	-	100,000	5,726	94,275	5.7%	4,275
03010 - Land Disturbing Fees	20,000	-	20,000	4,684	15,317	23.4%	3,158
03010 - Land Use Application Fees	-	-	-	-	-	0.0%	-
03010 - Legal Notice Advertising	16,000	-	16,000	6,794	9,206	42.5%	8,219
03010 - Misc Permit Fee & License	2,000	-	2,000	1,710	290	85.5%	360
03010 - Mobile Vendor License Fee	-	-	-	400	(400)	0.0%	-
03010 - Penalty and Interest-Vacant Building Registration Fee	-	-	-	230	(230)	0.0%	-
03010 - Permit Parking Fees	190,000	-	190,000	49,225	140,775	25.9%	43,023
03010 - Precious Metal Premits	1,600	-	1,600	200	1,400	12.5%	600
03010 - Rental Insp-Annual No/Shw	-	-	-	300	(300)	0.0%	50
03010 - Rental Inspec- Pre Court	-	-	-	200	(200)	0.0%	50
03010 - Rental Intial Ins/NoShow	-	-	-	500	(500)	0.0%	-
03010 - Rental Intial Inspection	-	-	-	550	(550)	0.0%	400
03010 - Rental Reinspect/FollowUp	-	-	-	450	(450)	0.0%	350
03010 - Re-zoning Fees	10,000	-	10,000	1,996	8,004	20.0%	6,082
03010 - Sign Insp Permit Fee	5,400	-	5,400	1,850	3,550	34.3%	1,800
03010 - Site Plan Reviews	19,500	-	19,500	4,049	15,451	20.8%	4,487
03010 - Subdivision Plat Review	12,000	-	12,000	900	11,100	7.5%	4,797
03010 - Taxicab Application Fees	5,100	-	5,100	925	4,175	18.1%	1,275
03010 - Transfer Fees	1,600	-	1,600	610	990	38.1%	689
03010 - Vacant Building Registration Fee	-	-	-	3,834	(3,834)	0.0%	-
03010 - Zoning Appeal Fees-Inspc	800	-	800	150	650	18.8%	(990)
110 Permits, Fees, & Licenses Total	**937,000**	**-**	**937,000**	**250,263**	**686,737**	**26.7%**	**309,028**
120 Fines & Forfeitures							
03510 - Court Fines And Forfeit.	440,000	-	440,000	25,569	414,431	5.8%	77,409
03510 - Criminal Court Fees	2,500	-	2,500	241	2,259	9.6%	508
03510 - Parking Fines	125,000	-	125,000	14,849	110,151	11.9%	15,165
120 Fines & Forfeitures Total	**567,500**	**-**	**567,500**	**40,659**	**526,841**	**7.2%**	**93,082**
130 Use of Money & Property							
04010 - Interest on Investment	100,000	-	100,000	20,416	79,584	20.4%	(17,549)

Revenues	Adopted Budget	Budget Amendment	Amended Budget	Actual Amount 9/30/17	Remaining Budget w/o Encumbrances	Percentage of Amended Budget	Actual Amount 9/30/16
04010 - Interest-City Capital	50,000	-	50,000	33,041	16,959	66.1%	21,272
04010 - Interest-Health Ins Resrv	15,000	-	15,000	(5,774)	20,774	-38.5%	4,375
04010 - Interest-OPEB	4,000	-	4,000	6,613	(2,613)	165.3%	3,292
04010 - Interest-School Capital	-	-	-	-	-	0.0%	-
04010 - Interest-SNAP Income	30,000	-	30,000	48,651	(18,651)	162.2%	30,873
04010 - Interst-MktValueGain/Loss	-	-	-	47,661	(47,661)	0.0%	25,786
04020 - Culture & Rec. Prop Rent	15,070	-	15,070	3,768	11,303	25.0%	7,535
04020 - Dwntwn Parking Deck Lease	90,000	-	90,000	20,718	69,283	23.0%	21,965
04020 - Gen Govt Property Rental	85,000	-	85,000	21,510	63,490	25.3%	23,018
04020 - Human Services Prop Rent	100,000	-	100,000	25,000	75,000	25.0%	25,000
04020 - Market Rent- Pen & Int	560	-	560	100	460	17.8%	95
04020 - Prop Rental-Market/Park.	105,000	-	105,000	20,264	84,736	19.3%	27,170
04020 - Prop Rental-Stadium	3,200	-	3,200	1,610	1,590	50.3%	560
04020 - Public Safety Prop Rent	36,250	-	36,250	-	36,250	0.0%	36,250
04020 - Public Works Prop Rental	-	-	-	-	-	0.0%	-
04020 - Rental Miller Center	-	-	-	-	-	0.0%	-
130 Use of Money & Property Total	**634,080**	**-**	**634,080**	**243,577**	**390,503**	**38.4%**	**209,641**
140 Charges for Services							
04510 - Collection & Tax Lien Fees	25,000	-	25,000	2,979	22,022	11.9%	5,216
04510 - DMV Admin Fee	240,100	-	240,100	76,196	163,904	31.7%	75,995
04510 - DMV Select Agency	25,000	-	25,000	9,906	15,094	39.6%	9,229
04510 - Indirect Cost & Svc- Community Corrections	-	-	-	4,968	(4,968)	0.0%	-
04510 - Indirect Cost&Srvc Airprt	155,501	-	155,501	38,875	116,626	25.0%	28,527
04510 - Indirect Cost&Srvc Sewer	247,246	-	247,246	61,810	185,436	25.0%	56,512
04510 - Indirect Cost&Srvc Water	1,045,633	-	1,045,633	261,409	784,224	25.0%	195,306
04510 - Indirect Cost&Srvc WWTP	608,114	-	608,114	152,030	456,084	25.0%	133,976
04510 - Indirect Cost&Svc DetHome	259,063	-	259,063	64,766	194,297	25.0%	54,735
04510 - Indirect Cost&Svc Strmwtr	235,717	-	235,717	58,930	176,787	25.0%	(18,801)
04510 - Processng Fee - Payroll deduction	6,500	-	6,500	1,400	5,100	21.5%	1,630
04510 - Sale of GIS Maps & Data	300	-	300	38	262	12.7%	35
04515 - CA Coll Fees- Circuit Crt	62,600	-	62,600	14,068	48,532	22.5%	13,942
04515 - CA Coll Fees- Gen Dist Ct	65,000	-	65,000	(37,912)	102,912	-58.3%	17,360
04515 - CA Coll Fees- J&D Court	10,050	-	10,050	1,613	8,437	16.1%	1,234
04515 - Commonwealth Atty.Fees	7,000	-	7,000	1,712	5,288	24.5%	3,359
04515 - Court Rm Sheriff Fee $5	80,000	-	80,000	15,240	64,760	19.1%	19,817
04515 - Document Reprod Costs	8,000	-	8,000	2,095	5,905	26.2%	2,667
04515 - Fees For Court Officers	7,244	-	7,244	7,244	(0)	100.0%	7,244
04515 - Legal Service Charges	40,000	-	40,000	-	40,000	0.0%	-
04515 - Non Consecutive Jail Fee	-	-	-	63	(63)	0.0%	-
04515 - Probation Supervisor Fee	13,789	-	13,789	2,546	11,243	18.5%	2,354
04520 - $250 DUI Fees	-	-	-	1,700	(1,700)	0.0%	2,459
04520 - Ambulance Service Fees	2,750,000	-	2,750,000	364,581	2,385,419	13.3%	387,877
04520 - Criminal Records Check	3,000	-	3,000	-	3,000	0.0%	915
04520 - Delinq Ambulance>120 Days	115,000	-	115,000	17,539	97,461	15.3%	28,379
04520 - Fire Prevention Fees	3,500	-	3,500	900	2,600	25.7%	1,125
04520 - Lcl Reimb-COL Confd Space	50,000	-	50,000	12,500	37,500	25.0%	12,500
04520 - PD Off Duty	1,200,000	-	1,200,000	247,495	952,505	20.6%	255,279
04520 - PIER Contract Payments	32,500	-	32,500	26,000	6,500	80.0%	28,000
04520 - Police Report Sales	13,500	-	13,500	3,670	9,830	27.2%	3,430
04520 - Police-Schools DARE Prog	98,300	-	98,300	-	98,300	0.0%	-
04520 - Range Use Fee	16,000	-	16,000	15,000	1,000	93.8%	12,000
04525 - Bldg Maint Charge-Other	20,461	-	20,461	2,536	17,926	12.4%	5,071
04525 - Downtown Parking Fees	30,000	-	30,000	3,636	26,364	12.1%	6,461
04525 - Engineering Serv.Charges	-	-	-	-	-	0.0%	0
04525 - PW Admin Stormwater Chrgs	127,703	-	127,703	4,526	123,177	3.5%	4,637
04525 - PW Eng Stormwater Chrgs	18,211	-	18,211	2,391	15,820	13.1%	2,097
04525 - PW Streets StormwaterChrg	144,044	-	144,044	-	144,044	0.0%	-
04525 - Resid.Disposal-Decals	790,000	-	790,000	613,459	176,541	77.7%	560,202
04525 - Trash Bag Srvc-Waste Zero	170,000	-	170,000	26,432	143,568	15.5%	30,797
04530 - CSA Service Providers	77,980	-	77,980	-	77,980	0.0%	-
04530 - Local Reimb-Opportunity	381,359	-	381,359	-	381,359	0.0%	-
04530 - Local Reimb-Sparc House	420,137	-	420,137	-	420,137	0.0%	-
04530 - Lynchburg Youth Group Home Charges	-	-	-	99,489	(99,489)	0.0%	155,297
04530 - Soc Svcs Court Order Fees	-	-	-	(91)	91	0.0%	-
04535 - Delinq Library Fines&Fees	4,000	-	4,000	190	3,810	4.8%	566
04535 - Delinq Library Lost/Dmg	5,000	-	5,000	402	4,598	8.0%	629
04535 - Delinq Library Pen & Int	2,000	-	2,000	79	1,921	4.0%	121
04535 - Law Library Fees	30,000	-	30,000	8,463	21,537	28.2%	8,774
04535 - Library Fines And Fees	60,000	-	60,000	13,681	46,319	22.8%	13,775
04535 - Lost/Damaged Library Prop	5,000	-	5,000	2,087	2,913	41.7%	1,284
04535 - Point of Honor Adm Fees	11,000	-	11,000	3,617	7,383	32.9%	3,269
04535 - Recreation Program Fees	461,500	-	461,500	109,089	352,411	23.6%	105,949
04535 - Swimming Pool Fees	24,000	-	24,000	21,118	2,882	88.0%	13,572
04540 - Com Devl Stormwater Chrgs	495,590	-	495,590	123,899	371,691	25.0%	98,213
04599 - Secure Vacant Stru Reimb	-	-	-	341	(341)	0.0%	1,089
04599 - Weed Ordinance Program	24,000	-	24,000	11,275	12,725	47.0%	8,683
140 Charges for Services Total	**10,725,642**	**-**	**10,725,642**	**2,475,982**	**8,249,660**	**23.1%**	**2,362,785**
150 Miscellaneous Revenue							
05030 - Suspense Revenue/Exp Ref	-	-	-	100	(100)	0.0%	0
05050 - Cash Overage And Shortage	-	-	-	(88)	88	0.0%	(462)

Revenues	Adopted Budget	Budget Amendment	Amended Budget	Actual Amount 9/30/17	Remaining Budget w/o Encumbrances	Percentage of Amended Budget	Actual Amount 9/30/16
05050 - Community Handbook Ad Sales	-	-	-	-	-	0.0%	-
05050 - Credit Card Rebate	100,000	-	100,000	-	100,000	0.0%	-
05050 - Dedicated Misc Rev HumSvc	-	-	-	(4,819)	4,819	0.0%	-
05050 - Digg's Trust Rec-Pt Honor	36,900	-	36,900	10,200	26,700	27.6%	10,200
05050 - Friends of Lynchburg Library	7,250	-	7,250	1,813	5,438	25.0%	-
05050 - Gifts And Misc.	2,000	-	2,000	1,359	641	67.9%	907
05050 - Miscellaneous Revenue	57,000	-	57,000	8,206	48,794	14.4%	33,748
05050 - P&R Spec Evnt Sponsership	-	-	-	912	(912)	0.0%	600
05050 - Parking Lease Agreement	100,000	-	100,000	25,718	74,282	25.7%	26,869
05050 - Photo Reprod And Royalty	400	-	400	7	393	1.8%	110
05050 - Pmt In Lieu Tax-WestCntbr	52,900	-	52,900	-	52,900	0.0%	-
05050 - PointOfHonr-GiftShopSales	1,000	-	1,000	-	1,000	0.0%	2,000
05050 - Proceeds frm PropRoom.com	-	-	-	605	(605)	0.0%	18
05050 - Pymt In Lieu of Tax-LRHA	25,000	-	25,000	-	25,000	0.0%	-
05050 - Reimb.POH Carriage House	26,300	-	26,300	6,938	19,363	26.4%	6,938
05050 - RSA Profit Sharing	400,000	-	400,000	(291,903)	691,903	-73.0%	-
05050 - Sale-Salvage/Surplus Prop	-	-	-	-	-	0.0%	5,153
05050 - Tourism Misc Revenue	-	-	-	-	-	0.0%	481
05050 - Trash Bag&Decal Violation	5,000	-	5,000	1,450	3,550	29.0%	1,255
05050 - Trash Cart Sales	2,500	-	2,500	1,736	765	69.4%	1,365
05050 - Visitor Ctr Merchandise	23,700	-	23,700	6,760	16,940	28.5%	4,859
05050 - WardsCrossingWestSvcFee	135,923	-	135,923	-	135,923	0.0%	-
150 Miscellaneous Revenue Total	**975,873**	**-**	**975,873**	**(231,007)**	**1,206,880**	**-23.7%**	**94,041**
300 State Non-Categorical Aid							
06100 - Auto Rental Tax-DMV	280,000	-	280,000	80,734	199,266	28.8%	90,740
06100 - Deeds Of Conveyance	125,000	-	125,000	12,251	112,749	9.8%	38,153
06100 - Mobile Home Titling Taxes	1,000	-	1,000	2,174	(1,174)	217.4%	225
06100 - Personal Prop Tax Relief	5,543,584	-	5,543,584	277,179	5,266,405	5.0%	277,179
06100 - Recordation Taxes-State	150,000	-	150,000	-	150,000	0.0%	0
06100 - Rolling Stock Taxes	93,000	-	93,000	90,544	2,456	97.4%	90,407
300 State Non-Categorical Aid Total	**6,192,584**	**-**	**6,192,584**	**462,882**	**5,729,702**	**7.5%**	**496,705**
310 State Shared Exp (Cat.)							
06510 - Commissioner of Revenue	178,118	-	178,118	28,972	149,146	16.3%	24,530
06510 - Registrar/Electoral Board	53,455	-	53,455	-	53,455	0.0%	-
06510 - Treasurer	100,232	-	100,232	15,737	84,495	15.7%	15,539
06515 - Clerk of Cir Crt-Fringes	540,917	-	540,917	85,870	455,047	15.9%	83,089
06515 - Commonwealth Attorney	1,012,685	-	1,012,685	159,855	852,830	15.8%	158,881
06515 - Sheriff	1,137,474	-	1,137,474	168,553	968,921	14.8%	171,353
310 State Shared Exp (Cat.) Total	**3,022,881**	**-**	**3,022,881**	**458,987**	**2,563,894**	**15.2%**	**453,392**
320 State Categorical Aid							
06820 - HB 599 Law Enforc.Asst	2,930,790	-	2,930,790	756,288	2,174,502	25.8%	756,288
06820 - Juvenile Correct-Block Gt	247,716	-	247,716	61,929	185,787	25.0%	61,929
06820 - Wireless E911	258,254	-	258,254	49,139	209,115	19.0%	47,173
06825 - Street And Highway Maint.	8,026,949	-	8,026,949	2,017,389	6,009,560	25.1%	2,840,347
06830 - Finance-Social Srvc-State	103,769	-	103,769	-	103,769	0.0%	11,916
06830 - Health Department	125,000	-	125,000	-	125,000	0.0%	-
06830 - SS State Adm Sub 0901	2,116,743	-	2,116,743	335,482	1,781,261	15.8%	268,204
06830 - SS State Prog Sub 0902	5,685,016	-	5,685,016	393,589	5,291,427	6.9%	586,106
06835 - Finan Asst-Public Library	156,415	-	156,415	38,922	117,493	24.9%	39,104
06835 - SNAP Prog-Double Dollar	2,000	-	2,000	475	1,525	23.8%	300
06835 - SNAP Program Reimb	15,000	-	15,000	5,025	9,975	33.5%	3,870
06835 - VDH- We Got the Beet Campaign	-	-	-	18,915	(18,915)	0.0%	-
320 State Categorical Aid Total	**19,667,652**	**-**	**19,667,652**	**3,677,153**	**15,990,499**	**18.7%**	**4,615,236**
330 State Aid in Suspense							
05030 - Suspense Rev-Va EDI Pmts	-	-	-	-	-	0.0%	0
330 State Aid in Suspense Total	**-**	**-**	**-**	**-**	**-**	**0.0%**	**0**
510 Federal Direct Cat. Aid							
07540 - IRS Int Subs 8/09 BABsSCH	211,000	-	211,000	106,119	104,881	50.3%	106,233
07540 - IRS Int Subsidy 8/09 BABs	60,000	-	60,000	30,589	29,412	51.0%	30,621
510 Federal Direct Cat. Aid Total	**271,000**	**-**	**271,000**	**136,708**	**134,292**	**50.4%**	**136,855**
520 Fed Cat Aid- Pass Thru							
07825 - B&G Chrgs Commerce St Bld	48,000	-	48,000	8,860	39,140	18.5%	8,980
07830 - Fed Pass Thru:Cost AIIDMG	400,000	-	400,000	-	400,000	0.0%	-
07830 - Finance-Social Srvc-Fed	163,685	-	163,685	-	163,685	0.0%	17,268
07830 - SS Fed Adm Sub 0901	3,477,081	-	3,477,081	868,872	2,608,209	25.0%	695,510
07830 - SS Fed Prog Sub 0902	3,024,138	-	3,024,138	283,604	2,740,534	9.4%	424,849
07875 - FINI Double-Dollars	-	-	-	(1,145)	1,145	0.0%	-
07875 - Human Service Lease	129,786	-	129,786	21,631	108,155	16.7%	21,631
520 Fed Cat Aid- Pass Thru Total	**7,242,690**	**-**	**7,242,690**	**1,181,822**	**6,060,868**	**16.3%**	**1,168,238**
700 Proceed From Indebtedness							
08510 - Refndng Bds Proc Prem Sch	-	1,142,543	1,142,543	1,142,543	0	100.0%	-
08510 - Refunding Bond Proc Prem	-	550,958	550,958	550,958	1	100.0%	-
08510 - Refunding Bond Proceeds	-	5,010,093	5,010,093	5,010,093	-	100.0%	-
08510 - Refundng Bnd Proceeds Sch	-	10,148,509	10,148,509	10,148,508	1	100.0%	-
700 Proceed From Indebtedness Total	**-**	**16,852,103**	**16,852,103**	**16,852,102**	**1**	**100.0%**	**-**
Grand Total	**183,302,364**	**16,852,103**	**200,154,467**	**33,303,905**	**166,850,562**	**16.6%**	**19,200,500**

Fiscal Year	Fiscal Calendar 2018
Fiscal Quarter of Year	Fiscal Q 1
Fund	1001 General Fund
Account Type	Expenses
Process Status	Posted

Expenditures	Adopted Budget	Budget Amendment	Amended Budget	Actual Amount 9/30/17	Remaining Budget w/ Encumbrances	Percentage Used w/ Encumbrances	Actual Amount 9/30/16
2022 Communications/Marketing							
0021 Public Information	509,261	58,791	568,052	188,907	365,005	35.7%	93,229
0022 Customer Service Center	128,776	-	128,776	27,373	101,403	21.3%	28,374
0029 Local Government Channel	176,553	-	176,553	34,411	142,142	19.5%	33,817
2022 Communications/Marketing Total	**814,590**	**58,791**	**873,381**	**250,691**	**608,550**	**30.3%**	**155,420**
2023 Council / Manager							
0028 Council / Manager	1,080,910	34,796	1,115,706	278,015	811,568	27.3%	255,895
0033 Parking Division	502,460	4,031	506,491	109,429	397,062	21.6%	112,695
2023 Council / Manager Total	**1,583,370**	**38,827**	**1,622,197**	**387,443**	**1,208,630**	**25.5%**	**368,589**
2027 Tourism							
0044 Tourism	1,086,927	7,174	1,094,101	303,849	740,938	32.3%	174,382
0045 Visitors Center	152,718	-	152,718	25,651	125,662	17.7%	33,795
2027 Tourism Total	**1,239,645**	**7,174**	**1,246,819**	**329,500**	**866,600**	**30.5%**	**208,176**
2030 City Attorney							
0050 City Attorney	761,443	-	761,443	156,970	604,473	20.6%	153,794
0051 Risk Management	601,049	-	601,049	150,262	450,787	25.0%	129,344
2030 City Attorney Total	**1,362,492**	**-**	**1,362,492**	**307,232**	**1,055,260**	**22.5%**	**283,137**
2035 State Treasurer							
0060 State Treasurer	172,048	-	172,048	37,235	134,813	21.6%	34,210
2035 State Treasurer Total	**172,048**	**-**	**172,048**	**37,235**	**134,813**	**21.6%**	**34,210**
2040 Commissioner Of Revenue							
0070 Com Rev-State/Loc Budget	781,878	294	782,172	141,383	638,994	18.3%	140,497
2040 Commissioner Of Revenue Total	**781,878**	**294**	**782,172**	**141,383**	**638,994**	**18.3%**	**140,497**
2045 City Assessor							
0080 City Assessor	730,041	35,891	765,932	169,953	584,777	23.7%	146,658
2045 City Assessor Total	**730,041**	**35,891**	**765,932**	**169,953**	**584,777**	**23.7%**	**146,658**
2050 Finance							
0090 Director Of Finance	684,171	6,110	690,281	123,370	552,317	20.0%	149,580
0093 Billings And Collections	1,300,055	31,183	1,331,238	261,005	811,862	39.0%	274,652
0094 Procurement	310,299	763	311,062	67,799	243,263	21.8%	67,738
0095 Accounting	969,678	55,380	1,025,058	196,697	665,348	35.1%	203,491
0096 Budget	-	-	-	-	-	0.0%	-
0097 Human Services-Finance	-	-	-	5	(5)	0.0%	61,006
2050 Finance Total	**3,264,203**	**93,436**	**3,357,639**	**648,877**	**2,272,784**	**32.3%**	**756,465**
2055 Human Resources							
0110 Human Resources	821,442	62,900	884,342	181,340	688,573	22.1%	160,481
0111 Occupational Health Svs	123,160	14,995	138,155	6,353	116,807	15.5%	21,402
2055 Human Resources Total	**944,602**	**77,895**	**1,022,497**	**187,693**	**805,381**	**21.2%**	**181,884**
2057 Information Technology							
0115 Application Services	1,328,078	-	1,328,078	284,949	1,043,129	21.5%	426,689
0116 Network Services	1,692,870	-	1,692,870	362,490	1,330,380	21.4%	372,380
0117 I T Administration	358,318	7,807	366,125	76,622	284,454	22.3%	78,140
0125 GIS	300,229	-	300,229	93,963	206,266	31.3%	98,982
2057 Information Technology Total	**3,679,495**	**7,807**	**3,687,302**	**818,024**	**2,864,229**	**22.3%**	**976,191**
2065 Registrar							
0150 Registrar	191,093	2,209	193,302	38,986	152,535	21.1%	44,379
0151 Electoral Board	105,124	-	105,124	6,428	98,696	6.1%	3,489
2065 Registrar Total	**296,217**	**2,209**	**298,426**	**45,414**	**251,231**	**15.8%**	**47,869**
2090 Education							
0200 Lcl Sch Oper Contribution	42,028,498	-	42,028,498	5,500,000	36,528,498	13.1%	5,500,000
2090 Education Total	**42,028,498**	**-**	**42,028,498**	**5,500,000**	**36,528,498**	**13.1%**	**5,500,000**
2105 Circuit Court-Judge							
0300 Circuit Court-Judge	164,042	-	164,042	28,321	132,431	19.3%	31,321
2105 Circuit Court-Judge Total	**164,042**	**-**	**164,042**	**28,321**	**132,431**	**19.3%**	**31,321**
2110 General District Court							
0310 General District Court	68,323	1,175	69,498	3,880	65,203	6.2%	4,820
2110 General District Court Total	**68,323**	**1,175**	**69,498**	**3,880**	**65,203**	**6.2%**	**4,820**
2115 Juvenile & Dr Dist Court							
0320 Juvenile & Dr Dist Court	15,024	8	15,032	1,734	9,030	39.9%	1,595
2115 Juvenile & Dr Dist Court Total	**15,024**	**8**	**15,032**	**1,734**	**9,030**	**39.9%**	**1,595**
2120 24th Court Service Unit							

Expenditures	Adopted Budget	Budget Amendment	Amended Budget	Actual Amount 9/30/17	Remaining Budget w/ Encumbrances	Percentage Used w/ Encumbrances	Actual Amount 9/30/16
0330 24th Court Service Unit	1,550	-	1,550	0	1,550	0.0%	48
2120 24th Court Service Unit Total	**1,550**	**-**	**1,550**	**0**	**1,550**	**0.0%**	**48**
2125 Commonwealth's Attorney							
0340 Commonwealth Attorney	1,630,711	-	1,630,711	370,980	1,257,467	22.9%	401,877
0343 Com Aty Fines & Fees Coll	62,075	-	62,075	12,708	48,115	22.5%	13,292
2125 Commonwealth's Attorney Total	**1,692,786**	**-**	**1,692,786**	**383,688**	**1,305,583**	**22.9%**	**415,169**
2130 Magistrate's Office							
0350 Magistrate's Office	3,977	560	4,537	547	3,637	19.8%	1,363
2130 Magistrate's Office Total	**3,977**	**560**	**4,537**	**547**	**3,637**	**19.8%**	**1,363**
2135 Circuit Court-Clerk							
0360 Circuit Court-Clerk	878,241	-	878,241	182,895	695,346	20.8%	173,360
2135 Circuit Court-Clerk Total	**878,241**	**-**	**878,241**	**182,895**	**695,346**	**20.8%**	**173,360**
2200 City Sheriff							
0400 City Sheriff And Jail	2,066,184	-	2,066,184	471,959	1,594,225	22.8%	487,023
2200 City Sheriff Total	**2,066,184**	**-**	**2,066,184**	**471,959**	**1,594,225**	**22.8%**	**487,023**
2240 Police							
0420 Police Operations	16,313,258	227,186	16,540,444	3,820,580	12,438,494	24.8%	3,863,417
0421 Animal Warden	335,003	-	335,003	66,439	268,564	19.8%	59,451
0429 Range Operations	15,000	-	15,000	7,838	6,075	59.5%	860
0430 Police Off Duty Employmnt	1,174,269	-	1,174,269	203,960	970,309	17.4%	188,106
2240 Police Total	**17,837,530**	**227,186**	**18,064,716**	**4,098,817**	**13,683,442**	**24.3%**	**4,111,834**
2245 Emergency Services							
0422 Emergency Communications	2,692,950	17,915	2,710,865	608,010	2,088,395	23.0%	623,215
2245 Emergency Services Total	**2,692,950**	**17,915**	**2,710,865**	**608,010**	**2,088,395**	**23.0%**	**623,215**
2270 Fire							
0444 Fire Operations And Ems	15,811,012	220,524	16,031,536	3,611,519	12,226,900	23.7%	3,712,717
0446 TRT- PIER Program	82,500	-	82,500	43,992	35,336	57.2%	39,163
2270 Fire Total	**15,893,512**	**220,524**	**16,114,036**	**3,655,511**	**12,262,236**	**23.9%**	**3,751,880**
2400 Public Works							
0600 Public Works Administrat.	900,299	1,154	901,453	185,747	704,702	21.8%	179,117
0605 Engineering	3,740,448	102,130	3,842,578	718,704	2,947,754	23.3%	791,510
0632 Street Maintenance,Ii	3,258,743	440,120	3,698,863	504,337	2,185,230	40.9%	648,624
0635 Snow Removal	276,437	83,591	360,028	92,400	267,628	25.7%	19,525
0640 Refuse Collection	3,025,556	19,768	3,045,324	569,985	1,345,112	55.8%	567,185
0645 Parks/Grounds Maintenance	2,817,224	131,744	2,948,968	708,650	2,097,651	28.9%	704,928
0649 Baseball Stadium Maint	112,023	-	112,023	24,602	87,421	22.0%	36,639
0650 Building Maintenance	3,800,184	124,009	3,924,193	869,849	2,861,660	27.1%	872,826
0660 Human Services Maint.	239,510	19,353	258,863	66,192	177,882	31.3%	45,496
2400 Public Works Total	**18,170,424**	**921,869**	**19,092,293**	**3,740,465**	**12,675,040**	**33.6%**	**3,865,850**
2555 Health							
0800 Health Operations	830,977	-	830,977	207,744	-	100.0%	207,744
2555 Health Total	**830,977**	**-**	**830,977**	**207,744**	**-**	**100.0%**	**207,744**
2561 Juvenile Services							
0904 Juvenile Service Admin.	309,521	-	309,521	41,785	267,736	13.5%	51,732
0905 Juvenile Detention Home	400,000	-	400,000	82,152	317,848	20.5%	135,554
0906 Lynchburg Youth Group Home	1,189,208	3,799	1,193,007	249,613	938,281	21.4%	257,511
0908 Sparc House	-	-	-	-	-	0.0%	(0)
0915 Csa Service Providers	2,093,506	-	2,093,506	17,327	2,076,179	0.8%	(298,999)
0929 Lynchburg Outreach Prog	189,712	209	189,921	39,965	149,955	21.0%	40,506
2561 Juvenile Services Total	**4,181,947**	**4,008**	**4,185,955**	**430,843**	**3,749,999**	**10.4%**	**186,304**
2562 Social Services							
0901 Social Services Admin.	7,946,271	20,707	7,966,978	1,702,254	6,243,258	21.6%	1,620,962
0902 Public Assistance	8,875,981	44,550	8,920,531	1,644,839	7,231,142	18.9%	1,907,419
2562 Social Services Total	**16,822,252**	**65,257**	**16,887,509**	**3,347,093**	**13,474,400**	**20.2%**	**3,528,381**
2563 Recreation Services							
0116 Network Services	84,443	2,206	86,649	4,166	82,483	4.8%	21,759
1002 Parks/Rec/Market	397,927	5,572	403,499	116,518	283,099	29.8%	99,147
1010 Recreation, General Admin	533,097	10,937	544,034	148,456	389,293	28.4%	153,876
1011 Recreation Services	137,553	-	137,553	12,229	125,324	8.9%	-
1013 Recreation, Athletic	145,111	-	145,111	27,596	117,515	19.0%	31,844
1015 Recreation, Park Services	665,394	4,811	670,205	146,013	522,230	22.1%	151,620
1022 Recreation, Aquatics	99,898	-	99,898	40,836	59,062	40.9%	41,536
1023 Recreation, Naturalist	178,760	-	178,760	30,818	147,942	17.2%	34,943
1024 Special Events-Cty Sponsr	77,476	-	77,476	-	77,476	0.0%	-
1027 Recreation Programs	520,469	-	520,469	120,007	400,462	23.1%	119,270
1028 City-wide Centers	276,307	-	276,307	58,427	217,880	21.1%	63,008
1029 Neighborhood Centers	620,324	-	620,324	136,689	483,635	22.0%	129,793

Expenditures	Adopted Budget	Budget Amendment	Amended Budget	Actual Amount 9/30/17	Remaining Budget w/ Encumbrances	Percentage Used w/ Encumbrances	Actual Amount 9/30/16
2563 Recreation Services Total	**3,736,759**	**23,526**	**3,760,285**	**841,755**	**2,906,401**	**22.7%**	**846,796**
2610 Libraries And Museums							
1100 Public Library	1,463,525	-	1,463,525	323,392	1,128,902	22.9%	322,143
1120 Law Library	12,000	-	12,000	1,606	10,394	13.4%	2,982
2610 Libraries And Museums Total	**1,475,525**	**-**	**1,475,525**	**324,998**	**1,139,296**	**22.8%**	**325,124**
2611 Museum System							
1150 Museum	472,971	-	472,971	98,936	371,896	21.4%	96,518
2611 Museum System Total	**472,971**	**-**	**472,971**	**98,936**	**371,896**	**21.4%**	**96,518**
2715 Community Development							
1200 Director-Comm Plan/Dev	312,567	-	312,567	64,385	243,707	22.0%	66,511
1201 Planning	335,376	-	335,376	73,220	262,156	21.8%	74,593
1202 Inspections	903,969	475	904,444	175,055	728,914	19.4%	195,969
1205 Zoning	249,139	-	249,139	53,386	195,753	21.4%	45,550
2715 Community Development Total	**1,801,051**	**475**	**1,801,526**	**366,045**	**1,430,530**	**20.6%**	**382,623**
2720 Office Of Economic Devel							
1300 Economic Development	444,629	-	444,629	183,105	261,524	41.2%	78,417
2720 Office Of Economic Devel Total	**444,629**	**-**	**444,629**	**183,105**	**261,524**	**41.2%**	**78,417**
5000 Nondept Employee Benefits							
1430 Non-allocated Emp Benefit	2,956,736	10,001	2,966,737	952,414	2,004,862	32.4%	872,017
5000 Nondept Employee Benefits Total	**2,956,736**	**10,001**	**2,966,737**	**952,414**	**2,004,862**	**32.4%**	**872,017**
5050 Non-Departmental							
1506 Water Oper Fund Payments	871,831	-	871,831	217,954	653,877	25.0%	211,294
1508 Stormwater Fee-City Bldgs	87,250	-	87,250	21,747	65,503	24.9%	21,892
1509 Stormwater Fee-School Bld	70,000	-	70,000	17,424	52,576	24.9%	17,449
1566 Managed Vacancy Program	(69,914)	-	(69,914)	-	(69,914)	0.0%	-
1567 Employee Choice Awards	20,700	-	20,700	3,206	17,494	15.5%	4,331
1568 Retirement Recognition	3,000	-	3,000	-	3,000	0.0%	-
1569 Take Your Kids to Work Dy	600	-	600	-	600	0.0%	331
1570 Emp Appreciation Luncheon	8,000	-	8,000	-	8,000	0.0%	39
1573 Payment-Fleet Capital Chg	2,445,528	-	2,445,528	545,671	1,899,857	22.3%	529,123
1574 Health Management Program	177,000	-	177,000	90,696	86,304	51.2%	12,721
1575 Employee Committee Funds	3,000	-	3,000	319	2,681	10.6%	-
1576 Line of Duty Act	140,000	-	140,000	-	140,000	0.0%	-
1578 Poverty Intiative	50,000	-	50,000	-	50,000	0.0%	-
1579 Recruitment	15,000	-	15,000	100	14,900	0.7%	891
1580 International Festival	-	-	-	175	(175)	0.0%	50
1637 City Cemetery Master Plan	132,438	-	132,438	87,642	-	100.0%	87,642
5050 Non-Departmental Total	**3,954,433**	**-**	**3,954,433**	**984,935**	**2,924,702**	**26.0%**	**885,762**
5060 Support Local/State Organ							
1702 V.P.I. Extension Service	38,397	-	38,397	1,750	-	100.0%	1,526
1705 Lynchburg Humane Society	351,697	-	351,697	351,697	-	100.0%	351,697
1707 Cent Va Area Agc On Aging	15,000	-	15,000	15,000	-	100.0%	15,000
1708 Horizon Behavioral Health	457,323	-	457,323	114,331	342,992	25.0%	114,331
1709 Cvcc Board & Related Oper	1,922	-	1,922	1,922	-	100.0%	1,906
1710 R.E.Lee Soil Conserv Dist	-	-	-	-	-	0.0%	10,000
1711 Cent Va Planning Dist Com	45,238	-	45,238	45,238	(0)	100.0%	44,778
1715 Greater Lynch. Transit Co	1,775,805	-	1,775,805	1,775,805	-	100.0%	1,675,805
1721 Blue Ridge Regional Jail	5,859,510	-	5,859,510	1,541,472	(76,594)	101.3%	2,829,025
1724 Legal Aid Society	11,699	-	11,699	11,699	-	100.0%	11,249
1739 Contrib- Amazement Square	5,604	-	5,604	-	5,604	0.0%	-
1743 Central Va Reg Radio Brd	720,393	-	720,393	432,728	287,665	60.1%	436,630
1747 The Virginian	84,125	-	84,125	-	84,125	0.0%	-
5060 Support Local/State Organ Total	**9,366,713**	**-**	**9,366,713**	**4,291,641**	**643,792**	**93.1%**	**5,491,945**
7450 Debt Service							
5985 Refunded Debt Payments	-	2,160,352	2,160,352	2,160,352	(0)	100.0%	-
5990 Principal Bonds/BANS/LOC	10,418,849	-	10,418,849	4,159,226	6,259,623	39.9%	4,154,435
5994 Interest Bonds/BANS/LOC	7,228,313	176,443	7,404,756	1,204,665	6,200,091	16.3%	993,841
5996 Debt Issuance Costs	-	290,380	290,380	223,586	66,794	77.0%	-
5997 Debt - Misc. Charges	3,000	-	3,000	-	3,000	0.0%	-
7450 Debt Service Total	**17,650,162**	**2,627,175**	**20,277,337**	**7,747,830**	**12,529,508**	**38.2%**	**5,148,276**
7570 Other Financing Uses							
9710 Operating Transfers Out	4,338,452	-	4,338,452	240,337	4,098,115	5.5%	372,068
7570 Other Financing Uses Total	**4,338,452**	**-**	**4,338,452**	**240,337**	**4,098,115**	**5.5%**	**372,068**
Grand Total	**184,414,229**	**4,442,002**	**188,856,231**	**42,016,949**	**137,870,890**	**27.0%**	**40,688,552**

The City of Lynchburg, Virginia

CITY HALL, 900 CHURCH STREET, LYNCHBURG, VIRGINIA 24504
(434) 455-3968
FAX (434) 845-0711

FINANCIAL SERVICES
OFFICE OF THE DIRECTOR

TO: City Council
Bonnie Svrcek, City Manager
Charles Hartgrove, Deputy City Manager
Valeria Chambers, Clerk of Council

FROM: Donna Witt, Director of Financial Services

DATE: November 28, 2017

RE: FY 2017 Write-Off of Uncollectible Accounts Receivable

In June 2005, an Accounts Receivable Policy was established to write-off uncollectible accounts. In accordance with the policy, the Director of Financial Services is authorized to write-off accounts on an annual basis, providing this information to Finance Committee and City Council.

Using the criteria set-forth in the Accounts Receivable Policy, a breakdown of write-offs for FY 2017 is as follows:

Account	Statute of Limitations	Write-off Year and Billing Amount	Write-Off Amount	Billing Amount	% Written-Off
Ambulance (Delinquent)	3	2013	410,713.99	958,050.47	42.87%
Amusement Taxes	5	2011	122.53	643,440.49	0.02%
Business License	5	2011	74,286.67	7,365,898.21	1.01%
Library Fines	5	2011	23,602.07	124,691.67	18.93%
Lodging Tax	5	2011	586.83	1,892,048.19	0.03%
Meals Taxes	5	2011	61,212.29	11,997,870.19	0.51%
Miscellaneous Invoices	3	2013	15,926.11	233,019.53	6.83%
Non Sufficient Funds	3	2013	1,046.26	126,851.72	0.82%
Personal Property	5	2011	3,148.34	16,486,893.00	0.02%
Real Estate	20	1996	8,808.37	23,238,888.90	0.04%
Utility Billing System	3	2013	42,637.79	35,904,193.00	0.12%
		Total Write-Off	**$ 642,091.25**	**$ 98,971,845.37**	**0.65%**

If you have any questions, please let me know.

Thank you.

FINANCE COMMITTEE
Agenda Item Summary

MEETING DATE: **November 28, 2017**			AGENDA ITEM #.: **7**
CONSENT:	REGULAR:	WORK SESSION:	CLOSED SESSION: (Confidential)
ACTION:		INFORMATION: **X**	

ITEM TITLE: **Revenue Update**

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

SUMMARY: Five of the City's major revenue sources are taxes collected on a monthly basis: Local Sales and Use Tax, Consumer Utility Tax – Electric, Communications Sales and Use Tax, Meals Tax, and Lodging Tax. Since the last Finance Committee meeting, revenue information through September 2017 has been posted for these five revenue streams.

PRIOR ACTION(S):
This information is provided monthly to the Finance Committee.

FISCAL IMPACT:
None

CONTACT(S):
Donna Witt, Director of Financial Services, 455-3968

ATTACHMENT(S):
Comparison of Collections Budget to Actual FY 2017 – FY 2018

REVIEWED BY:

Comparison of Collections
Budget to Actual FY 2017 - FY 2018

	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018	Actual FY 2018	Actual FY 2018 to Adopted FY 2018	Actual FY 2018 to Actual FY 2017
SALES & USE TAX								
ADOPTED FY 2018 BUDGET - $15,465,700								
JULY	$1,075,816	$1,131,485	$1,207,589	$1,152,527	$1,161,098	$1,134,520	($26,578)	($18,007)
AUGUST [1]	1,098,342	1,299,763	1,198,772	1,267,330	1,276,755	1,248,275	(28,480)	($19,055)
SEPTEMBER	1,083,199	1,204,336	1,269,930	1,275,989	1,285,479	1,289,489	4,010	$13,500
TOTAL	**$3,257,357**	**$3,635,584**	**$3,676,291**	**$3,695,846**	**$3,723,332**	**$3,672,284**	**($51,048)**	**($23,562)**
CONSUMER UTILITY TAX - ELECTRIC								
ADOPTED FY 2018 BUDGET - $3,790,000								
JULY	$325,815	$321,596	$332,876	$328,501	$329,749	$335,326	$5,577	$6,825
AUGUST	318,738	305,012	333,953	355,434	356,785	327,959	($28,826)	($27,475)
SEPTEMBER	317,324	317,947	328,411	351,627	352,963	314,864	($38,099)	($36,763)
TOTAL	**$961,877**	**$944,555**	**$995,240**	**$1,035,562**	**$1,039,497**	**$978,149**	**($61,348)**	**($57,413)**
COMMUNICATIONS SALES & USE TAX								
ADOPTED FY 2018 BUDGET - $3,123,400								
JULY	$286,999	$283,594	$276,750	$265,192	$260,283	$255,279	(5,004)	($9,913)
AUGUST	284,691	281,957	270,038	269,212	260,283	263,011	2,728	($6,201)
SEPTEMBER	284,249	283,441	273,974	266,593	260,283	258,291	(1,992)	($8,302)
TOTAL	**$855,939**	**$848,992**	**$820,762**	**$800,997**	**$780,849**	**$776,581**	**($4,268)**	**($24,416)**

Comparison of Collections
Budget to Actual FY 2017 - FY 2018

	Actual Assessed FY 2015	Actual Collected FY 2015 [3]	Actual Assessed FY 2016	Actual Collected FY 2016 [3]	Actual Assessed FY 2017	Actual Collected FY 2017 [3]	Adopted FY 2018	Actual Assessed FY 2018	Actual Assessed FY 2018 to Adopted FY 2018	Actual Collected FY 2018 [3]	Actual Collected FY 2018 to Adopted FY 2018	Actual Collected FY 2018 to Assessed FY 2018
MEALS TAX												
ADOPTED FY 2018 BUDGET - $14,400,000												
JULY [2]	$1,009,124	$970,597	$1,094,079	$1,046,770	$1,124,341	$1,088,474	$1,122,617	$1,132,444	$9,827	$1,109,545	($13,072)	($22,899)
AUGUST	1,152,551	1,119,585	1,178,267	1,213,559	1,131,844	1,098,748	1,207,908	1,230,475	22,567	1,140,836	(67,072)	(89,639)
SEPTEMBER	1,107,413	1,159,391	1,187,734	1,167,356	1,201,919	1,243,540	1,222,863	1,252,868	30,005	1,295,882	73,019	43,014
TOTAL	**$3,269,088**	**$3,249,573**	**$3,460,080**	**$3,427,685**	**$3,458,104**	**$3,430,762**	**$3,553,388**	**$3,615,787**	**$62,399**	**$3,546,263**	**($7,125)**	**($69,524)**
LODGING TAX												
ADOPTED FY 2018 BUDGET - $2,783,000												
JULY [2]	$189,065	$180,395	$180,471	$180,808	$187,603	$207,361	$237,344	$249,245	$11,901	$248,422	$11,078	($823)
AUGUST	185,946	185,402	209,766	202,217	195,630	167,929	247,499	223,881	(23,618)	224,761	(22,738)	880
SEPTEMBER	173,904	173,875	204,267	206,009	184,092	215,545	232,902	222,136	(10,766)	222,577	(10,325)	441
TOTAL	**$548,915**	**$539,672**	**$594,504**	**$589,034**	**$567,325**	**$590,835**	**$717,745**	**$695,262**	**($22,483)**	**$695,760**	**($21,985)**	**$498**

[1] The August FY 2015 Sales & Use Tax Actual amount includes a one-time, $145,000 payment in taxes, which was redistributed to the City from another locality.

[2] Due to year end accounting activities, a portion of Meals and Lodging Tax revenues associated with May and June were posted in June and July.

[3] Meals and Lodging Tax data includes columns titled "Actual Collected ." The amounts in these columns include all revenue received per month regardless of whether the payment is current or delinquent.

Finance Committee Meeting – 11:30 a.m.

COUNCIL MEMBER WILDER WILL GIVE THE INVOCATION

A G E N D A
City Council Meeting of November 28, 2017

4:00 P. M.

Work Session Agenda Items

R E C O G N I TI O N S

> #1 in Digital Cities for Population Category
> Virginia Municipal League Green government Challenge Platinum Certification

4:00 p.m. – 4:20 p.m.	1.	Annual Report of the Region 2000 Local Government Council and Workforce Development Board
4:20 p.m. – 4:40 p.m.	2.	Consideration and Adoption of 2018 Legislative Agenda #R-17-_____
4:40 p.m. – 5:00 p.m.	3.	In-Fill Development Incentives for select areas of the City
5:00 p.m. – 5:05 p.m.	4.	Roll Call
5:05 p.m. –	5.	Consideration of a closed meeting for consultation with legal counsel and briefings by staff members concerning the case of *Ruth Anne L. Phillips v. City of Lynchburg,* because discussion in an open meeting would adversely affect the negotiating or litigating posture of the City and for discussion and consideration of the City Manager's, City Attorney's and Clerk of Council's performance evaluations pursuant to Sections 2.2-3711(A.)(1) and (7) of the Code of Virginia, 1950 as amended.

7:30 P.M.
City Council Agenda Items

Visit our Internet Web Site @ http://www.lynchburgva.gov

GENERAL POLICY REGARDING PUBLIC PARTICIPATION AT CITY COUNCIL MEETINGS
Each speaker shall clearly state his or her name and locality of residence.
The City Council agenda is divided into three sections.
CONSENT AGENDA: This section includes routine items. All items may be approved by one vote.
PUBLIC HEARINGS: This section includes all public hearings as required by law or as Council may direct.
Procedure:

- Staff will make a presentation.
- For Zoning petitions, the applicant or his or her representative shall have ten (10) minutes to make a presentation.
- Comments will then be solicited from those in favor.
- Comments will then be solicited from those in opposition.

During the public hearing there shall be a time limit of three (3) minutes for each individual speaker. If the speaker represents a group, there shall be a time limit of five (5) minutes. A speaker representing a group shall identify that group at the beginning of his or her remarks. A group may have only one spokesperson. After public comments have been received, for zoning petitions the applicant or the representative of the applicant, at his or her discretion, may respond with a rebuttal. There shall be a five (5) minute time limit for rebuttal. Upon the conclusion of public comments or the applicant's rebuttal the public hearing will be closed and the matter referred to Council for deliberation.
PUBLIC PRESENTATIONS: Public presentations shall be for the purpose of allowing members of the public to present any matter, which, in their opinion, deserves the attention of the Council. They shall not serve as a forum for debate with the Council. Individuals may speak up to 3 minutes; or group spokesperson up to 5 minutes. Once Council has heard a presentation from a citizen or organization on a particular subject, the citizen or organization may not make another presentation on the same subject within three (3) months of the first presentation, except by a majority vote of the members of Council present and voting.
GENERAL BUSINESS: This section includes items of a general nature to be considered by Council.
City Council may make exceptions to these rules at its discretion. Prior to a meeting, any questions which citizens may have regarding any item on the agenda may be addressed to City Council or the City Administration. The following numbers are provided for the convenience of the citizens:

CITY COUNCIL 455-3995 MAYOR 455-3995 CITY MANAGER 455-3990

A reasonable charge may be made for copying and other activities related to responding to long and involved inquiries.
CITIZENS OFTEN EXPRESS CONFLICTING AND DIVERSE POSITIONS REGARDING SPECIFIC ISSUES UNDER CONSIDERATION. TO ENCOURAGE CITIZEN PARTICIPATION AND TO AVOID INTIMIDATION TO PERSONS WHO MAY EXPRESS SOMETIMES UNPOPULAR OPINIONS, APPLAUSE, CHEERS, OR JEERS FROM THE AUDIENCE ARE NOT PERMITTED. WHEN APPEARING BEFORE CITY COUNCIL CITIZENS MAY NOT ENGAGE IN BEHAVIOR THAT INTIMIDATES OR INSULTS OTHERS, ENGAGE IN DISRUPTIVE BEHAVIOR, USE PROFANITY OR VULGAR LANGUAGE, PROMOTE PRIVATE BUSINESS VENTURES OR CAMPAIGN FOR PUBLIC OFFICE.

C0NSENT AGENDA

#6. Consideration of approving the minutes of the October 10, 2017 meeting.

#7. Consideration of approving the minutes of the November 7, 2017 Council Retreat meeting.

PUBLIC COMMENT

#8. Hear from a group representative regarding a concern (John E. Falcone).

GENERAL BUSINESS

#9. Consideration of a request from Elizabeth's Early Learning Center for Real Estate Tax Exemption.
(File: City Council)

#10. Consideration of introducing a Resolution to amend the FY 2018 Stormwater Capital Fund budget and appropriate $70,494 with resources from Stormwater Local Assistance Fund (SLAF) matching grant to reimburse costs for Fire Station No. 8 Water Quality Improvement Project.
(File: Fire) #R-17-_____

#11. Consideration of introducing a Resolution to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $36,182.98 with resources of $18,091.49 from the Bulletproof Vest Partnership 2017 Grant Program and $18,091.49 transferred from the FY 2018 General Fund Police Department ($13,703.99) and Sheriff's Office ($4,387.50) budgets to purchase 43 replacement bulletproof vests for law enforcement officers.
(File: Police) #R-17-_____

#12. Consideration of adopting an Ordinance to amend and reenact Section 5-6 of the City Code relating to the rates that are charged by the Fire Department for Ambulance Services within the City.
(File: Fire) #O-17-_____

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 28, 2017** AGENDA ITEM #: **1**

CONSENT: REGULAR: WORK SESSION: **X** CLOSED SESSION:
ACTION: INFORMATION: X (Confidential)

ITEM TITLE: **Annual Report of the Region 2000 Local Government Council and Workforce Development Board**

KEY ELEMENTS:
___Economic Development _X_Excellent Government __Natural and Built Environment ___Safe Community __Vibrant Community

RECOMMENDATION: No action required.

SUMMARY: Gary Christie of the Region 2000 Local Government Council and Ben Bowman of the Workforce Development Board will attend Council's work session to provide an Annual Report on the activities of the Local Government Council/Workforce Development Board for 2017.

PRIOR ACTION(S): N/A

FISCAL IMPACT: N/A

CONTACT(S): Bonnie Svrcek, City Manager - 455-3990

ATTACHMENT(S): Local Government Council Annual Report—FY 2017

REVIEWED BY: bms

157K

VIRGINIA'S REGION 2000
LOCAL GOVERNMENT COUNCIL

www.LocalGovernmentCouncil.org

ANNUAL REPORT

The Mission of the Local Government Council is to be a dynamic public forum for matters of regional significance; to create regional solutions by coordinating regional plans and building coalitions; and, to provide excellence in regional services to our localities and to the Commonwealth.

- DYNAMIC
- REGIONAL
- EXCELLENCE

2017

REGION 2000 SERVICES AUTHORITY

CENTRAL VIRGINIA METROPOLITAN PLANNING ORGANIZATION
CVMPO

Workforce Development Board

REGION 2000
Radio Communications Board
AMHERST COUNTY
BEDFORD COUNTY
TOWN OF BEDFORD
CITY OF LYNCHBURG

RIDESolutions
Connecting the Region's Commuters

FROM THE CHAIR

2017

WELCOME TO THE LOCAL GOVERNMENT COUNCIL ANNUAL REPORT FOR 2017

Throughout the report we're looking back at what we've done and looking forward to the opportunities for next year that we can achieve by working together. We're part of a 48-year legacy of collaboration and service to the local governments of Central Virginia/Region 2000. Collaboration has resulted in developing programs which have saved Region 2000 local governments many dollars over the years. The Local Government Council meetings give us an opportunity to communicate and think through ways to better meet challenges of tight resources and increasing demands for services.

You'll see throughout our report that the Local Government Council also works with individual jurisdictions to provide direct services, like grant writing/management, financial administration and planning and support for boards and commissions. Providing quality public services to our local, state and federal customers is one of the LGC's highest priorities.

As an entrepreneurial, service oriented public organization, the Local Government Council's Board of Directors is committed to keeping this organization actively involved in those areas that improve the quality of life in the region. We will continue to assist our member localities as we build a better understanding of the importance of regional approaches to addressing local government challenges.

Joan F. Foster

Mayor Joan Foster, City of Lynchburg
Chair, Region 2000 Local Government Council

MEMBERS

2017

Town of Altavista Virginia — Treasured past, innovative future.

Town of Amherst

Appomattox County 1845 — The Heart of Virginia

Campbell County Virginia 1781 — Dieu et Mon Droit

150 — Town of Appomattox

Bedford Since 1782 Virginia

Bedford County 1754 Virginia

Town of Brookneal Virginia

Campbell County Virginia

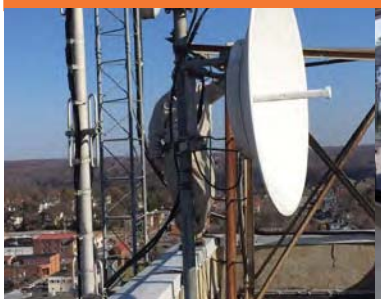
The City of Lynchburg

PROVIDING SUPPORT THROUGH:

2017

- Conducting studies on issues & problems of regional significance
- Providing technical assistance to member localities, regional and state agencies
- Developing local, regional, and site-specific transportation plans
- Conducting strategic planning services that support local, state or federal initiatives
- Providing GIS mapping and analysis services
- Leading through administrative and program services to enhance economic efficiencies
- Supporting multi-modal transportation programs to expand and enhance safety and efficiency

2017 MILESTONES



- LGC partnered with GLTC to prepare the successful launch of the Downtown Circulator Bus, the Hopper, in fall 2017.
- Governor McAuliffe announced that Appomattox County was awarded $879,760 in Community Development Block Grant funding for the Appomattox County Tornado Recovery Project.
- CVMPO staff continue to work with GLTC to inventory attributes at bus stops for compliance with Americans Disability Act (ADA requirements set forth by the Federal Transit Association.
- Supported three successful Transportation Alternatives project applications totaling over $450,000.
- The Rural Long-Range Transportation Plan (RLRTP) was finalized to the horizon year 2040.
- GLTC and LGC staff continued identifying stops to eliminate in order to increase bus route efficiency.
- Region 2000 Communications Board, in coordination with Harris, completed transition to P25 digital radio communications system to more reliably serve public safety and government organizations throughout Amherst, Bedford, and Lynchburg.

- Region 2000 Services Authority completed the Solid Waste Management 2030 Study.
- Town of Appomattox completed the first round of housing rehabilitation activities for the Greater Meadowlark Neighborhood Improvement Project.
- Town of Pamplin successfully completed a grant application to Virginia Department of Health's Office of Drinking Water for structural repairs to the Town's existing elevated water storage tank.
- CVMPO staff continue to assist with Route Scenario Planning efforts using the Remix Transit Planning Platform.
- Working alongside Extension Agents, LGC staff surveyed farm producers to review and identify needs in the region's Ag & Forestry sectors.
- Funded and facilitated the Town of Amherst Walkability Study.
- Provided support for the development of the Lynchburg Regional Connectivity Study.
- Supported four successful SMART SCALE project applications totaling over $20 million.
- Developed and approved the region's FY 2018-2021 Transportation Improvement Program (TIP).
- Partnered with Campbell County and VDOT to complete the US 29 Corridor Assessment.
- Town of Amherst completed a Walkability Study to advance pedestrian and bicycle movement through the Town.
- Sweet Briar College, Town of Amherst and Amherst County, through a facilitation award by the National Park Service – Rivers & Trail Technical Assistance Program, held a workshop to begin the development of the Sweet Briar- Ambriar connection trail.
- Assisted in the successful Federal Lands Access Program (FLAP) submittal that will provide design and build funds to construct a trail from the Museum of the Confederacy to the Appomattox Court House National Historical Park.
- RIDE Solutions partnered with the Workforce Development Board (WDB) to hold the first Great WBD Transportation Challenge to highlight the types of transportation challenges faced by employees and the opportunities offered by the Transportation Demand Management program.
- RIDE Solutions partnered with multiple agencies in offering bike valet parking to public events to increase bicycling opportunities and reduce parking and driving conflicts to local events.

Region 2000 staff partners with our member localities to implement projects that transform lives today and advance economic vitality well into the future.

APPOMATTOX COUNTY TORNADO RELIEF EFFORTS

Appomattox County, in collaboration with Region 2000 Local Government Council (LGC) staff, was successfully awarded Community Development Block Grant (CDBG) funding from the Virginia Department of Housing & Community Development (VDHCD). On February 6, 2017, Gov. McAuliffe announced an $879,760 award to provide housing rehabilitation and new home construction to families impacted by the tornado of 2016.

The success of the application was a result of a dedicated team of community organizations that quickly rallied to assist Appomattox County, such as the Appomattox County Long Term Recovery Group, Baptist General Association of Virginia-Appomattox Rebuild Team, and Virginia Conference United Methodist Church Disaster Recovery in the implementation of the Appomattox Recovery Project. The CDBG funded rehabilitation efforts are expected to begin late summer 2017.

APPOMATTOX ADVANCES A CENTRAL BUSINESS DISTRICT REVITALIZATION VISION

Appomattox Town utilized a $35,000 Planning Grant from DHCD to develop a revitalization plan that will strengthen and diversify the community's economic stability. Developed by Community Planning Partners, a Richmond-based firm, the Town of Appomattox Economic Restructuring Plan (ERP) outlines a strategy with specific tasks that will benefit the town, current businesses, property owners, and encourage new business opportunities, all of which will strengthen and diversify the economic stability of the Town and County.

The Appomattox ERP served as the foundation for the submittal of a $608,865 Downtown Revitalization CDBG grant to DHCD, to be matched by an anticipated $208,000 in local funds, to provide commercial façade and streetscape improvements, and partial development of Courtland Park in March 2017.

MEADOWLARK NEIGHBORHOOD IMPROVEMENT PROJECT

LGC staff continues to assist the Town of Appomattox in administering the million-dollar Greater Meadowlark Neighborhood Improvement Project grant, received Spring 2016. In the first phase of this DHCD funded multi-year project, seventeen single family homes are being rehabilitated to meet Virginia's Housing Quality Standards. Second phase improvement will address storm-water drainage and pedestrian safety features. Improvements will continue to impact the economic and physical environment of one of our Region's most storied communities by providing safe and secure housing for these families.

APPOMATTOX COMMUNITY ADVANCES A MULTI-MODAL VISION

The Appomattox community articulated a vision to connect the historic, cultural, economic, and natural resources by advancing multi-modal connections. Partnerships between the County, Town, Appomattox Court House National Historic Park (ACHNP), VDOT, and LGC, helped their vision take a leap forward in 2017.

Town to ACHNP Multi-modal Trail: Appomattox Town, County, ACHNP, VDOT and LGC partnered to submit a grant to design and construct a multi-use trail between the Museum of the Confederacy and the ACHNP. A Federal Lands Access Program (FLAP) $576,000 grant, matched by $160,000 in local and Federal funds, will be used over the next four years to complete the project.

Old Courthouse Road: Appomattox County was awarded an $11,546,256 VDOT SMARTSCALE project, one of four awarded in the Region 2000 area, to make the segment of Route 24 between Confederate Boulevard and the ACHNP more usable to visitors and residents alike. Features will include installation of planted medians, improved landscaped shoulders and a pedestrian path connecting the Town to the National Park.

OLD TOWN MADISON HEIGHTS REVITALIZATION

Amherst County continued its efforts in the revitalization of one of the County's most unique areas – Old Town Madison Heights (OTMH) via a $30,000 CDBG Planning Grant to establish a long-term revitalization plan that includes housing rehabilitation and infrastructure upgrades. The Planning Grant resulted in the submittal of a $1,110,634 CDBG Comprehensive Improvement Project to the VDHCD to upgrade an anticipated 16 homes along Main Street. The project also resulted in a second, pending CDBG Construction Ready application to rehabilitate sewer lines along Main Street.

RIVER EDGE TRAIL EXTENSION

Amherst County continues to advance river access and trail repair through the expansion of Riversedge Park Trail. LGC assisted Amherst in their successful $49,368 VDOT Transportation Alternatives Program application, for the design and construction of an approximate 4,200-foot trail that will traverse along the James River. This trail represents a priority connection from the Region 2000 Greenways, Blueways, and Trails Plan – A 2012 Connection Vision.

REGION 2000 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

"Our vision is a prosperous, vibrant, and inclusive Lynchburg region recognized for the creativity of its workforce, the resilience of its economy, and its abundance of natural, cultural and educational opportunities."

INITIATIVES TO FACILITATE AND GUIDE REGIONAL ECONOMIC ADVANCEMENT

- Implement a new regional branding and image campaign
- Implement a regional business retention and expansion program
- Implement an economic development marketing and corporate recruitment program
- Establish a Regional Center for Entrepreneurship
- Establish economic gardening and Entrepreneur in Residence programs
- Coordinate sector-focused workforce development initiatives, address regional skills gaps and enhance coordination between business, community and educational institutions
- Establish a Regional Workforce Center on the campus of the Central Virginia Community College
- Coordinate the region's transportation plans, broadband initiatives and other infrastructure to strengthen our economic development position
- Create a site evaluation program for industrial sites
- Create a vision that seeks to "unlock" the Region's riverfronts, better connecting and integrating local communities with our rivers
- Encourage and incentivize projects that improve the aesthetic, artistic and cultural appeal of the region by expanding the establishment of Arts and Culture Districts

THE CEDS IMPLEMENTATION PLAN, OR ACTION STRATEGY AND SUCCESS MATRIX STAGE HAS BEGUN. INITIATIVE COUNCILS HAVE BEEN FORMED AND ARE TASKED WITH IDENTIFYING PROJECTS, PROGRAMS, ACTIVITIES, AND PARTNERS TO ADVANCE THE CEDS INITIATIVES AND ESTABLISH METRICS WITH WHICH TO MEASURE SUCCESS. THIS FINAL AND IMPORTANT PROCESS WILL CONTINUE INTO SPRING 2018.

NEW DIRECTION | NEW OPPORTUNITIES

Located at 3125 Odd Fellows Road in Lynchburg, the Virginia's Region 2000 Workforce Center supports workforce training and career services using federal funding from the Workforce Innovation and Opportunity Act (WIOA).

ONE STOP CENTER — ALL SERVICES

JOB SEEKER SERVICES AVAILABLE:

- Job listings
- Assistance with resume development
- Helping to overcome barriers to employment
- Support for layoffs and transitions
- Financial support for training/travel for lower income individuals

YOUTH SERVICES AVAILABLE:

Jubilee Center: 1512 Florida Avenue, Lynchburg

- One-on-one counseling
- Apprenticeship Placement
- Jobs and Soft Skills Training

BUSINESS SERVICES:

- Job Fairs
- Candidate screening

OTHER SERVICE LOCATIONS:

(by appointment)

Bedford County Library, Bedford
Campbell County Library, Rustburg
Amherst County Library, Amherst
Appomattox County Library, Appomattox

NEW WORKFORCE DEVELOPMENT BOARD STAFF AND STRUCTURE

New Communications Coordinator to Work Directly with Businesses. To fulfill the expanded mission of the Workforce Development Board as the regional convener for workforce issues and deliver the outcomes expected under the new WIOA, the Region 2000 WDB has hired Savannah Cook as the new Communications Coordinator. She has been tasked with better connecting the available services of the Workforce program with the business community and workforce partners.

She will work directly with the business community to develop employment sector strategies, coordinate work-based learning through on-the-job training and apprenticeship, as well as engage a regional talent development team to connect employers with skilled job seekers.

New Youth Works Staff. Alvin Jones will be serving as the new Coordinator of Youth Talent Development and leading the WIOA Title I Youth services for the Region 2000 WDB. Steve Manetti and Virginia Whitby will be joining Alvin as Youth Career Navigators to provide career development services for eligible youth throughout the region.

Program Support. Lori Cumbo will continue oversight of the adult, dislocated worker and youth programs as Operations Coordinator. Gina Dudley, as the new Administrative Technician, will assist in coordinating services between the One Stop Workforce Center partners and the WDB. Gina will also provide customer service assistance at the Region 2000 W

PARTNERS:

Workforce Development Board

HumanKind — encourage. empower. enrich.

Virginia Employment Commission

Adult Education of Central Virginia
Central Virginia Community College
Deaf and Hard of Hearing Services Center
Local Departments of Social Services Employment Program
Lynchburg Community Action Group
Old Dominion Job Corp
Virginia Department of Aging and Rehabilitative Services
Goodwill Industries of the Valleys: Senior Community Services

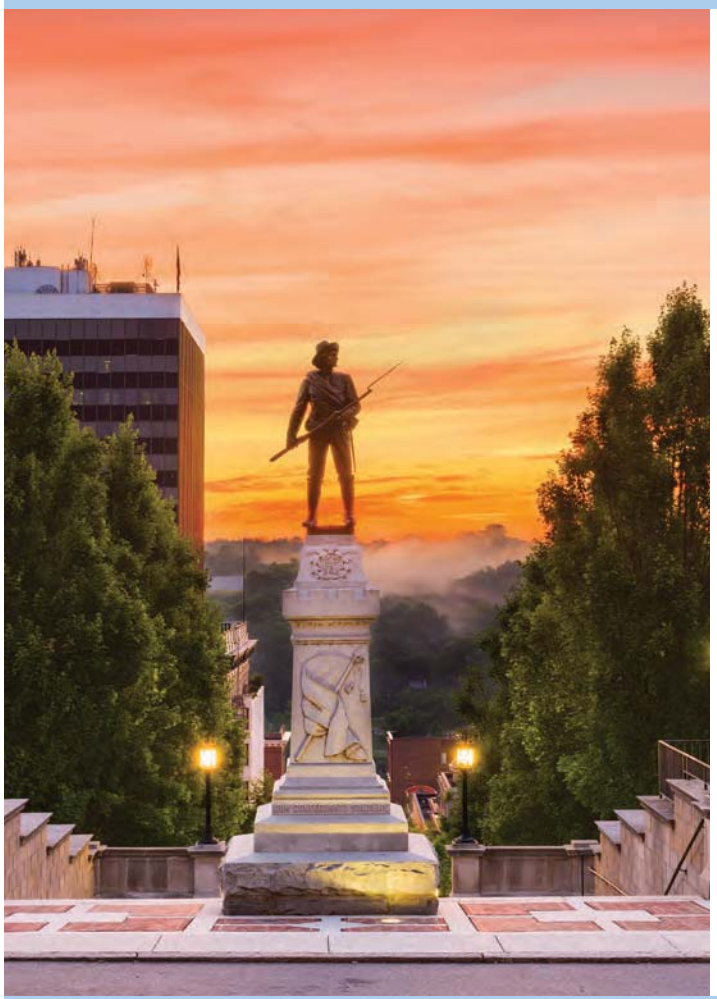
Find out more at: www.Region2000Works.org

WORKFORCE DEVELOPMENT BOARD MEMBERS

Blondie Anderson, UCITOVA
Desmond Black, Region 2000 Technology Council
Traci Blido, Bedford County Economic Development
John Capps, Central Virginia Community College
Sierria Carvajal, Southern Air
Mike Davidson, Campbell County Economic Development
Nathan Dowdy, Moore's Electrical & Mechanical
Georgia Fauber, Kroll Advisory Solutions
Scott Francis, Integrated Technology Group, Inc
Scott Gillespie, Abbott Nutrition
Sonny Harvey, RR Donnelley
Phillip Jamerson, Jamerson Building Supply
Dennis Jarvis, Altavista Economic Development
Robert Johnson, Campbell County Public Schools
Christine Kennedy, Lynchburg Regional Business Alliance
Caitlin King, Lynchburg Regional Society for Human Resource
Dennis Knight, Wiley & Wilson
Ronald Lovelace, RL Lovelace & Assoc.
Nathaniel Marshall, BWX Technologies
Susan Martin, Bedford Area Chamber of Commerce
Edward McCann, Commonwealth Vape
Kimberly McIvor, VEC
Jim Mundy, Lynchburg Community Action Group
Tina Ragland, Pacific Life
John Redding, Appomattox Chamber of Commerce
Heather Reynolds, Altavista Chamber of Commerce
Tamara Rosser, City of Lynchburg
Luke Saechao, Adult Continuing Education of Central VA
Roxanne Slaughter, Virginia Dept. of Aging & Rehabilitation
Cheryl Toler, Innovairre
Marjette Upshur, Lynchburg Economic Development
Jan Walker, Centra Health
Wendell Walker, Virginia Dept. of Labor and Industry
Sterling Wilder, Jubilee Family Development Center

REGION 2000 WORKFORCE DEVELOPMENT COUNCIL CHIEF LOCAL ELECTED OFFICIALS

Kenneth Campbell, Amherst County Board of Supervisors
Bryan Moody, Appomattox County Board of Supervisors
John Sharp, Bedford County Board of Supervisors
Bob Good, Campbell County Board of Supervisors
Mayor Joan Foster, City of Lynchburg



DEPUTY DIRECTOR BOB WHITE RETIRES

After almost 15 years with the Local Government Council, our friend and colleague Bob White has retired from his work as the Deputy Director for Planning and Core Services.

Bob led our transportation planning initiatives while working tirelessly behind the scenes to make the Services Authority a reality.

A (proud) graduate of Penn State, Bob came to the Local Government Council from the City of Lynchburg where he began his planning career. As an AICP, Bob was active in Virginia's Chapter of the American Planning Association.

We wish Bob the best on his retirement and extend our thanks for his years of service to the organization. We look forward to working with him on special projects.

CENTRAL VIRGINIA METROPOLITAN PLANNING ORGANIZATION

CVMPO

ADVANCING SAFE, EFFICIENT MULTI-MODAL TRANSPORTATION THROUGHOUT OUR REGION

SMART SCALE PROGRAM BRINGS $23 MILLION TO FOUR PROJECTS IN REGION

Now in its second funding cycle, Virginia's SMART SCALE program scores transportation projects based on an objective, outcome-based process that is transparent to the public and allows decision-makers to be held accountable to taxpayers. Once projects are scored and prioritized, the Commonwealth Transportation Board (CTB) has the best information possible to select the right projects for funding.

Last fall, Region 2000 localities submitted a total of ten projects for SMART SCALE funding. In June 2017, following the vetting and scoring of all submitted projects from across the Commonwealth, the Commonwealth Transportation Board selected four projects within Region 2000 totaling over $23 million.

Location	Project Title	SMART SCALE Funding
Amherst County	U.S. 29 & Route 151 Safety Improvements	$195,489
Appomattox County	Old Courthouse Road Improvements	$11,546,256
Bedford County	Thomas Jefferson & Waterlick Road Intersection Improvements	$321,404
Campbell County	Lynbrook Road Improvements	$11,029,052
Total	Region 2000	$23,092,201

REGION'S RURAL AREAS ADVANCE LONG-TERM TRANSPORTATION PRIORITIES

The Region 2000 Local Government Council is finalizing the Rural Long-Range Transportation Plan (RLRTP) to the horizon year 2040.

This transportation plan is specifically created for rural areas in Region 2000 that do not fall under the jurisdiction of the Central Virginia Metropolitan Planning Organization (CVMPO).

With the help of the Transportation Technical Committee, VDOT staff, and locality planners, the RLRTP2040 looks at improvements to assess the effects of population and employment growth upon the transportation system.

A significant addition to the updated RLRTP is the use of VDOT's Project Prioritization Tool, which will provide information to aid in the recommendation of a prioritized list of projects for each county represented in the plan.

Each RLRTP is developed as a blueprint, or vision plan, to address all the needs of the transportation system, regardless of anticipated funding availability. This regional plan can then be used by local, regional and state agencies to identify transportation funding priorities.

STAKEHOLDERS FOCUS ON CONGESTION AND WALKABILITY

In October 2016, residents and business owners along US 29 in Campbell County gathered for the third public meeting to develop solutions to safety and congestion challenges in the corridor between Route 24 and the Lynchburg City Limits.

This was a pilot for the SHRP2 (Strategic Highway Research Program 2) PlanWorks process which is used to plan and implement projects, support collaborative decision-making, and improve how planners develop, prioritize, and inform transportation plans and projects.

The process identified approximately $19 million in potential improvements to the 6.6-mile corridor, including modifications of medians, installation of turn lanes, signal improvements, and access management. Over time, these projects will be prioritized and submitted for funding by applicable programs.

TOWN OF AMHERST

The ability to safely and easily walk between stores, restaurants, businesses, and government offices is a defining feature of most successful downtown areas. As part of ongoing efforts to enhance the vitality of its central business district, the Town of Amherst turned its attention to walkability in response to citizen concerns.

The Pedestrian Safety and Walkability Study's process included public engagement, traffic data collection and analysis. The primary concerns identified through these efforts included limited pedestrian and crosswalk visibility, high vehicle speeds in downtown, missing and deficient sidewalk ramps, and numerous sidewalk obstructions. Other ideas for improvements outside of the core downtown area were also discussed, including a connecting trail between the campus of Sweet Briar College and the Ambriar commercial area. Recommendations were divided into three phases, which will help the town prioritize and implement components of the study.

LYNCHBURG REGION THE FOCUS OF INNOVATIVE CONNECTIVITY STUDY

This study, the first of its kind in Virginia, addressed the goal of strengthening the Lynchburg regional economy through connectivity. It first diagnosed the current role of connectivity in supporting the economy, and subsequently identified and assessed opportunities for connectivity.

The findings and recommendations of the Connectivity Study were incorporated into the region's Comprehensive Economic Development Strategy (CEDS), which was being updated concurrently.

LOCAL GOVERNMENT COUNCIL ASSISTS THE GREATER LYNCHBURG TRANSIT COMPANY WITH PLANNING SERVICES

Through a partnership with the Virginia Department of Rail & Public Transit (DRPT), staff of the Local Government Council and CVMPO provide planning support to the Greater Lynchburg Transit Company (GLTC).
These services include mapping and data collection, project development and implementation, and technical support for various committees.
GLTC has been working to make its network of 708 bus stops more accessible to riders who face mobility challenges. Local Government Council staff maintains an inventory of factors that determine the level of accessibility of each bus stop in the system. Factors that affect the accessibility of stops include:

- Condition of bus stop sign
- Ground slope near the bus stop
- Presence of benches, trash cans, shelter, and lighting
- ADA accessibility to sidewalks

This inventory helps GLTC staff identify priority locations for improvements to provide higher levels of service to all riders.

CVMPO MEMBERS

Turner Perrow, Chair, Lynchburg City Council
Will Mays, Vice Chair, Amherst County
Brian Booth, Greater Lynchburg Transit Company
Carl Boggess, Bedford County Administrator
Jack Hobbs, Amherst Town Manager
Dean Rodgers, Amherst County Administrator
Frank Rodgers, Campbell County Administrator
Micheal Rousseau, Campbell Co. Board of Supervisors
John Sharp, Bedford County Board of Supervisors
Bonnie Svrcek, Lynchburg City Manager
D. Dwayne Tuggle, Amherst Town Mayor
Chris Winstead, VDOT, Lynchburg District Administrator
Ex-Officio: Lee Beaumont, Liberty University

TRANSPORTATION TECHNICAL ADVISORY COMMITTEE (TTC)

The TTC serves as the boots-on-the-ground committee guiding the technology, programs, and projects that move our residents and visitors through our region. These area planners, engineers and practitioners meet monthly to tackle the broad-range of multi-modal transportation initiatives, challenges, and opportunities in both the Region 2000 urban and rural areas.

Jeremy Bryant, Amherst County
Jack Hobbs, Town of Amherst
Johnnie Roark, Appomattox County
Gary Shanaberger, Town of Appomattox
Mariel Fowler, Bedford County
Bart Warner, Town of Bedford
Doyle Allen, Bedford County
Dan Witt, Town of Altavista
Paul E. Harvey, Campbell County
Russell Thurston, Town of Brookneal
Richard Metz, Campbell County
Brian Booth, GLTC
Tom Martin, City of Lynchburg
Nick Britton, VDRPT
Don DeBerry, City of Lynchburg
Mark Courtney, Lynchburg Regional Airport
Rick Youngblood, VDOT
Lee Beaumont, Liberty University
Kevin Jones, Federal Highway Administration

WORKING SMARTER, CLEANER & GREENER

GAS COLLECTION AND ODOR NEUTRALIZATION

The Region 2000 Services Authority takes seriously its efforts to reduce any negative impacts to our neighbors by managing gas and odor emissions. As a result of the odor mitigation described below, the Authority has recorded a significant decrease in odor complaints.

In November, 2016, the Region 2000 Services Authority completed construction of the full-scale landfill gas extraction and treatment system in Phase III of the Region 2000 Regional Landfill – Livestock Road Facility.

The $1,212,595 system includes 13 strategically placed vertical landfill gas extraction wells, as well as gas collection pipes, a compressor station and a flare unit. It is currently extracting and treating nearly 1,000 cubic feet per minute of landfill gas. This new system is also designed with the capacity to include additional landfill gas extraction wells to be installed as we reach capacity in the Phase III fill area and move into the recently constructed Phase IV and future Phase V of the currently permitted landfill area.

On March 17, 2016 the Authority activated the vapor-phase odor neutralization distribution system including 2600 ft. of 6" diameter pipe installed along the northwest, western and southern perimeter of currently active Phase III. This system evenly distributes a safe, odor neutralizing vapor solution around the clock. It's important to note that this vapor is not a "fragrance" to mask the odors, it's a safe, vaporized, solution that mixes with the landfill gas odors in the air and neutralizes the odors.

PREPARING TO MOVE TO THE NEXT SECTION OF THE LIVESTOCK ROAD LANDFILL

Today's landfills meet Virginia DEQ's regulatory standards and are required to be designed with liners and sophisticated leachate collection systems. They're designed in sections, or Phases, which are open, filled, and closed and cumulatively these sections make up the landfill.

The Livestock Road landfill will soon fill Phase III and move to the newly created Phase IV. By October 2017 it is expected that all of the solid waste will go into the new Phase IV section.

Once we stop using Phase III, engineering and procurement will begin to permanently cap and close that section of the landfill.

RECYCLING AND HAZARDOUS HOUSEHOLD WASTE COLLECTIONS

The Lynchburg, Appomattox, Campbell and Nelson businesses and residents averaged a 35.7% recycle rate for calendar year 2017.

Three Hazardous Waste (HHW) and E-Cycling eventwere held in FY 2017 at the Concord Turnpike Convenience Center. During these events, 626 people dropped off Hazardous Household Waste and 554 people dropped off electronic equipment for recycling

In FY 2017, there were 12 Youth education and 17 adult sessions conducted on recycling and reuse.

SAVINGS OVER PREVIOUS MUNICIPAL SOLID WASTE DISPOSAL METHODS (SINCE COMBINING FORCES)

TOTAL SAVINGS PER MEMBER FOR FY 2009 - 2017

CITY OF LYNCHBURG	$1,342,049.45
CAMPBELL COUNTY	6,739,582.91
NELSON COUNTY	1,958,193.68
APPOMATTOX COUNTY	853,389.30
CITY OF BEDFORD	1,381,775.79
TOTAL	$12,274,991.13

LIVESTOCK ROAD— THE NEXT PHASE STARTING 2017

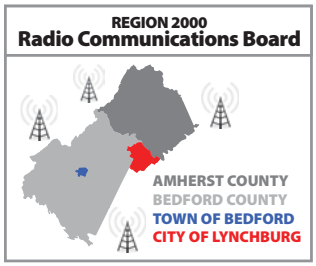
REGIONAL RADIO BOARD

2017

PUBLIC SAFETY COMMUNICATION NETWORK FOR LYNCHBURG, BEDFORD AND AMHERST

Public Safety Communications has jumped to the latest technology in Lynchburg, Bedford and Amherst Counties.

For the last several years the Region 2000 Radio Communications Board, in a coordinated effort with Harris Corporation's RF Communications Division, has been working on the development of a $15 million-dollar emergency radio system upgrade. Replacing analog equipment installed in 1997, P25, the new IP-based radio system, began service with better coverage and clearer sound for over 2,800 users.



The system upgrade included the installation of five new tower locations, increasing coverage from 11 to 16 towers, resulting in a 98.55 % coverage reliability throughout the area. Each of the three dispatch centers have new consoles and software with an additional dispatch console in Bedford County.

When a radio microphone is keyed or activated, the signal is sent to a tower along one of the available channels. Because this is a trunked system, the radio user has access to any available radio channel, not just channels dedicated to a specific purpose or department. This trunked system allows us to use fewer channels more efficiently.

Radio users are clustered in "Talk Groups" so that they can easily find colleagues when the radios are keyed. However, the shared infrastructure makes it easy to switch between talk groups, either by turning knobs on the radios or through the dispatcher.

The counties of Amherst and Bedford, the Town of Bedford, and the City of Lynchburg partnered together to improve the performance and reliability of the emergency radio communications among public safety and government organizations in these localities. System users also includes the Blue Ridge Regional Jail, Central Virginia Community College, Greater Lynchburg Transit, Liberty University, and Region 2000 Services Authority.

REGIONAL RADIO BOARD MEMBERS:

Melissa Foster, City of Lynchburg
Jeff Johnson, Bedford County
Gary Roakes, Chair, Amherst County
Lt. Shannon Walker, Town of Bedford
Region 2000 Staff, Matthew Perkins

AGRICULTURE

2017

OUR REGION'S WORKING LANDSCAPES – A MAJOR ECONOMIC AND WORKFORCE ENGINE

Agriculture in Region 2000 generates $75 million of economic activity annually. We depend on the farming community not only for interesting and fresh products at our local farmers markets, but to provide important employment opportunities, purchase farm equipment and supplies, and maintain the open spaces which keep Region 2000 a comfortable mix of urban and rural areas.

The Local Government Council has worked over the last several years to identify mechanisms to strengthen the farming economy. This year, working with Extension Agents, LGC staff surveyed farm producers to review and identify needs in the region's Ag & Forestry sectors.

One of the key takeaways from the survey was the need for more localized career technical education in the Ag & Forestry fields. During FY18 the Region 2000/Extension Agent team will work with Central Virginia Community College and the Region 2000 Workforce Development Board to examine possibilities of a Career Technical Education curriculum focused on the farm/forestry/agriculture industry.

LOCAL GOVERNMENT COUNCIL 2017

STAFF

Gary Christie, Executive Director
Emmie Boley, Financial Services Professional
Ben Bowman, Workforce Development Director
Susan Cook, Administrative Assistant
Philipp Gabathuler, Senior Planner
Clarke Gibson, Services Authority Director
Kelly Hitchcock, Planning and Development Director
Rosalie Majerus, Deputy Director of Finance
Matt Perkins, Special Projects Manager
Scott Smith, Transportation Planning Director

LOCAL GOVERNMENT COUNCIL MEMBERS

TOWN OF ALTAVISTA
Mayor Mike Mattox, Council Vice Chair
Waverly Coggsdale, Town Manager

TOWN OF AMHERST
Mayor Dwayne Tuggle
Jack Hobbs, Town Manager

AMHERST COUNTY
Kenneth Campbell, Board of Supervisors
Dean Rodgers, County Administrator

TOWN OF APPOMATTOX
Mayor Paul Harvey
Gary Shanaberger, Town Manager

APPOMATTOX COUNTY
Bryan Moody, Board of Supervisors
Susan Adams, County Administrator

TOWN OF BEDFORD
Bruce Johannessen, Town Council Member
Bart Warner, Town Manager

BEDFORD COUNTY
John Sharp, Board of Supervisors
Carl Boggess, County Administrator

TOWN OF BROOKNEAL
Mayor Phyllis Campbell
Russell Thurston, Town Manager

CAMPBELL COUNTY
Michael Rousseau, Board of Supervisors
Frank Rogers, County Administrator

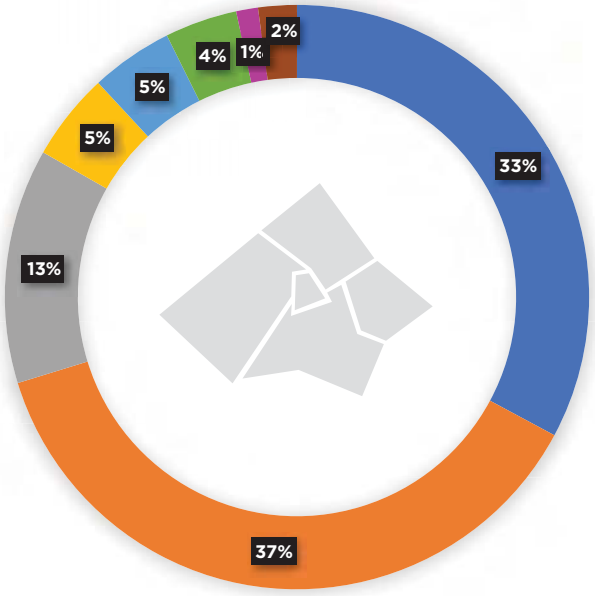
CITY OF LYNCHBURG
Mayor Joan Foster, Council Chair
Bonnie Svrcek, City Manager, Council Treasurer

LYNCHBURG REGIONAL BUSINESS ALLIANCE
Megan Lucas, CEO

VIRGINIA GENERAL ASSEMBLY
Delegate Ben Cline
Senator Mark Peake

FINANCIAL OVERVIEW

SOURCE OF FUNDS:



SOURCE OF FUNDS

WIOA	$1,112,676
Regional Radio	1,267,253
Transportation	440,498
Services Authority	164,329
Dues	154,429
Community Development Block Grants	135,663
EDA - CEDS	40,862
All Others	72,303
	$3,388,018

USE OF FUNDS

WIOA	$1,058,563
Regional Radio	984,128
Salaries	492,770
Transportation	181,452
Benefits	143,249
Operating	152,413
Community Development Block Grants	26,691
EDA - CEDS	68,438
All Others	25,379
	$3,133,085

Dollars generated per $1 in dues: $19.29

VIRGINIA'S REGION 2000 LOCAL GOVERNMENT COUNCIL

828 Main Street, 12th Floor | Lynchburg, Virginia 24504 | 434.845.3491 | LocalGovernmentCouncil.org

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LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 28, 2017** AGENDA ITEM #: **2**

CONSENT: REGULAR: WORK SESSION: **X** CLOSED SESSION:
ACTION: **X** INFORMATION: (Confidential)

ITEM TITLE: Consideration and Adoption of 2018 Legislative Agenda

KEY ELEMENTS:
_X_Economic Development _X_Excellent Government _X_Natural and Built Environment _X_Safe Community _X_ Vibrant Community

RECOMMENDATION: Discuss and adopt the 2018 Legislative Agenda.

SUMMARY: It is time to review and update City Council's Legislative Agenda in preparation for the 2018 session of the Virginia General Assembly. Attached is an annotated copy of the adopted 2017 Legislative Agenda with suggested revisions as proposed by staff as well as a clean copy.

Also attached are Legislative Agendas from the Virginia Municipal League (VML) and the Virginia First Cities Coalition (VFC). The VML Legislative Agenda was adopted at the recent conference in Williamsburg. The VFC Legislative Agenda is scheduled for adoption at the annual meeting on December 1st in Staunton.

Following adoption of the City's 2018 Legislative Agenda staff will forward the Agenda to our General Assembly delegation as well as invite our local legislators to meet with the Mayor, Vice Mayor, City Manager and Deputy City Manager should they so desire.

PRIOR ACTION(S): None

FISCAL IMPACT: To be determined.

CONTACT(S): Bonnie Svrcek, City Manager, 455-3990; Walter Erwin, City Attorney, 455-3973

ATTACHMENT(S): Resolution; Draft 2018 Legislative Agenda (annotated and clean copy); 2018 VML Legislative Agenda; Draft Virginia First Cities Coalition 2018 Legislative Agenda

REVIEWED BY: bms

RESOLUTION:

BE IT HEREBY RESOLVED that the Lynchburg City Council adopts its 2018 Legislative Agenda and directs the Clerk of Council to forward it to the City's General Assembly delegation for information and action, as appropriate.

Adopted:

Certified: _____
Clerk of Council

149K

CITY OF LYNCHBURG
2018~~7~~ LEGISLATIVE AGENDA

Adopted November 28, 2017~~6~~

The City of Lynchburg is a member of both the Virginia Municipal League and the Virginia First Cities Coalition and supports the legislative agendas of both organizations. The City of Lynchburg 2018~~7~~ Legislative Agenda is meant to highlight those issues of particular importance to the City.

The Lynchburg City Council asks that legislators keep the following principles in mind as they evaluate and vote on legislation and the biennial budget.

PRINCIPLES

- Local governments are instruments of the state, created in large measure to deliver state responsible services in a more efficient and effective manner. This state/local partnership requires an equitable allocation of costs between the two levels of government and across the various jurisdictions of the Commonwealth.

- The state must continue to meet constitutional and statutory responsibilities to adequately fund the state share of state/local services, especially in education, human services, and public safety. Any shortfall in state revenues should not be shifted to local governments.

- When the state experiences or anticipates a budget surplus, due to either increased revenues or reduced expenditures, it should relieve localities of funding responsibilities that have been shifted to them for state mandated/locally delivered serves.

- Rather than shifting responsibilities for programs that the state is unwilling to fund down to the localities, the state should consider eliminating those programs.

- The state should explore ways to increase the efficiency and effectiveness of the delivery of state services at the local level including the regionalization of service delivery (e.g. Social Services) and the elimination of inefficient structures such as the Compensation Board.

- The General Assembly should defeat proposed legislation that would erode local taxing authority, cap or reduce local revenue sources or that would impose unfunded mandates on localities.

- The General Assembly should support legislation that provides greater authority to localities in implementing sustainability initiatives especially with regard to land use and transportation planning.

- The General Assembly should preserve local zoning and land use authority, allowing flexibility to meet the needs of individual communities.

20188 LEGISLATIVE PRIORITIES

Filing of Bills with Local Fiscal Impact: Support legislation that requires members of the General Assembly to file bills with local fiscal impacts as early as possible and no later than the first day of the legislative session, so that the appropriate fiscal impact analysis can be completed and reported in a timely manner.

Taxes- Machinery and Tools: Oppose legislation that would reduce or eliminate a locality's authority to impose a machinery and tools tax. The loss of $4,841,000 in revenue from the Machinery and Tools Tax would equate to a 9.9 cent increase in the City's Real Property Tax rate.

Taxes- Business License: Oppose legislation that would reduce or eliminate a locality's authority to impose a business license tax. The loss of $8,127,366 in revenue from the Business License Tax would equate to a 16.7 cent increase in the City's Real Property Tax rate.

Children's Services Act (CSA): CSA funding continues to be a serious concern. Actions taken by the General Assembly have increased mandated services and shifted costs to the localities. The General Assembly should refrain from adding additional mandated services and should fund its full share of the CSA program.

Comprehensive Poverty Reduction: Support continued funding of the Community Wealth Building state matching fund which partners with local programs that target intractable long-term pockets of poverty through combined education and job training, housing and transportation resources, mentoring and prisoner re-entry, childcare and early education, and workforce training and other programs that break the cycle of poverty. Preparing people for jobs in the new workforce is extremely important to a healthy community continuum. Prioritize the use of "Go Virginia" funding to create jobs for those in poverty.

Economic Development: Preserve existing incentive and grant funds offered by the Virginia Economic Development Partnership, the Virginia Department of Agriculture and Consumer Services, the Department of Housing and Community Development, the Department of Environmental Quality, Virginia Tourism Corporation, and Virginia Commission for the Arts.

Educational Funding: Jobs are the key to economic recovery and adequate education is essential for preparing the current and future workforce. The State should fully fund the Standards of Quality (SOQ), including support staff costs and categorical incentive funds for At-Risk students and restore funding from cuts to education over the last biennium. The state has a constitutional duty to meet its education funding obligations and should refrain from changes in methodology and division of financial responsibility that result in a further shift of funding responsibility from the state to localities. These

DRAFT

shifts do not change what it actually costs to provide education but simply transfers additional costs to local governments, and ultimately to the local real estate tax base.

Historic Rehabilitation Tax Credits: Support this financing tool which supports the development and redevelopment of historic buildings.

Local Law Enforcement Funding: The Commonwealth should be equitable in its support for local law enforcement funding both to those localities with police departments (HB 599 funding) and to those in which Sheriff's Departments provide law enforcement (through the Compensation Board). Cities should not bear a disproportionate burden for law enforcement funding through continued reductions in funds provided by HB 599.

Proffers: Request that the General Assembly monitor the impact the adoption of Section 15.2-2304.4 of the State Code will have on the use of proffers in conditional residential rezonings, with an eye towards identifying any uncertainties or confusion resulting from the implementation of the new legislation, and consider any amendments to Section 15.2-2304.4 that may be needed to further clarify the appropriate use of proffers in conditional residential rezonings.

~~**Revenue Sharing**: Preserve the Revenue Sharing program administered by the Virginia Department of Transportation. This program allows localities to leverage funds for needed projects that have no other source of funding.~~

~~**Smart Scale:** Support local and regional applications to the Smart Scale project selection process. Smart Scale promotes the implementation of safe and efficient transportation systems.~~

Water Quality and Environment: The City continues to ~~finance~~ face significant financial burdens in its efforts to comply with water quality regulations. The management of all the related water quality programs imposes high costs on sewer and stormwater rate payers. Continued Federal and State assistance is required to avoid an unreasonable economic burden on City residents and businesses. The City urges support for the following positions:

- Support legislation authorizing Long-Term phased implementation of ammonia-related nitrogen requirements under consideration now by the State Water Control Board.
- Conform Virginia's Compliance Schedule Rule to the Federal Rule for consistency to remove the 5-year ceiling on allowed schedules and instead adopt the Environmental Protection Agency's "As soon as possible" provision that allows for longer compliance schedules when appropriate.
- Support legislation that minimizes duplicative mandates on Municipal Separate Storm Sewer Systems (MS4) localities for oversight of industries with Virginia Pollution Discharge Elimination System (VPDES) permits which are already regulated by the Department of Environmental Quality (DEQ).

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- Support adding a DEQ administrative process to forecast future funding needs specifically related to the Stormwater Local Assistance Fund.
- ~~Oppose any legislation that would reduce the City's Chesapeake Bay or James River nutrient allocations, require the City to re-justify its nutrient allocations for its existing treatment facility, or otherwise take away any nutrient allocation or related treatment capacity. The City supports the Department of Environmental Quality's (DEQ) James River Study and legislation to maintain the City's nutrient allocations at the current permitted levels.~~
- Continue to adequately fund the Virginia Clean Water Revolving Loan Fund (VCWRLF) program and make available low and zero interest loans for water quality improvement projects that are necessary for permit compliance and the achievement of the goals of the Chesapeake Bay and other local Total Maximum Daily Loads(TMDL).
- Support efforts to fund the Stormwater Local Assistance Fund in the amount of at least $50 million to help localities offset some of the multi-billion dollar cost attributed to stormwater through the Chesapeake Bay TMDL.
- ~~Support point source Water Quality Improvement Funding (WQIF). This will help Lynchburg by improving water quality in the James River and clearing up outstanding balances that the State owes for other wastewater plant upgrades and placing the State in a better position to help fund future upgrades to the Lynchburg Regional Wastewater Treatment Plant if and when they are necessary.~~
- Oppose any efforts to exempt certain properties from stormwater utility fees. Additionally oppose efforts to provide reduced stormwater fees for certain properties or situations. Equitable distribution of stormwater program costs is essential to meeting regulatory requirements and minimizing stormwater rates.
- Oppose any efforts to increase DEQ's penalty authority against localities.
- Oppose any efforts to shorten Sanitary Sewer Overflow reporting deadlines. Currently the requirement is to notify DEQ within 24 hours of an overflow. A shorter timeline would significantly impact staffing needs.
- Oppose more stringent requirements and regulations associated with the land application of biosolids. ~~Oppose efforts to regulate water and wastewater utilities by the State Corporation Commission.~~
- ~~Support funding associated with lead water service replacement efforts.~~

OTHER LEGISLATIVE POSITIONS

Binding Arbitration: Oppose legislation that mandates binding arbitration, meet and confer requirements, and imposed grievance procedures for local employees.

Communications Sales and Use Tax: ~~Support legislation to reclassify the communications sales and use tax as a local not a state tax~~. The Virginia Communication Sales and Use Tax was enacted to establish a statewide tax rate and to preempt local taxes on communication sales and services. The City supports setting the tax rate at the same level as the state sales tax

rate of 5.3 percent, and broadening the coverage of the tax to include audio and video streaming services and prepaid calling services.

Exemptions: Oppose any legislation that would exempt churches and other religious and non-profit organizations from neutral, generally applicable local ordinances, and in particular local health, safety and zoning ordinances.

FOIA Exemption on the Release of Information Pertaining to Closed Criminal Justice Case Files: Oppose legislative action to remove the current FOIA exemption on the release of information pertaining to closed criminal justice case files. While not preventing the disclosure of information from closed criminal case files, the exemption allows law enforcement agencies the option to decline disclosure in situations where such disclosure is deemed likely to compromise ongoing criminal investigations; to identify at-risk witnesses, informants or victims; or to otherwise jeopardize public safety. Beyond the scope of endangering witnesses, informants or victims in certain cases, indiscriminate release of all closed case information would significantly hamper current criminal investigations involving the same suspect, similar modus operandi, etc. A primary reason for keeping investigative details from public knowledge is to preserve investigators' ability to evaluate the validity of information gathered from various sources

Law Enforcement Data Collection and Retention: The collection of data on citizen activities in the public rights of way is a sensitive matter and should be addressed with due caution to respect individual privacy rights. Access to data collected by devices such as Automatic License Plate Readers should be only for legitimate law enforcement purposes after a crime has been committed. ~~and passive data should be purged as soon as possible.~~

Line of Duty Act: Support initiatives that return program funding responsibility to the state. Should this unfunded mandate continue, support efforts to implement the recommendations of the 2014 Joint Legislative Audit and Review Commission (JLARC) "Line of Duty Act Report" **.**

Prevention: Restore state funds for prevention services.

Reimbursement for Political Party Primaries: Support the full reimbursement to localities for the costs related to political party primaries.

Reimbursement for General Registrar and Electoral Board Expenses: Support the full reimbursement by the State to the localities for the compensation and expenses of the General Registrar and Electoral Board.

Reimbursement for the Retrieval of Cellular Phone Information: The General Assembly should amend §19.2-70.3 of the Code of Virginia to provide reimbursement for the costs of retrieving historic cellular tower information through a search warrant. Code of Virginia §19.2-70.2 has language in section G that allows localities to seek reimbursement for costs related to obtaining pen register information authorized through a court order. Such orders are traditionally used for real-time cellular phone information (pen register and trap & trace). Code of Virginia §19.2-70.3 does not currently have language to allow localities to seek reimbursement. This code section requires a search warrant for cellular phone information related to real-time location data (pinging a

phone) or historic subscriber and billing information. United States v. Graham, decided August 5th by the 4th Circuit Court of Appeals, held that a search warrant is necessary for historic cellular tower information. This sort of information shows where a phone was at any relevant point in time. Without the reimbursement language being added to §19.2-70.3, localities will end up spending thousands of dollars a year through investigations involving the need for cellular phone information obtained through search warrants.

Short-term Rentals: Oppose short-term rental legislation that does not require property owners to register locally and insure accessibility, zoning and life safety protections and equal taxing of all lodging facilities.

Social Services: Maintain funding for workforce re-training through appropriate agencies, retaining Virginia Initiative for Employment not Welfare (VIEW) staff and funding in Social Services. This program has successfully helped Temporary Assistance for Needy Families (TANF) recipients secure and maintain jobs.

State Aid to Public Libraries: Restore state aid for libraries to at least FY 2010 levels. Public libraries serve as resources for early childhood education and for the unemployed seeking job opportunities.

Substance Abuse Treatment: Restore state funding for substance abuse treatment programs. Such funding could be provided to Community Service Boards, programs such as "The Healing Place" or other pilot programs.

Tax on Electronic Cigarettes and Vapor: Support legislation to allow localities to tax electronic cigarettes and vapor in a manner similar to traditional cigarettes.

Taxes on Local Services: Oppose the imposition of a state fee, tax or surcharge on water, sewer, and solid waste or on any other local government funds or services.

Telecommunications: Maintain local authority over zoning, land use, rights-of-way and taxation. Limit new state regulation preempting local authority regarding the use and compensation of local rights of way for telecommunications.

Workers Compensation Medical Fees: Virginia should adopt Medicare-based fee schedules for setting medical provider fees in workers' compensation cases, instead of the prevailing community rate standard now used. This will make providing workers' compensation coverage more affordable and will adequately protect the financial interests of the medical providers of Virginia.

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CITY OF LYNCHBURG
2018 LEGISLATIVE AGENDA

Adopted November 28, 2017

The City of Lynchburg is a member of both the Virginia Municipal League and the Virginia First Cities Coalition and supports the legislative agendas of both organizations. The City of Lynchburg 2018 Legislative Agenda is meant to highlight those issues of particular importance to the City.

The Lynchburg City Council asks that legislators keep the following principles in mind as they evaluate and vote on legislation and the biennial budget.

PRINCIPLES

- Local governments are instruments of the state, created in large measure to deliver state responsible services in a more efficient and effective manner. This state/local partnership requires an equitable allocation of costs between the two levels of government and across the various jurisdictions of the Commonwealth.

- The state must continue to meet constitutional and statutory responsibilities to adequately fund the state share of state/local services, especially in education, human services, and public safety. Any shortfall in state revenues should not be shifted to local governments.

- When the state experiences or anticipates a budget surplus, due to either increased revenues or reduced expenditures, it should relieve localities of funding responsibilities that have been shifted to them for state mandated/locally delivered serves.

- Rather than shifting responsibilities for programs that the state is unwilling to fund down to the localities, the state should consider eliminating those programs.

- The state should explore ways to increase the efficiency and effectiveness of the delivery of state services at the local level including the regionalization of service delivery (e.g. Social Services) and the elimination of inefficient structures such as the Compensation Board.

- The General Assembly should defeat proposed legislation that would erode local taxing authority, cap or reduce local revenue sources or that would impose unfunded mandates on localities.

- The General Assembly should support legislation that provides greater authority to localities in implementing sustainability initiatives especially with regard to land use and transportation planning.

- The General Assembly should preserve local zoning and land use authority, allowing flexibility to meet the needs of individual communities.

2018 LEGISLATIVE PRIORITIES

Filing of Bills with Local Fiscal Impact: Support legislation that requires members of the General Assembly to file bills with local fiscal impacts as early as possible and no later than the first day of the legislative session, so that the appropriate fiscal impact analysis can be completed and reported in a timely manner.

Taxes- Machinery and Tools: Oppose legislation that would reduce or eliminate a locality's authority to impose a machinery and tools tax. The loss of $4,841,000 in revenue from the Machinery and Tools Tax would equate to a 9.9 cent increase in the City's Real Property Tax rate.

Taxes- Business License: Oppose legislation that would reduce or eliminate a locality's authority to impose a business license tax. The loss of $8,127,366 in revenue from the Business License Tax would equate to a 16.7 cent increase in the City's Real Property Tax rate.

Children's Services Act (CSA): CSA funding continues to be a serious concern. Actions taken by the General Assembly have increased mandated services and shifted costs to the localities. The General Assembly should refrain from adding additional mandated services and should fund its full share of the CSA program.

Comprehensive Poverty Reduction: Support continued funding of the Community Wealth Building state matching fund which partners with local programs that target intractable long-term pockets of poverty through combined education and job training, housing and transportation resources, mentoring and prisoner re-entry, childcare and early education, and workforce training and other programs that break the cycle of poverty. Preparing people for jobs in the new workforce is extremely important to a healthy community continuum. Prioritize the use of "Go Virginia" funding to create jobs for those in poverty.

Economic Development: Preserve existing incentive and grant funds offered by the Virginia Economic Development Partnership, the Virginia Department of Agriculture and Consumer Services, the Department of Housing and Community Development, the Department of Environmental Quality, Virginia Tourism Corporation, and Virginia Commission for the Arts.

Educational Funding: Jobs are the key to economic recovery and adequate education is essential for preparing the current and future workforce. The State should fully fund the Standards of Quality (SOQ), including support staff costs and categorical incentive funds for At-Risk students and restore funding from cuts to education over the last biennium. The state has a constitutional duty to meet its education funding obligations and should refrain from changes in methodology and division of financial responsibility that result in a further shift of funding responsibility from the state to localities. These

shifts do not change what it actually costs to provide education but simply transfers additional costs to local governments, and ultimately to the local real estate tax base.

Historic Rehabilitation Tax Credits: Support this financing tool which supports the development and redevelopment of historic buildings.

Local Law Enforcement Funding: The Commonwealth should be equitable in its support for local law enforcement funding both to those localities with police departments (HB 599 funding) and to those in which Sheriff's Departments provide law enforcement (through the Compensation Board). Cities should not bear a disproportionate burden for law enforcement funding through continued reductions in funds provided by HB 599.

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Adopted: November 28, 2018

2018 VML Legislative Program

Priorities

State and Local Government Fiscal Relationship

Governance at the local level becomes ever more challenging as the Commonwealth and the Federal government add new programs, or modify existing program guidelines, and promulgate complex regulations and higher standards for local governments to implement. It is not uncommon for the state and federal governments to either underfund their share of the costs or to ignore them altogether.

To that end, the Virginia Municipal League holds as essential these principles on local taxing and budget authority.

- Specific local revenue authority and sources cannot be further restricted without first granting and providing alternative revenue authority with reliable, sustainable revenue sources. This includes, without limitation, the BPOL and M&T taxes.
- Local governments should be involved in any discussions relating to local taxing authority including legislation that exempts specific industries from local taxes and fees.
- Local general fund revenue and special funds cannot be confiscated or re-directed to the state treasury.
- Placing additional administrative burdens on local governments without sufficient resources or administrative flexibility jeopardizes the quality of services delivered at the local level. Local governments cannot be expected to bear the expenses related to the imposition of new funding requirements or the expansion of existing ones on services delivered at the local level without a commensurate increase of state financial assistance or new local taxing authority.
- Shifting traditional state funding responsibilities onto local governments for services including public education, law enforcement, and public safety activities and any core services affecting local government, is bad fiscal policy, resulting in stress on local finances without reductions in overall program costs.
- Imposing state fees, taxes or surcharges on local government services impedes transparency at both the state and local level.
- Any efforts at tax reform must begin with a thorough examination of state tax reform and the financing of state services. The State should reform its own tax structure before taking on the topic of local taxes. State or local tax changes should not negatively affect local revenues.
- State budget cuts to state mandated and other high priority programs should specify the programs to be affected by the cuts.

The Commonwealth should:

- Enter a dialogue with local governments to examine state requirements and service expansions that can be suspended or modified to alleviate to the degree possible the financial burden on state and local taxpayers.
- Examine models in other states that allow for modernizing state and local taxing authority.

- Develop spending and revenue priorities that support economic development, public safety, education and other public goals. State tax credits, tax deductions and tax relief policies must receive the same scrutiny as spending programs as part of the prioritization process.
- In times of revenue crises, review ways to increase revenues to meet constitutional and statutory obligations to Virginia citizens after all other actions have been taken.
- Include local government representatives on any "blue ribbon" commission or other body established by the state that has as its purpose changes to local revenue authority or governance.

Education Funding

A strong public school system is essential to economic development and prosperity. The state must be a reliable funding partner in accordance with the Virginia Constitution and state statutes. The Standards of Quality should recognize the resources, including positions, required for a high-quality public education system. VML opposes changes in methodology and changes in the division of financial responsibility that result in a shift of funding responsibility from the state to localities.

Further, VML opposes policies that lower state contributions but do nothing to address the cost of meeting the requirements of the Standards of Accreditation and Standards of Learning.

Any approach to improving low-performing schools must include adequate state financial support. VML supports increased state funding for the Virginia Preschool Initiative, the K-3 reduced class size program and Early Reading Intervention program. VML also supports increased state stipends for highly effective teachers in high-poverty schools, and other innovative programs for teachers and students.

State Assistance to Local Police Departments (HB 599)

Almost 70 percent of Virginians live in communities served by police departments. The state created a program of financial assistance to local police departments (HB599) when it imposed an annexation moratorium on cities more than 30 years ago. It has increasingly de-emphasized this funding obligation as a priority but has never compromised on the annexation moratorium. VML calls for the state to honor its commitment to local governments and public safety by funding the program as stipulated in the Code of Virginia.

Legislative Program Items (listed in alphabetical order)

Communications Sales and Use Tax

The Virginia Communication Sales and Use Tax was enacted to establish a statewide tax rate and to pre-empt local taxes on communication sales and services. VML supports setting the tax rate at the same level as the state sales tax rate, and broadening the coverage of the tax to include audio and video streaming services and prepaid calling services.

Community Solar

VML supports legislation that would allow for greater flexibility for community-owned solar facilities. VML supports the protection of current net metering compensation.

Full Funding for Virginia State Parks

VML supports full funding for Virginia State Parks, and supports what is needed to adequately maintain and operate current facilities, infrastructure, and authorized future construction, as detailed in the Virginia Association for Parks' Needs Assessment.

Incentives for In-Fill Development/Tax Abatement

VML supports allowing local governments greater flexibility in creating incentives for in-fill development and tax abatement for properties that are not challenged by housing structures.

Landscape Materials

VML supports the ability of localities to regulate the use of specific landscape cover materials or the retrofit of existing landscape cover materials for the health, safety, and welfare of their citizens.

Marijuana Decriminalization

VML supports a change to the *Code of Virginia* to make anyone found to be in the simple possession of no more than 0.5 oz. of marijuana for personal use subject to a civil rather than criminal penalty. Individuals under 21 years of age found to be in possession should still be required to undergo drug screening and participation in a treatment or education program as a condition of the suspension of a conviction if appropriate.

Medical Use of Marijuana

VML supports the expansion of an affirmative defense to prosecution for the possession or distribution of marijuana if a person has a valid written certification issued by a practitioner licensed by the Virginia Board of Medicine to prescribe cannabidiol oil or THC-A oil for the treatment of, or to alleviate the symptoms of, cancer, glaucoma, HIV, AIDS, ALS, MS, PTSD, traumatic brain injury, and other chronic or terminal conditions.

Price Floor for Regional Gas Taxes

VML supports an amendment to Virginia Code § 58.1-2295 that would establish a protective floor price for the 2.1 percent regional gas tax, such as was done for the statewide fuels tax in §58.1-2217. Such a floor concept is essential to provide a more stable, dedicated revenue source needed for long-term financing of regional projects.

Public Transit Funding

VML supports increased federal and state funding for public transit; policies that allow for the equitable distribution of such funding; and dedicated sources for such funding, all to avoid the impending fiscal cliff in 2019.

Regional Greenhouse Gas Initiative & Commonwealth Resilience Fund

VML urges the General Assembly to address greenhouse gas emissions targets through the Regional Greenhouse Gas Inventory (RGGI) or carbon credit auctions. All proceeds derived from the auction of credits should be used to establish the "Commonwealth Resilience Fund," a special state-dedicated fund to assist localities in addressing flooding, energy efficiency improvements, and economic development.

Retain Local Land Use Authority in Implementation of Wireless Technology

VML supports the implementation of new wireless technology to all localities and providing service to all residents of the Commonwealth. Localities must retain the ability to exercise current land use authority in the implementation of new wireless technology. Local rights-of-way are public property and proper local management and maintenance are essential to ensure public safety, to protect the integrity of the property, to guarantee the safety of workers and maintain efficient transportation.

School Capital Funding Pilot Program

Local governments pay the majority of public school capital costs. Communities struggle to balance financing the infrastructure and operational costs for 21st century learning environments with other public infrastructure and service needs. The Literary Fund long ago lost its capacity as a viable financing option for most communities' school capital costs. VML supports new avenues for funding public school construction and renovation costs, including the creation of a pilot program of competitive grants using funds from the Virginia Public Building Authority to offset new construction or renovation costs for publicly owned and operated K-12 schools.

Statewide Taxing Authority for Transit Capital Needs

Public transportation is critical to the economy and quality of life of all Virginians. VML supports legislation that would allow localities to adopt additional regional or local taxes to provide needed capital funds.

Stormwater Local Assistance Fund

VML supports continued investment in the Stormwater Local Assistance Fund to assist localities with much-needed stormwater projects to meet federal and state clean-water requirements.

Taxing, Licensing, and Registering Internet-based Businesses and Services

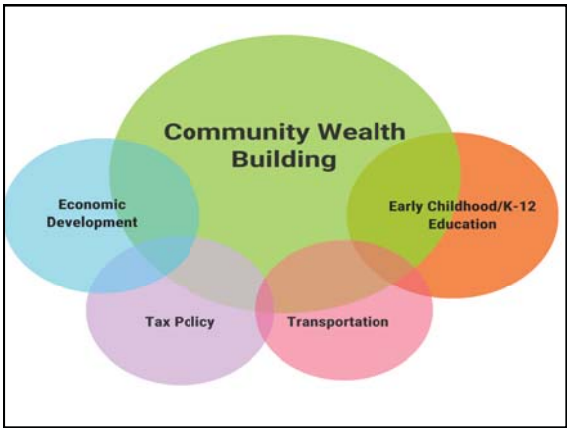
If the Commonwealth should take action to regulate private enterprises employing a business model that emphasizes the use of the Internet to either provide retail or facilitate lodging or ride-sharing services, then local government interests should be acknowledged and localities should be included in the decision-making. As general principles, VML believes state and local policies should (1) encourage a level playing field for competing services in the marketplace; (2) seek to preserve and/or replace local and state tax revenues; (3) ensure safety, reliability, and access for consumers, providers, and the public; and (4) protect local government's ability to regulate businesses whether they are traditional, electronic, Internet-based, virtual or otherwise.

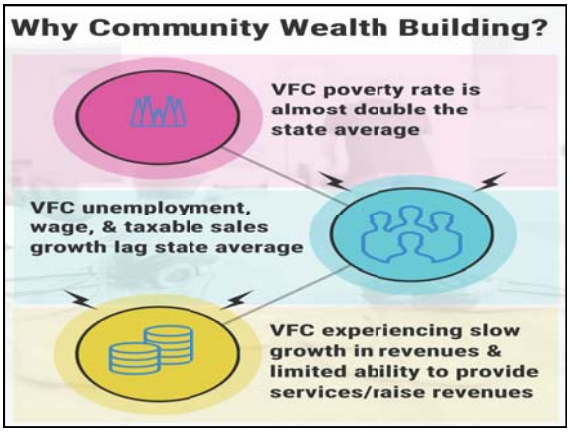
Transition of the Commonwealth of Virginia to Next Generation 911

VML supports the Statewide Transition to Next Generation 911 using the state funds that will be dedicated by the 911 Services Board; this should not be an unfunded mandate for which localities become accountable.

Virginia First Cities

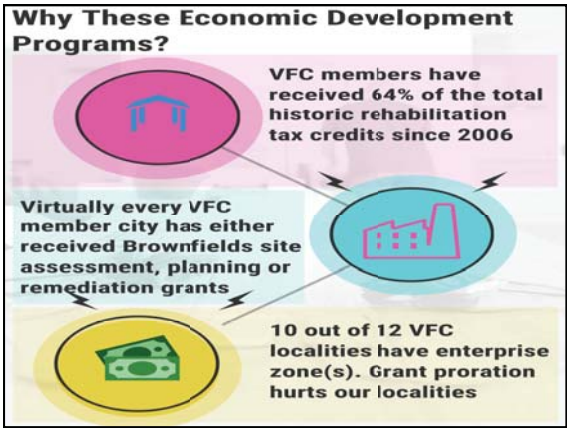
Draft 2018 Legislative Agenda





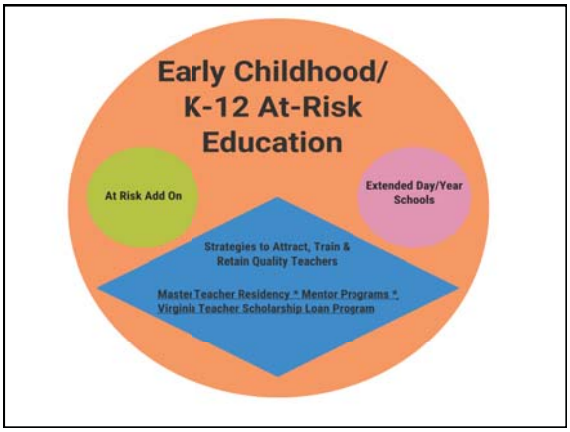
Budget Amendment: Community Wealth Building

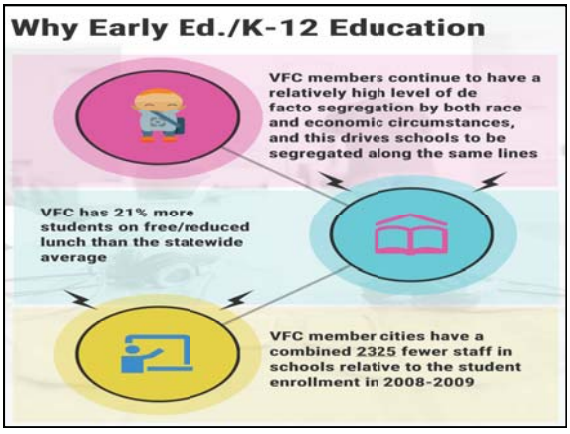
- Community Wealth Building Fund –
  $7.5 - $10 million in each year
- Budget language to break down silos between governments/non-profits



Budget Amendments

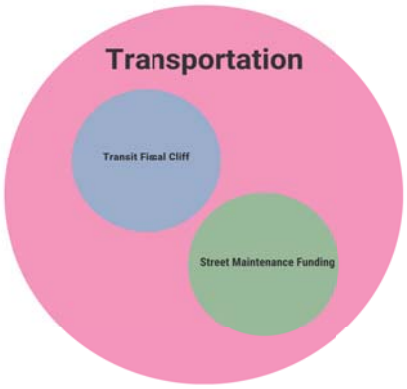
- Brownfields: $2.25 million in each year
- Enterprise Zones: $13.5 million in each year
- Historic Rehabilitation Tax Credits: Remove language on limiting credit to $5 million per taxpayer in any taxable year
- Critically Stressed Locality Incentive Fund

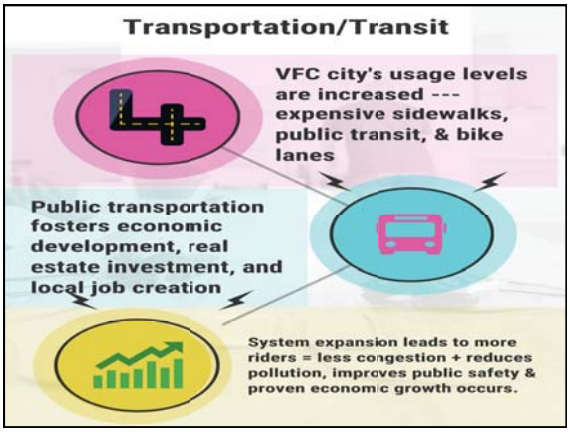




Budget Amendments

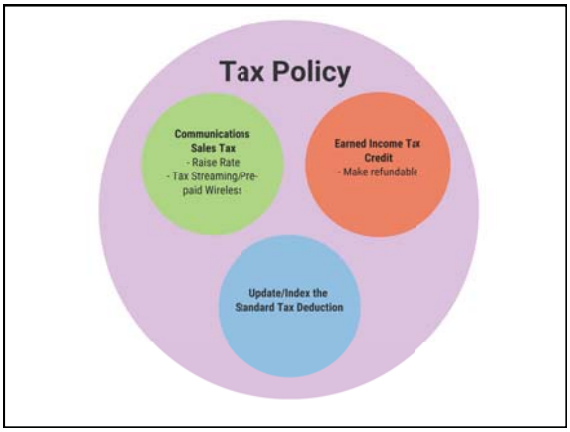
- At Risk Add On – Boost support to make it in-line with other states. ($100,000,000 each year)
- Extended Day/Year Schools - $7.5 million (increase of $350,000)
- Master Teacher Residency/Mentor Programs
- Teacher Scholarship Loan Program - $4.5 million
- STEM Teacher Recruitment & Retention Incentives/Leadership Development

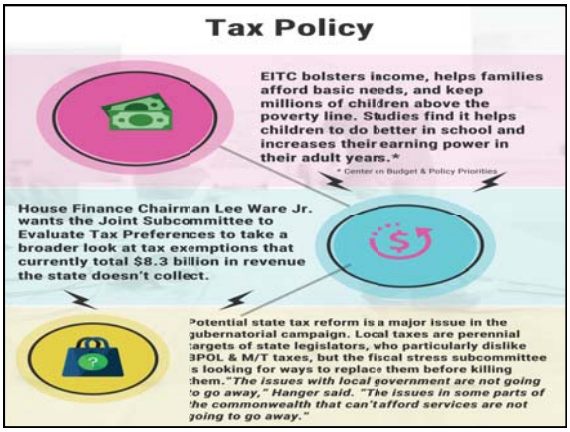




Legislative Activity

- Support the broad-based coalition led by the Virginia Transit Association to replace source of revenue for state public transit funding
- Monitor Governor's Introduced Budget for adequacy of street maintenance funding





LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **11/28/2017** AGENDA ITEM #: **3**

CONSENT: REGULAR: WORK SESSION: **X** CLOSED SESSION:
ACTION: INFORMATION: X (Confidential)

ITEM TITLE: In-Fill development incentives for select areas of the City

KEY ELEMENTS:
_X_ Economic Development __Excellent Government _X_ Natural and Built Environment ___ Safe Community _X_ Vibrant Community

RECOMMENDATION: Direct staff to prepare code amendments to provide tax incentives for in-fill development of (residential, commercial, multi-family (5 + units), or industrial buildings) in the City's Rehabilitation and Conservation Districts, Redevelopment Areas, Arts & Cultural Districts.

SUMMARY: The Code of Virginia § 58.1-3219.4 and § 15.2-1129.1 allows real estate tax exemptions up to 50% of new construction costs for in-fill development in the oldest areas of the City. This tool would provide incentives for in-fill development to encourage additional housing, business services, employment opportunities and revitalization in older areas of the City. Staff proposes using a format identical to the recently adopted Rehabilitation Code for the time periods of exemption and also include the (3) year phase-out provision.

PRIOR ACTION(S): None

FISCAL IMPACT: There would be no significant additional costs to administer the program within the City Assessor's Office, since the program is very similar to the Rehabilitation Exemption program. There would be some net new taxes in the years to come after the exemption periods expire. This provides another tool to revitalize neighborhoods by helping owners to build equity in a new home and change the course of neighborhoods in a positive direction. The program may also entice businesses to relocate to these select areas, enhancing the quality of life of the residents through better services and potential employment opportunities within the neighborhood.

CONTACT(S): Jeff Bandy, City Assessor (455-3830); Kent White, Community Development Director (455-3900); Marjette Upshur, Economic Development Director (455-4490); Charles Hartgrove, Deputy City Manager (455-3990).

ATTACHMENT(S):

- Presentation
- State Code sections

REVIEWED BY: bms

153K

Incentive Plan for In-Fill Development

Jeff Bandy, City Assessor's Office

Council Work Session
11/28/2017

Background Info

- The Code of Virginia allows for an exemption of real estate taxes for infill development (new construction).
- The program provides another tool to revitalize the City's oldest neighborhoods by:
  - allowing owners to build equity in a new home
  - enticing businesses to serve the neighborhoods
  - providing potential employment opportunities
  - reducing blight associated with vacant blocks

Enabling Legislation

Code of Virginia - § 58.1-3219.4. Partial exemption for structures in redevelopment or conservation areas or rehabilitation districts

- Provides for the exemption from taxation of (i) new structures located in a redevelopment or conservation area or rehabilitation district
- or (ii) other improvements to real estate located in a redevelopment or conservation area or rehabilitation district.

Enabling Legislation

Code of Virginia - § 58.1-3219.4. Partial exemption for structures in redevelopment or conservation areas or rehabilitation districts

The partial exemption shall be either

- (i) an amount equal to the increase in assessed value or a percentage of such increase resulting from the construction of the new structure or other improvement to the real estate as determined by the commissioner of the revenue or other local assessing officer
- or (ii) an amount up to 50 percent of the cost of such construction or improvement, as determined by ordinance.

Enabling Legislation

Code of Virginia - § 15.2-1129.1 Creation of Arts and Cultural Districts

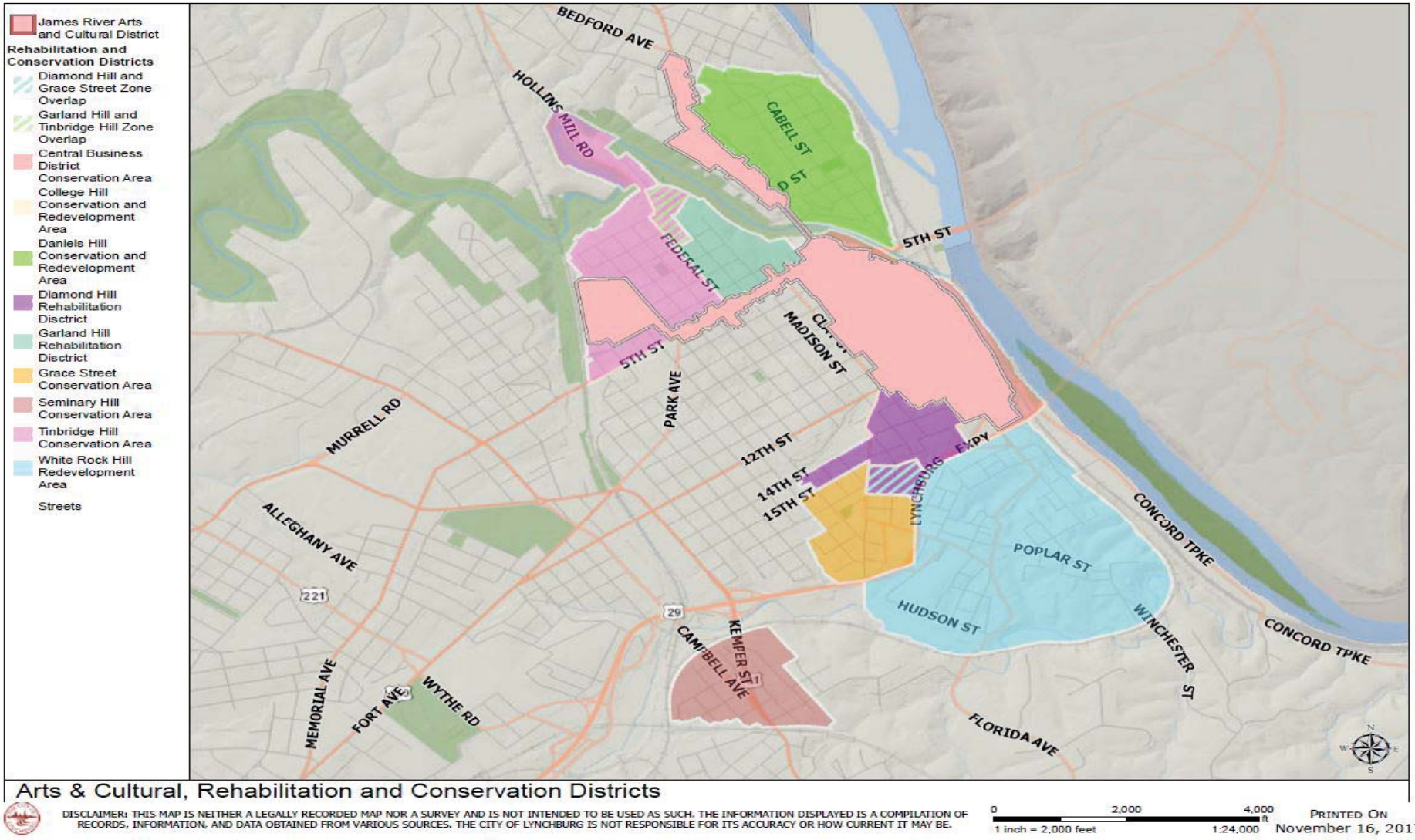
- The City may provide incentives for the support and creation of arts and cultural districts.
- The tax incentives for each district allows up to 10 years for the rebate of real estate property taxes.
- The districts noted (Redevelopment, Rehabilitation, Conservation, Arts & Cultural) are the only areas that allow in-fill development with Real Estate Tax Exemption periods per State Code.

Recommended Requirements

- Follow the same periods (designated by use) and methods for phase-out of exemption as established for changes to Rehabilitation Code effective January 1st, 2018.

- Allow 50% of cost of construction as exemption amount for the period of exemption (designated by use.)

Map of Eligible In-Fill Areas



In- Fill Development Proposal

- Questions?

Code of Virginia
Title 58.1. Taxation
Chapter 32. Real Property Tax

§ 58.1-3219.4. Partial exemption for structures in redevelopment or conservation areas or rehabilitation districts

For purposes of this section, unless the context requires otherwise:

"Redevelopment or conservation area or rehabilitation district" means a redevelopment or conservation area or a rehabilitation district established in accordance with law.

A. The governing body of any county, city, or town may, by ordinance, provide for the partial exemption from taxation of (i) new structures located in a redevelopment or conservation area or rehabilitation district or (ii) other improvements to real estate located in a redevelopment or conservation area or rehabilitation district. The governing body of a county, city, or town may (a) establish criteria for determining whether real estate qualifies for the partial exemption authorized by this section, (b) establish requirements for the square footage of new structures that would qualify for the partial exemption, and (c) place such other restrictions and conditions on such new structures or improvements as may be prescribed by ordinance.

B. The partial exemption provided by the local governing body shall be provided in the local ordinance and shall be either (i) an amount equal to the increase in assessed value or a percentage of such increase resulting from the construction of the new structure or other improvement to the real estate as determined by the commissioner of the revenue or other local assessing officer, or (ii) an amount up to 50 percent of the cost of such construction or improvement, as determined by ordinance. The exemption may commence upon completion of the new construction or improvement or on January 1 of the year following completion of the new construction or improvement and shall run with the real estate for a period of no longer than 15 years. The governing body of a county, city, or town may place a shorter time limitation on the length of such exemption, or reduce the amount of the exemption in annual steps over the entire period or a portion thereof, in such manner as the ordinance may prescribe.

C. The local governing body or its designee shall provide written notification to the property owner of the amount of the assessment of the property that will be exempt from real property taxation and the period of such exemption. Such exempt amount shall be a covenant that runs with the land for the period of the exemption and shall not be reduced by the local governing body or its designee during the period of the exemption, unless the local governing body or its designee by written notice has advised the property owner at the initial time of approval of the exemption that the exempt amount may be decreased during the period of such exemption. In no event, however, shall such partial exemption result in totally exempting the value of the structure.

D. Nothing in this section shall be construed so as to permit the commissioner of the revenue to list upon the land book any reduced value due to the exemption provided in subsection B.

E. The governing body of any county, city, or town may assess a fee not to exceed $125 for residential properties, or $250 for commercial, industrial, and/or apartment properties of six units or more, for processing an application requesting the exemption provided by this section. No property shall be eligible for such exemption unless the appropriate building permits have

been acquired and the commissioner of the revenue or assessing officer has verified that the new structures or other improvements have been completed.

F. Where the construction of a new structure is achieved through demolition and replacement of an existing structure, the exemption provided in subsection A shall not apply when any structure demolished is a registered Virginia landmark or is determined by the Department of Historic Resources to contribute to the significance of a registered historic district.

2006, c. 572;2011, cc. 423, 460.

The chapters of the acts of assembly referenced in the historical citation at the end of this section may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

Code of Virginia
Title 15.2. Counties, Cities and Towns
Chapter 11. Powers of Cities and Towns

§ 15.2-1129.1. Creation of arts and cultural districts.

A. Any locality, or combination of localities, may by ordinance, or in the case of multiple localities by substantially similar ordinances, establish within the boundaries of such localities one or more arts and cultural districts for the purpose of increasing awareness and support for the arts and culture in the locality. The locality may provide incentives for the support and creation of arts and cultural venues in each district. The locality may also grant tax incentives and provide certain regulatory flexibility in each arts and cultural district.

B. The tax incentives for each district may be provided for up to 10 years and may include, but not be limited to: (i) reduction of permit fees; (ii) reduction of user fees; (iii) reduction of any type of gross receipts tax; and (iv) rebate of real estate property taxes. The extent and duration of such incentive proposals shall conform to the requirements of the Constitutions of Virginia and of the United States.

C. Each locality may also provide for regulatory flexibility in each district that may include, but not be limited to: (i) special zoning for the district; (ii) permit process reform; (iii) exemption from ordinances; and (iv) any other incentive adopted by ordinance, which shall be binding upon the locality for a period of up to 10 years.

2001, c. 550; 2005, c. 330; 2006, c. 482; 2007, cc. 236, 251, 280; 2008, c. 290; 2009, cc. 300, 637, 738; 2012, c. 516; 2013, cc. 254, 386; 2017, cc. 217, 373.

Agenda Item #6

// A regular meeting of the Council of the City of Lynchburg was held on the 10th day of October, 2017, at 7:30 P.M. in the Council Chamber, City Hall, Joan Foster, President, presiding. Council Member Perrow gave the Invocation, followed by the Pledge of Allegiance. The following Members were present:

Present: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster 6

Absent: Dolan 1

// In the matter of Courts, Resolution #R-17-083, to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $11,383 with resources from a grant from the Library of Virginia to preserve Deed Book 56, 1897-1898, Deed Book FF, 1880-1881, and Marriage Bonds A-L, 1805-1824 at the Lynchburg Circuit Court Clerk's Office laid over from the September 26, 2017 meeting, was again presented and read, and on motion of Council Member Wilder, seconded by Council Member Nelson, Council by the following recorded vote adopted the Resolution:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster 6

Noes: 0

Absent: Dolan 1

// In the matter of Fire, Resolution #R-17-084, to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $36,784 with resources of $17,647 from the Virginia Office of Emergency Medical Services Rescue Squad Assistance Fund and $19,137 transferred from the FY 2018 General Fund Fire Department budget to purchase two (2) Power Pro stretchers for the Fire Department laid over from the September 26, 2017 meeting, was again presented and read, and on motion of Council Member Wilder, seconded by Council Member Nelson, Council by the following recorded vote adopted the Resolution:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster 6

Noes: 0

Absent: Dolan 1

// In the matter of Police, Resolution #R-17-085, to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $49,650 with resources of $33,100 from the Department of Motor Vehicles Highway Safety Grant, an in-kind service and equipment match of $14,140 and $2,410 transferred from the FY 2018 General Fund Police Department budget to provide selective enforcement activities and attend related training laid over from the September 26, 2017 meeting, was again presented and read, and on motion of Council Member Wilder, seconded by Council Member Nelson, Council by the following recorded vote adopted the Resolution:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster 6

Noes: 0

Absent: Dolan 1

// In the matter of Police, Resolution #R-17-086, to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $21,000 with resources of $14,000 from the Department of Motor Vehicles Highway Safety Grant, an in-kind service and equipment match of $5,929 and $1,071 transferred from the FY 2018 General Fund Police Department budget to provide funds for speed enforcement activities laid over from the September 26, 2017 meeting, was again presented and read, and on motion of Council Member Wilder, seconded by Council Member Nelson, Council by the following recorded vote adopted the Resolution:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of City Council, Resolution #R-17-087, to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $156,391 with resources of $117,293 from the Commonwealth of Virginia Department of Social Services through the Employment for TANF Participants Grant and $39,098 from in-kind contributions laid over from the September 26, 2017 meeting, was again presented and read, and on motion of Council Member Wilder, seconded by Council Member Nelson, Council by the following recorded vote adopted the Resolution:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of Community Development, a public hearing was held regarding City Council Report #6 for the petition of William Bohn and Jennifer Woofter to appeal the decision of the Historic Preservation Commission (HPC) to deny a Certificate of Appropriateness (COA) to allow installation of four (4), twenty-six inch (26”)-diameter main wood columns on the front of the structure with twenty-four inch (24”)-diameter fiberglass columns at 1919 Rivermont Avenue. After reading this item, Mayor Foster stated the petitioners, William Bohn and Jennifer Woofter sent a letter stating they were out of town and would like to delay this item until a later date. By consensus, Council agreed to postpone this item to a later date when the petitioners could be present:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of Community Development - Zoning Amendments, a public hearing was held regarding City Council Report # 7 outlining the petition of Bell Terrace Developers, LLC, to rezone from R-1 Low Density Residential zoning to R-2, Low Medium Density residential to allow the subdivision of the property into forty-four (44) single-household lots at 226, 300, 306, 312 and 404 Alta Lane. Planner Rachel Frischeisen gave a summary of the request for the rezoning. Mr. Norm Walton of Perkins & Orrison, Inc., representing the petitioner asked Council for approval of the rezoning. One individual spoke in favor of the rezoning petition. One individual spoke in opposition stating that the new development would be in her

backyard and there would be increased traffic. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Perrow, seconded by Council Member Nelson, Council by the following recorded vote adopted Ordinance #0-17-088, as presented, granting the petition of Bell Terrace Developers, LLC, to rezone from R-1 Low Density Residential zoning to R-2, Low Medium Density residential to allow the subdivision of the property into forty-four (44) single-household lots at 226, 300, 306, 312 and 404 Alta Lane:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of Community Development - Zoning, a public hearing was held regarding City Council Report #8 outlining the petition of Liberty University, Inc. for a Conditional Use Permit (CUP) at 1971 University Boulevard to allow the expansion of the existing football stadium. City Planner Tom Martin gave a brief summary of the request for the CUP from Liberty University, Inc.

Council Member Helgeson disclosed a statement that he is a graduate of Liberty University and a Flames Club representative (an organization that gives money to the University). He does not foresee a personal conflict of interest so he can render a fair and impartial vote.

Council Member Perrow disclosed a statement acknowledging from time to time his company is hired to conduct consultations with Liberty University; however, he does not have a personal conflict of interest so he can render a fair and impartial vote.

There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Helgeson, seconded by Council Member Perrow, Council by the following recorded vote adopted Resolution #R-17-089, as presented, granting the Conditional Use Permit to Liberty University, Inc. to allow the expansion of the existing football stadium at 1971 University Boulevard:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of Community Development, a public hearing was held regarding City Council Report #9 to adopt an Ordinance to vacate a portion of right-of-way known as University Boulevard. Planner Rachel Frischeisen gave a summary of the request.

Council Member Perrow disclosed a statement acknowledging from time to time his company is hired to conduct consultations with Liberty University; however, he does not have a personal conflict of interest so he can render a fair and impartial vote.

Council Member Helgeson disclosed a statement that he is a graduate of Liberty University and a Flames Club representative. He does not foresee a personal conflict of interest so he can render a fair and impartial vote.

There was no one else present who wished to speak to this item, and the public hearing was closed. Council Member Perrow, Chair of the Physical Development Committee (PDC) stated that this matter

came before the PDC which recommended approval. This motion does not require a second and Council by the following recorded vote adopted Ordinance #O-17-090, as presented, to vacate a portion of right-of-way known as University Boulevard:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of Community Development, a public hearing was held regarding City Council Report #10 to amend Section 35.2-46, Community Business District (B3) of the Zoning Ordinance to allow tattoo parlors as a use permitted by right. City Planner Tom Martin gave a summary of the request. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Perrow, seconded by Council Member Helgeson, Council by the following recorded vote adopted Ordinance #O-17-091, as presented, to amend Section 35.2-46, Community Business District (B3) of the Zoning Ordinance to allow tattoo parlors as a use permitted by right:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of City Council, a public hearing was held regarding City Council Report #11 to receive citizen comments on the proposed sale of surplus City property located at 405 Cabell Street. City Manager Bonnie Svrcek provided a summary regarding the sale of surplus City property located at 405 Cabell Street. This property is the former group home known as Opportunity House. Ms. Svrcek stated the City advertised the property as being for sale and received an offer from Boyd Coons to purchase the property in the amount of $175,000.00 with the intent of restoring and preserving the building on the property to authentic historic standards. The City received a second offer in the amount of $240,000 to purchase the property with the intent to convert the entire property to rental units. Ms. Svrcek went on to say that the property was purchased by the City in 1981 and the current assessed value is $276,600. There was no one else present who wished to speak to this item, and the public hearing was closed. Council discussed this item at length. Council Member Helgeson suggested selling the property to the higher buyer. He stated the City will be losing taxes if the property is sold to the lower buyer. Council Member Nelson made a motion, seconded by Mayor Foster, to accept the lower offer, this property has been used for public purpose, an affirmative vote of three-fourths or 6 votes is required to approve the sale of the property. It was the consensus of Council to accept the lower offer and forward this item to November 14, 2017 council meeting for approval of the sale of surplus City property located at 405 Cabell Street:

Ayes: Nelson, Perrow, Tweedy, Wilder, Foster	5
Noes: Helgeson	1
Absent: Dolan	1

// In the matter of City Council, Lauren Dianich spoke before Council regarding the skatepark.

// In the matter of City Council, Katie Basten was not present at this meeting but provided Council with a letter on her behalf.

// In the matter of City Council, Jeff Suter spoke before Council regarding the skatepark.

// In the matter of City Council, BB Shavers with Shopo Nation spoke before Council regarding several community issues.

// In the matter of Economic Development, City Council Report #16 was considered. On motion of Council Member Wilder, seconded by Council Member Tweedy, Council by the following recorded vote adopted Resolution #R-17-092, as presented, approving the issuance of up to $8,500,000 in bonds for Lynchburg College through the Industrial Development Authority of Campbell County, Virginia (IDA):

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of City Council, Resolution #R-17-081, laid over from the September 26, 2017 meeting, was again presented and read, and on motion of Council Member Wilder, seconded by Council Member Perrow, Council by the following recorded vote adopted the Resolution for the proposed sale of surplus City property located at 927 Church Street:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of Budget, City Council Report #18 was considered. On motion of Council Member Nelson, seconded by Council Member Perrow, Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-17-093, as amended, for amending the FY 2018 Operating and Capital Budgets and appropriating funds to reflect the FY 2018 First Quarter Adjustments:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of Public Works/Parks and Recreation, City Council Report #19 was considered. Council Member Perrow, Chair of the Physical Development Committee (PDC) stated that this matter came before the PDC which recommended approval. This motion does not require a second and Council by the following recorded vote adopted Resolution #R-17-094, as presented, to endorse the Revenue Sharing, Transportation Alternatives and Highway Safety Improvement Program applications:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of City Code, City Council Report #20 was considered. City Attorney Walter Erwin brought forth amending Sections 25-375.1, 25-375.2, 25-375.4, 25-375.8, and 25-375.10 of the City Code to restrict weapons at assemblies and demonstrations. Mr. Erwin stated as a result of the violence that occurred during the August 12 demonstrations in Charlottesville, localities are reviewing and amending their ordinances regulating assemblies and demonstrations to prohibit the participants in such activities from possessing items such as bats, clubs, chemical irritant sprays, shields, torches, etc. in order to reduce the possibility of violence at assemblies and demonstrations. While citizens have a constitutional right to engage in peaceful assemblies and demonstrations, the prohibition of weapons does not violate the participants' constitutional rights. The proposed amendments to the City Code do not prohibit the possession of firearms at assemblies and demonstrations because in 2002 the General Assembly adopted legislation (Section 15.2-915 of the State Code) which prohibits localities from adopting ordinances, regulations, etc. prohibiting the possession of firearms in public buildings and public places.

After Council lengthy discussion on the City Code the section on "Picket" was added. "Picket" means anyone who participates in a public assembly, demonstration, march, parade, picket line, procession, rally, or spontaneous event on the streets, sidewalks, or other public areas of the city, either as an individual or as part of a group.

Mr. Erwin mentioned efforts across the State to address incidents like those that occurred in Charlottesville with considerations of changing ordinances. He related a taskforce has developed two recommendations to prohibit violence: 1) Law enforcement needs to keep different groups participating as separate as possible; 2) Prohibit protestors from bringing items that can be used as weapons. As a result, his office recommends the City consider amending our ordinance that deals with assemblies and demonstrations to address these two issues. These issues are not currently addressed in the City's current ordinance. Making this step will make it clear that the Police Department has a right to go out to a designate area for protests that include the protesters and counter protesters alike and put up a barrier if necessary to separate the groups. The City Police Chief has been consulted and approved by him before it was brought to City Council. On motion of Council Member Tweedy, seconded by Council Member Nelson, Council by the following recorded vote adopted Ordinance #0-17-095, as amended, to amend the City Code relating to the regulation of assemblies, demonstrations and parades within the City:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// On motion of Council Member Wilder, seconded by Council Member Nelson, Council by the following recorded vote elected to hold a closed meeting to consider appointments to Council-appointed Boards and Commissions, i.e., the Social Services Advisory Board, the Board of Building Code Appeals, the Lynchburg Business Development Centre, the Historic Preservation Commission, the Transit Company

Board and the Parking Authority, and for discussion and consideration of the disposition of City-owned property located at 405 Cabell Street, pursuant to Section 2.2-3711(A)(1)(3), of the Code of Virginia (1950) as amended.

Ayes: Nelson, Perrow, Tweedy, Wilder, Foster	5
Noes: Helgeson	1
Absent: Dolan	1

// The meeting was re-opened to the public.

// Council Member Wilder made the following motion:

WHEREAS, the Council of the City of Lynchburg has convened a closed meeting on this date, pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by City Council that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Lynchburg certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by Council.

The Motion was seconded by Council Member Nelson, and Council by the following recorded vote adopted the motion:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// In the matter of Appointments, and on nomination of Council Member Perrow, seconded by Council Member Helgeson, Council by the following recorded vote appointed Joshua Duffy, to serve on the Social Services Advisory Board for a term to expire September 30, 2021:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

On nomination of Council Member Perrow, seconded by Council Member Helgeson, Council by the following recorded vote appointed Craig A. Storrs, Jr., to serve on the Social Services Advisory Board to fill an unexpired term ending September 30, 2018:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

On nomination of Council Member Perrow, seconded by Council Member Helgeson, Council by the following recorded vote appointed Crystal Horsley to serve on the Social Services Advisory Board to fill an unexpired term ending September 30, 2020:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

On nomination of Council Member Perrow, seconded by Council Member Helgeson, Council by the following recorded vote appointed Cecil Jackson to serve on the Board of Building Code Appeals for a term to expire September 30, 2021:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

On nomination of Council Member Perrow, seconded by Council Member Helgeson, Council by the following recorded vote re-appointed Bonnie Svrcek to serve on the Transit Company Board for a term to expire October 30, 2020:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

On nomination of Council Member Perrow, seconded by Council Member Helgeson, Council by the following recorded vote appointed Joel Morgan to serve on the Transit Company Board for a term to expire October 30, 2020:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

On nomination of Council Member Perrow, seconded by Council Member Helgeson, Council by the following recorded vote re-appointed Ivajoan M. Jaeger, Carl Matice, Thorne McCraw and James Mundy to serve on the Lynchburg Parking Authority for terms to expire October 30, 2022:

Ayes: Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Dolan	1

// The meeting was adjourned at 11:22 P.M.

_____

Clerk of Council

AGENDA ITEM # 7

// A special meeting of the Council of the City of Lynchburg was held on the 7th day of November, 2017, at 9:00 A.M. at the Region 2000 Conference Room Bank of the James Building. Joan Foster, President, presiding. The following Members were present:

Present: Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Foster 7

Absent: 0

// Mayor Foster welcomed everyone and gave an over review of the City Council Retreat Agenda.
// Mayor Foster reviewed City Council's Rules of Procedure. The discussion was directed to the section "Call for the Question" regarding City Council deliberation when an item of business has exceeded thirty (30) minutes. Mayor Foster posed a question to Council: do we want to change this section? Some suggestions were: debate should be ten (10) minutes with additional time and a motion to extend to fifteen (15) minutes; suspend the rule and extend the debate; lengthy items need a time limit for each item; complex issues might take more than thirty (30) minutes; limiting interruptions from others and lastly, enforce the rules we already have. Leave rules as they are and be more forceful in carrying out the rules. City Attorney Walter Erwin offered some suggestions to Council that basically follows Robert's Rules of Order with some modifications. Mr. Erwin went on to say the Robert's Rules are there to help organize a meeting in a timely and efficient manner. It was by consensus of Council not to modify Council's Rules of Procedure at this time.
// Deputy City Manager Charles Hartgrove provided Highlights of FY 2018 – FY 2019 Work Plan. Mr. Hartgrove stated that the name changed; instead of Strategic Plan is now The Evolution of our ~~Strategic~~ Work Planning Process. The following are the guidelines that were presented for the Work Planning Process for FY 2018 – FY 2019

"How did we get here"?

- November 10, 2016: City Council identified four strategic focus areas at their Fall retreat: economic development, workforce development, infrastructure, and poverty.
- December – April: Teams were assigned for goal setting.
- May 10, 2017: The Leadership Team to create an action oriented plan focused on mapping out connections between departments with concrete goals, measures, and timelines for implementation. The Leadership Team agreed with the process as well as the need to value organizational culture change and integration of the initiatives into our culture, creative thinking and options to do things differently and involvement in the process of thought and change. From the outset of this transition, City of Lynchburg Leadership Team had three main goals for this document:

1. To create an internally facing plan that identifies opportunities for departments to work collaboratively, reducing the duplication of efforts within the organization.
2. To be actionable, rather than a 30,000 feet guiding document with broad recommendations and strategy.
3. To be built by staff, incorporating the ideas and feedback from all staff, from entry level to Leadership Team.

Mr. Hartgrove next steps are "What are we doing now"?

The Leadership Team was asked to give feedback on the work plan action items along with additional action items that should be considered. Are the action items in the right place and where your department should be involved? How are we measuring and tracking our action items and to focus on "how can we" as opposed to "why can't we."

"Where are we going"?

- Begin using the workbook! This is a template that is designed to be changed, added to, and edited by staff.
- Action plans will be linked to the 2017 National Citizen Survey results as part of measuring performance indicators.
- Action plans in this workbook have implementation deadlines ranging from Fall 2017 to Spring 2019.

Mr. Hartgrove received feedback, questions and suggestions from Council after the presentation. Some of Council questions were; the operational way or amend for work plan request; how are you assigning priorities to this work plan, and how to balance the plan with ways to communicate better.

// Council took a break at 10:05 a.m. and reconvened at 10:20 a.m.

// Assistant City Manager John Hughes, IV, provided a presentation on the Update and Future Steps on Poverty. Mr. Hughes stated background information which included the following:

- City's Poverty Rate was 24.8% in 2015.
- City Council made poverty a priority and endorsed an approach to address poverty at the 2016 retreat.
- $50,000 allocated to poverty reduction efforts.
- Assistant City Manager position designated to spend half-time managing the ongoing poverty reduction plan.

Mr. Hughes explained the approach to address poverty in Lynchburg regarding Intervention, Prevention, and Community Engagement.

The Process……..

- Exploration
- Action Items
- Action Plans
- Plan Execution

111

From Poverty to Progress

- Mayor Foster issued a call to action at the State of the City address in March 2017
- "From Poverty to Progress" begins
- May 4, 2017 meeting
- Focus groups and action items
- October 5, 2017 meeting
- Action plan development

Focus Areas that were development from the May 4, 2017

- Poverty 101
- Childcare
- Education
- Food Disparity
- Physical/Mental Health
- Housing
- Legal System
- Transportation
- Workforce Development

Ongoing Efforts "From Poverty to Progress"

- Tech Hire Program
- Inter-Agency Collaboration
- Temporary Assistance for Needy Families (TANF) Grant
- Bloomberg Mayor's Challenge
- Community Dialogue
- Faith-based Organization

Facilitators concerns:

- 50 families/households is a nebulous number. Would like to change the narrative to a more community-oriented strategy
- Progress for All
- Community Wealth Building
- Thriving City Initiative

Council discussion items:

- Any adjustments to the process
- Goals for FY 2019
- Would it make sense to create a board or commission on poverty and what would be some of the next steps

Proposed Guidelines for Access to City Funding included the following:

- Rational
- Protocol
- Disbursement Method
- Limitations

Current restrictions on this allocation include Council's mandate to have any request for funding approved by the governing body through the customary procedure. Council endorsed a name change for Poverty to Progress to Thriving Community.

// City Council took a working lunch break at 12:20 p.m. and reconvened the meeting at 1:15 p.m.

// Director of Communications and Marketing JoAnn Martin Introducing the City's New App – A snapshot preview – The New App will feature City Council information, how to report an issue from your phone, check on many services and many other wonderful features. The New App will roll out on December 1, 2017.

// Director of Human Resources Heather Brown provided an Overview – Glancing Back/Focusing Forward. Ms. Brown reported that this report contains an overview of the state of the City of Lynchburg workforce including summary information related to employee demographics and current human resources projects. The City's workforce of 1,187 full-time equivalent employees has seen little demographic variance over previous years, representing a stable experienced employee group. Our desire is for our employees to be representative of the larger Lynchburg Community which is 37% minority and 63% white.

Demographics:

- Average length of service 11 years
- Average age 44
- Gender distribution 60% male and 40% female
- Ethnic distribution 24% minority and 76 white
- Turnover
- Compensation
- Benefits
- Occupational Health
- Training and Development

// Council Member Wilder left the meeting at 2:10 P.M.

// Director of Financial Services Donna Witt provided a report on FY 2017 Financial Results, FY 2018 First Quarter, Financial Update, and FY 2018 Operating Budget BIG Issues.

- Actual FY 2017 General Fund Non-Dedicated Revenues exceeded the Adopted FY 2017 Budget by 1.2% ($1.7million).
- Actual FY 2017 Expenditures were 98.6% (within $2.6 million) of the Adopted FY 2017 Budget.

<u>Major Revenues</u>

- Net Current real Property
- Rehab Program
- Personal Property – Local Portion
- Local Sales and Use Tax
- Motor Vehicle Licenses
- Business License Tax
- Lodging Tax
- Meals tax
- Amusement Tax

Expenditures

• Interest in FY 2019 associated with the Line of Credit
• Continuation of funding for Long-Term “On-Time” Debt Financing Reserve
• Rising Worker’s Compensation Claims
• Rising Health Care Claims
• Employee Compensation
• Increase in fuel costs due to closure of Colonial Pipeline
• Capital Improvement Program
• Possible decrease in Virginia Retirement System (VRS) (re-benchmarking year)

Big Concerns for FY 2019

- Decreased Growth in Sales Tax
- Nominal Growth in Meals Tax
- Flat Real Estate Assessments

Ms. Witt presented an overview of Requested FY 2019 – FY 2023 Capital Improvement Program Projects. The Capital Improvement Projects (CIP) FY 2019 – FY 2023 Priorities which consist of Buildings, Transportation, Parks and Recreation and Schools were discussed. Ms. Witt gave a report on the Pay-As-You-Go History for Adopted Budgets FY 2008 – Projected FY 2019.

// City Manager Bonnie Svrcek discussed the FY 2019 Budget Development with the following concerns:

- Target Budget of 2% on dedicated revenues
- Request on service delivery, what would be the impact
- Eliminate programs

// The meeting was adjourned at 3:30 P.M.

_____
Clerk of Council

AGENDA ITEM #8

From: John Falcone [mailto:JFalcone@pldrlaw.com]
Sent: Tuesday, November 21, 2017 2:15 PM
To: Chambers, Valeria
Cc: Svrcek, Bonnie
Subject: presentation at Council meeting

Ms. Chambers,

I represent Elizabeth's Early Learning Center. I request the opportunity to make a 5-minute presentation on behalf of EELC to Council at the meeting scheduled for November 28 at 7:30. The subject is a proposed contract for services in lieu of real estate tax relief. I understand the City Manager is putting our item on the agenda for that evening's meeting. Thank you.

John E. Falcone
P.O. Box 1080
Lynchburg, Virginia 24505
direct: (434) 455-5936
fax: (434) 847-0141
****
PLDR LAW
Petty, Livingston, Dawson & Richards
www.pldrlaw.com

158K

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 28, 2017** AGENDA ITEM #: **9**

CONSENT: REGULAR: **X** WORK SESSION: CLOSED SESSION:
ACTION: **X** INFORMATION: (Confidential)

ITEM TITLE: **Request from Elizabeth's Early Learning Center for Real Estate Tax Exemption**

KEY ELEMENTS:
___Economic Development ___Excellent Government ___Natural and Built Environment ___Safe Community ___Vibrant Community

RECOMMENDATION: Consider a request from Elizabeth's Early Learning Center for Real Estate Tax Exemption; as noted in Attachments B and D, staff does not recommend granting such request.

SUMMARY: John Falcone, Attorney and Jane Gerdy, Executive Director of Elizabeth's Early Learning Center (EELC) have requested a real estate tax exemption on the basis of EELC being an institution of learning. The City Attorney, the former City Assessor and the current City Assessor are in agreement that EELC does not qualify for such an exemption. Further, it is not Council's practice to exempt entities from the payment of real estate taxes.

As noted in the attachments, EELC proposes to enter into a contract with the City as an external service provider and requests that Council approve an annual payment equivalent to the amount of real estate taxes which EELC pays. EELC currently pays $11,065.59 annually in real estate taxes, and anticipates that the amount will increase to approximately $15,000 in the near future because of a planned expansion.

PRIOR ACTION(S): None

FISCAL IMPACT: If Council approves the tax exemption or annual payment as requested, real estate tax revenue is estimated to decrease by approximately $15,000 a year in the near future because of a planned expansion to EELC or expenditures would be increased by the same amount.

CONTACT(S): Bonnie Svrcek, City Manager - 455-3990
Walter Erwin, City Attorney - 455-3980

ATTACHMENT(S):
Attachment A: Letter from Will Sigler, EELC to Greg Daniels, City Assessor dated March 2, 2016
Attachment B: Letter from Greg Daniels, City Assessor to Will Sigler, EELC dated March 11, 2016
Attachment C: Letter from John E. Falcone, Attorney representing EELC to Walter C. Erwin, City Attorney dated October 14, 2016
Attachment D: Letter from Walter C. Erwin, City Attorney to John E. Falcone, Attorney representing EELC dated May 12, 2017
Attachment E: Letter from John E. Falcone, Attorney representing EELC to Bonnie Svrcek, City Manager dated August 21, 2017
Attachment F: Summary of EELC's Contributions to the City for Consideration of Real Estate Tax Relief
Attachment G: Letter from John E. Falcone, Attorney representing EELC to Bonnie Svrcek, City Manager dated September 27, 2017 (REVISED SCHEDULE)

REVIEWED BY: bms

159K

Elizabeth's Early Learning Center
2320 Bedford Avenue
Lynchburg, VA 24503

March 2, 2016

Mr. Greg Daniels
Lynchburg City Assessor's Office
900 Church Street
Lynchburg, VA 24504

Dear Mr. Daniels,

I am writing on behalf of Elizabeth's Early Learning Center, Incorporated ("EELC") to appeal property taxes assessed on two parcels of real property owned by EELC. The properties in question are located at 2320 Bedford Avenue, Lynchburg, VA 24503 ("Bedford Avenue") & 221 Magnolia Street, Lynchburg, VA 24503 ("Magnolia Street"). We believe that the taxes on these properties were assessed in error.

Virginia code §58.1-3606, titled Property Exempt from Taxation by Classification, states:

> *A. Pursuant to the authority granted in Article X, Section 6 (a)(6) of the Constitution of Virginia to exempt property from taxation by classification, the following classes of real and personal property shall be exempt from taxation:*
>
> 4. *Property owned by public libraries, law libraries of local bar associations when the same are used or available for use by a state court or courts or the judge or judges thereof, medical libraries of local medical associations when the same are used or available for use by state health officials, incorporated colleges or other institutions of learning not conducted for profit. This paragraph shall apply only to property primarily used for literary, scientific or educational purposes or purposes incidental thereto and shall not apply to industrial schools which sell their products to other than their own employees or students.*

We contend that the Bedford Avenue and Magnolia Street are exempt from taxation by classification because EELC operates an incorporated not-for-profit institution of learning on these properties. The EELC articles of incorporation are attached to this letter and definitively corroborate that EELC is an incorporated, not-for-profit organization. That EELC is an institution of learning is evidenced by, among many other things, its accreditation by the National Association for the Education of Young Children ("NAEYC"). NAEYC accreditation represents the highest standard of quality for early childhood education programs and requires an ongoing commitment to curriculum that fosters all areas of child development, development of effective teaching practices, and ongoing assessments of child learning & growth. Only 8% of early childhood programs in the United States have been awarded NAEYC accreditation & EELC is the only NAEYC accredited program in our region. EELC's substantial investments in educator training, educational tools, and technology further highlight its operational mission to provide a world class early childhood education program to the citizens of our community across the economic spectrum.

That the facts and circumstances of EELC's operations support the exemption of its real property from taxation by classification is consistent with legal precedent long established by the Virginia courts. There are also a number of private letter rulings which support EELC's contention that its property is exempt from taxation.

Attorney General opinion number 11181970 states:

> *Private school property used for school purposes by school and personnel as an integral part of the educational purposes of the school is exempt from taxation, provided that the school is incorporated, not conducted for profit and not an industrial school selling its products to the public. The proximity of the property to the school may be considered in determining the existence of an educational purpose.*

It is my hope that this letter has clearly demonstrated that the Bedford Avenue and Magnolia Street properties were erroneously assessed tax in 2015 & years prior. Please contact me at your earliest convenience so that this appeal can be resolved. Thank you for your prompt attention to this matter & I look forward to hearing from your office in the near future.

Sincerely,

Walker Sigler

Walker Sigler

Elizabeth's Early Learning Center, Treasurer
(434)941-7449 [cell]
(434)948-9000 [office]
wsigler@becpas.com

cc: Mr. Walter C. Erwin III, Lynchburg City Attorney

Commonwealth of Virginia

STATE CORPORATION COMMISSION

Richmond, May 24, 1996

This is to Certify that the certificate of incorporation of

ELIZABETH'S EARLY LEARNING CENTER, INC.

was this day issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all Virginia laws applicable to the corporation and its business. Effective date:

May 24, 1996

State Corporation Commission

William J. Bridge
Clerk of the Commission

ARTICLE OF INCORPORATION
OF
ELIZABETH'S EARLY LEARNING CENTER, INC.

The undersigned, desiring to form a nonstock, nonprofit corporation under the provisions of Chapter 10, Title 13.1 of the Code of Virginia, 1950, as amended, does set forth the following:

1. The name of the Corporation is ELIZABETH'S EARLY LEARNING CENTER, INC.

2. The Corporation is organized for the following purposes:

(a) Providing comprehensive child care and early learning facilities and services to the residents of the Lynchburg, Virginia, area on a not for profit basis.

(b) Providing social and education services to children and families on a not for profit basis.

(c) To do and engage in all lawful activities that are in furtherance of one or more of the general purposes of the corporation.

3. The corporation shall have no members.

4. The affairs of the corporation shall be managed by a Board of Directors. The directors constituting the first Board of Directors shall be those named in Article 8 hereof, and they shall hold office until the next annual meeting of the directors. The number of directors, except for the number of the first Board of Directors, shall be fixed by the Bylaws; provided, however, that at no time, shall the number of directors be less than three.

Vacancies in the Board of Directors, whether through

expiration of term, resignation or otherwise, shall be filled by the directors in accordance with the Bylaws.

The Board of Directors shall have the full and complete management and control of the corporation and its affairs, and on behalf of the corporation may authorize and empower the doing of all acts and things which the corporation may lawfully do. The Board of Directors shall adopt such bylaws as they consider necessary or proper for the management and conduct of the business affairs of the corporation.

5. The initial registered office of the corporation shall be 1004 Court Street, P. O. Box 1276, in the City of Lynchburg, Virginia, 24505, and the name of the its registered agent shall be Leslie E. Allen, III, who is a member of the Virginia State Bar, a resident of the State of Virginia, and whose business office is identical with the registered office.

6. The period of duration for the corporation is unlimited.

7. The corporation shall have powers necessary to and in furtherance of the purposes stated in Article 2 hereof.

8. The number of directors constituting the initial Board of Directors is seven, and the names and addresses of the persons who are to serve as the initial directors are as follows:

Mr. Malcolm Douglas
New Land Industries, Inc.
47 Cabell Street
Lynchburg, Virginia 24505

Ms. Elizabeth M. Forsyth
4224 Hilton Place
Lynchburg, Virginia 24503

Dr. Peter W. Houck
1212 McConville Road
Lynchburg, Virginia 24502

Dr. Loretta Jones-Wilson
2937 Link Road
Lynchburg, Virginia 24503

Dr. Edward A. Polloway
Lynchburg College
School of Education
Lynchburg, Virginia 24501

Mr. L. Vincent Sawyer
New Land Samaritan Inns, Inc.
300 12th Street
Lynchburg, Virginia 24504

Mr. Kent A. Smack
3335 Dorchester Court
Lynchburg, Virginia 24503

9. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered or expenses incurred and to make payments and distributions in furtherance of the purposes set forth in Article 2 hereof. The Board shall disburse any funds of the corporation from time to time, exclusively for charitable, scientific or educational purposes as set forth in Article 2 hereof.

No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding provision of any future United States Internal Revenue law, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal

Revenue Code, or the corresponding provision of any future United States Internal Revenue law.

10. Upon the dissolution of the corporation, the Board of Directors shall, after paying and making provision for the payment of all the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code, or any corresponding provision of any future United States Internal Revenue law, as the Board of Directors shall determine. Any of the assets not so disposed of shall be disposed of by the court of record in the city or county in which the principal office of the corporation has been located, exclusively for such purposes and to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

11. (a) To the full extent that the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of directors or officers, a director or officer of the Corporation shall not be liable to the Corporation or any other person for monetary damages. Any amendment to or repeal of this Article 11 shall not adversely affect any right or protection of a director or officer of the Corporation for or with respect to any acts or

omissions of such director or officer occurring prior to the amendment or repeal.

(b) To the fullest extent permitted and in the manner prescribed by the Virginia Nonstock Corporation Act and any other applicable law, the Corporation shall indemnify a director or officer of the corporation (and advance reasonable expenses) who is or was a party to any proceeding by reason of the fact that he is or was such a director or officer or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against all liability incurred in the proceeding. The Board of Directors is hereby empowered to contract in advance to indemnify any director or officer to the fullest extent permitted by law.

(c) The Board of Directors is hereby empowered, by majority vote of a quorum of disinterested directors, to cause the Corporation to indemnify or contract in advance, to the fullest extent permitted by law, to indemnify any person not specified in paragraph (b) above (and advance reasonable expenses) who was or is a party to any proceeding, by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in paragraph (b) above.

(d) The Corporation may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by such person in any such capacity or arising from his status as such, whether or not the Corporation would have power to indemnify him against such liability under the provisions of this Article.

(e) The provisions of this Article shall be applicable to all actions, claims, suits or proceedings commenced after these Articles become effective, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification or repeal of this Article shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue or matter in any then pending or subsequent proceeding that is based in any material respect upon any alleged action or failure to act prior to such amendment, modification or repeal.

(f) Reference herein to directors, officers, employees, fiduciaries or agents shall include, but not be limited to, former directors, officers, employees, fiduciaries and agents and their respective heirs, executors and administrators.

Given under my hand this 22nd day of May, 1996.

ELIZABETH'S EARLY LEARNING CENTER, INC.

Incorporator

City Assessor
900 Church Street • Lynchburg • Virginia • 24504
www.lynchburgva.gov • P 434-455-3830 • F 434-847-1452

RECEIVED
MAR 14 2016
CITY ATTORNEY

March 11, 2016

Walker Sigler
c/o Elizabeth's Early Learning Center
2320 Bedford Avenue
Lynchburg, Virginia 24503

Dear Mr. Sigler:

I carefully reviewed your letter concerning the tax exempt status of the properties owned by Elizabeth's Early Learning Center. While I do not question the facts: that Elizabeth's Early Learning Center is a non-profit organization, that the children who participate in the childcare and early learning program benefit from their participation, and that Elizabeth's Early Learning Center provides a valuable service to the community, I do not believe Elizabeth's Early Learning Center qualifies as an institution of learning for tax exemption purposes.

As the Virginia Supreme Court has noted, taxation of property is the rule, not the exception. Statutes granting tax exemptions are strictly construed against the taxpayer. When a tax statute is capable of two interpretations, one granting an exemption and the other not granting it, courts adopt the interpretation which denies the exemption. *Commonwealth v. Community Motor Bus*, 214 Va. 155 (1973).

Following this rule of strict construction, in the case of *Department of Taxation v. Progressive Community Club of Washington County*, 215 Va. 732 (1975), the Virginia Supreme Court held that a childcare and education program operated by a non-profit organization which provided custodial care, training and instruction for young children, with educational value was not an institution of learning. The court noted that while the children benefited educationally and intellectually from the program, the proper level of education at which to commence the tax exemption granted to institutions of learnings is that "accepted as the first level in the public school system." Since Elizabeth's Early Learning Center's website states that is serves children as young as six weeks of age, well below the age level accepted by the public school system, it does not qualify as an institution of learning.

It is my opinion the childcare and early learning program operated by Elizabeth's Early Learning Center is similar to the program operated by the Progressive Community Club, and that in view of the Supreme Court's decision in the *Progressive* case, Elizabeth's Early Learning Center does

not qualify as an institution of learning for tax exemption purposes under §58.1-3606(A)(4) of the State Code.

Sincerely,

Gregory H Daniels

Gregory H. Daniels, CAE
City Assessor

cc: Walter C. Erwin, III, City Attorney

PETTY
LIVINGSTON
DAWSON &
RICHARDS
Individual & Corporate Counsel

OCT 14 2016
CITY ATTORNEY

Attachment C
JOHN E. FALCONE
jfalcone@pldrlaw.com
434-846-2768 telephone
434-847-0141 facsimile
434-455-5936 direct

www.pldrlaw.com

Mailing Address:
P.O. Box 1080
Lynchburg, VA 24505

Street Address:
725 Church Street
Suite 1200
Lynchburg, VA 24504

October 14, 2016

HAND-DELIVERED

Walter C. Erwin, III, Esq.,
City Attorney
900 Church St.
Lynchburg, VA 24504

Re: real estate tax assessment for Elizabeth's Early Learning Center

Dear Walter:

Our firm represents Elizabeth's Early Learning Center, Inc. (EELC). In a letter dated March 11, 2016 to Walker Sigler of the EELC board, the City Assessor denied EELC's request for a real estate tax exemption on the basis of EELC being an institution of learning. We believe that decision is erroneous, and I will explain in this letter why we take that position.

Va. Code § 58.1-3606 exempts certain property from real estate taxation by classification. Subsection A(4) provides the exemption for property owned by "colleges or other institutions of learning not conducted for profit." The Virginia Supreme Court's decision in *Department of Taxation v. Progressive Community Club*, 215 Va. 732 (1975), cited by the City Assessor in his letter, denied the tax exemption to a nonprofit that operated a Child Development Head Start Program for three and four-year-old children. The Court's rationale and holding was as follows: "We hold that the proper level of education at which to commence the exemption is that accepted as the first level in the public school system and that Progressive does not qualify for the exemption." *Id.* at 739. The field of education has changed dramatically since 1975 when the Supreme Court decided *Progressive Community Club,* and EELC now satisfies the Court's criterion of providing education at "the first level in the public school system."

Two significant pieces of legislation, one state and one federal, have been enacted since the Court's April, 1975 decision. The federal law, signed by President Gerald Ford on November 30, 1975 is the Education for All Handicapped Children Act (now the Individuals with Disabilities Education Act [IDEA]). This legislation requires the public schools to provide equal access to education for children with disabilities beginning at age two. In 1995, the Virginia General Assembly enacted the Omnibus Education Act and the Appropriation Act. That legislation adopted and reinforced the four major education programs that had been recommended in 1994 to the General Assembly by the Commission on Equity in Public Education. A preschool program for at-risk four-year-olds was one of those recommendations.

As a result of those two pieces of legislation, the public schools are now required to provide a pre-kindergarten program that will address the needs of children with disabilities, as well as at-risk four-year-olds. These programs are mandatory, and now constitute the "first level in the public school system" as described by the Supreme Court in *Progressive Community Club.* The Virginia program is now called the Virginia Preschool Initiative. Enclosed as Exhibit 1 are excerpts from the Virginia Department of Education website which outline the program and provide the relevant language from the 2016 Appropriation Act. The Program Overview states: "The legislative intent of the initiative is to establish a high quality preschool education program for at-risk four-year-olds."

As required by the legislation, the Lynchburg City School system has established a pre-kindergarten program as a part of its curriculum. Enclosed as Exhibit 2 are excerpts from the City Schools website with information about the program. As the website indicates, the program of the City Schools is administered at several sites, including EELC. EELC educates approximately thirty children in the 4-year-old class each year.

Further, consistent with IDEA, special education teachers and therapists employed by the Lynchburg City Schools provide their instruction and services at EELC, using EELC real estate, as part of the program. Sixteen preschool students with special needs are currently receiving those services in EELC's classrooms. Of all the schools listed as "inclusion" sites on the second page of Exhibit 2, EELC is the only one which is paying real estate taxes.

The only court decision we have found in our research that elaborates on the Virginia criteria for an "institution of learning" exemption is Judge Warriner's decision in *United States v. Virginia*, 500 F. Supp. 729, 733, 1980 U.S. Dist. LEXIS 9465, *11 (E.D. Va. 1980). Although that case involved a sales and use tax issue, and did not deal with a preschool, the judge's discussion is instructive:

> The three criteria for an institution of learning discussed in Section 1-96 of the Virginia tax regulations - faculty, student body, prescribed course of study - in combination strongly suggest that an institution must be student-oriented if it is to qualify for a tax exemption. A trained staff must be hired specifically to teach students. Individuals must be enrolled by the institution as students. The institution must offer its students prescribed courses of study.

Id. at 733. An application of those three criteria demonstrates that EELC's program clearly qualifies it as an "institution of learning."

EELC is the only pre-K program in Lynchburg that is accredited by the National Association for the Education of Young Children (NAEYC). Only 8% of schools in the nation have received that accreditation, which requires a program to meet the highest standards in early childhood education. These standards, adhered to by EELC, include

a curriculum for all areas of childhood education and development, including language and literacy, math and science skills. Enclosed as Exhibit 3 are excerpts from the NAEYC website.

The lead teacher in every EELC classroom has the minimum of a Bachelor's Degree in Early Childhood Development or Elementary Education. Those teachers assess children's development, and children with developmental delays are referred to the public schools or Infant/Toddler Connection of Central Virginia to provide coordinated educational services within the EELC facility. Enclosed as Exhibit 4 are excerpts from EELC's website with information about its philosophy and curriculum. As those materials indicate, EELC implements the Virginia Foundational Blocks, which is a state program for four-year-olds to ensure preparation for kindergarten. A description of those Blocks is contained as the last page of Exhibit 1.

In addition, EELC students participate in statewide testing through the Phonological Awareness Literacy Screening (PALS). This screening was developed at the University of Virginia and is used throughout the state as a measure of young children's knowledge of important literacy skills that are associated with early reading success. Every year, EELC's graduating class (i.e., students moving on to kindergarten) scores well above the state average on the PALS testing for children of this age.

Given the particulars of EELC's educational program and because it now participates in the first level in the public school system, it satisfies the Virginia Supreme Court's test for the institution of learning exemption from real estate taxes. In light of the information I have presented, we request that the City Assessor reconsider the decision to deny the exemption. The EELC Board is willing to forego a claim for a refund of the taxes it has paid prior to the 2016 tax year assessment if the exemption is applied to the current (2016) tax year and future years.

If you would like additional information or would like to meet to discuss this matter further, I would be happy to meet with you and, if appropriate, the City Assessor and City Manager. EELC's Executive Director, Jane Gerdy, and board member Dr. Ed Polloway would also be interested in attending any meeting. In addition to being a board member of EELC, Dr. Polloway is a recognized expert in the field of education. If you feel that a tour of EELC's facility would be helpful, we would be happy to meet with you there.

Thank you for your consideration of our position.

Sincerely,

John E. Falcone

Enclosures
Cc: Jane Gerdy, Executive Director
Dr. Ed Polloway

Virginia Department of Education

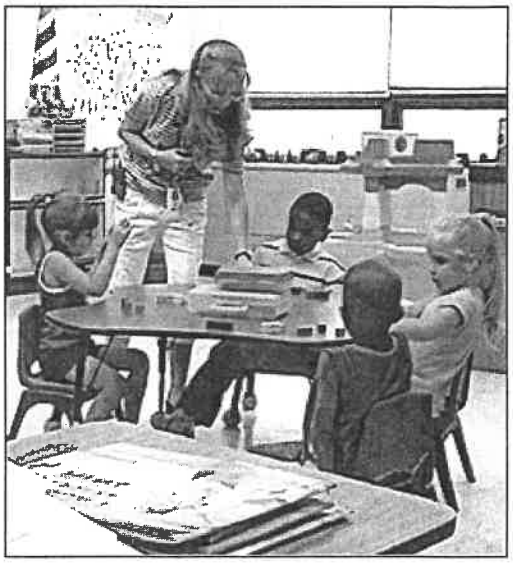
INSTRUCTION

EARLY CHILDHOOD

Early childhood programs in Virginia public schools provide a foundation for learning and academic success. School-readiness activities focus on phonological awareness, vocabulary, number sense and physical, motor and social development.

Programs

Virginia Preschool Initiative



The Virginia Preschool Initiative distributes state funds to schools and community-based organizations to provide quality preschool programs for at-risk four-year olds unserved by Head Start.

- Appropriation Act Language (PDF)
- Virginia Preschool Initiative Guidelines (PDF)

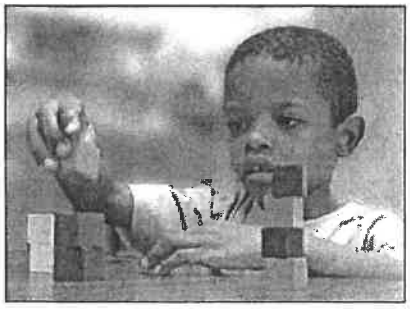
VPI+, the Virginia federal Preschool Development Grant (PDG)

Virginia was one of 13 states that won a four-year federal preschool expansion grant to improve upon the already successful Virginia Preschool Initiative (VPI) and expand services to four-year olds and their families in high need communities. The Virginia federal Preschool Development Grant (PDG) is known as VPI+.

School Readiness

School readiness describes the capabilities of children, families, schools and communities that promote student success in kindergarten and beyond. Each component plays an essential role in the development of school readiness.

Resources



- Virginia Foundation Blocks for Early Learning: Comprehensive Standards for Four-Year-Olds (PDF)
  Virginia's Foundation Blocks – Comprehensive Standards for Four-Year-Olds describes specific indicators for pre-kindergarten children in the content areas of reading and mathematics.
- Preschool Curriculum Review Rubric and Planning Tool (PDF) – The rubric is designed to assist early childhood educators with reviewing curricula and products to determine if they align with the Foundation Blocks for Early Learning.

EXHIBIT 1 tabbies

Virginia Preschool Initiative
Guidelines for the Virginia Preschool Initiative Application
2016-2017

Title of Program:
Virginia Preschool Initiative

Issued to:
Commonwealth of Virginia City Managers, County Administrators and Division Superintendents

Issuing Agency:
Virginia Department of Education
Office of Standards, Curriculum, and Instruction
101 North 14th Street, 23rd floor
Richmond, Virginia 23219

Type of Funding:
Virginia Lottery Funds

Period of Funding:
July 1, 2016, to June 30, 2017

Issue Date:
April 15, 2016

Submission Deadline:
May 15, 2016

VPI Guidelines:
The guidelines may be downloaded at:
http://www.doe.virginia.gov/instruction/early_childhood/preschool_initiative/guidelines.pdf

Direct program inquiries to:
Cheryl Strobel, Associate Director of Early Childhood Education
Telephone: (804) 371-7578
Cheryl.Strobel@doe.virginia.gov

Direct budget inquiries to:
Budget Office
Telephone: (804) 225-2025
doebudgetoffice@doe.virginia.gov

The School Superintendent must certify electronically that the data is correct by May 15, 2016.

The Virginia Department of Education does not discriminate on the basis of race, sex, color, national origin, religion, age, political affiliation, veteran status, or against otherwise qualified persons with disabilities in its programs and activities and provides equal access to the Boy Scouts and other designated youth groups .

Program Overview

In January 1994, the Commission on Equity in Public Education adopted and endorsed four major programs as the core elements in their recommendations to the 1994 General Assembly. The recommendations, subsequently adopted by the General Assembly, focused on programs that had been shown to improve educational achievement. A preschool program for at-risk four-year-olds was one of those recommendations.

The 1995 General Assembly, through passage of the Omnibus Education Act (HB2542) and the Appropriation Act, reinforced all components of the 1994 package and provided for expansion of the Virginia Preschool Initiative (VPI). As of 2005-2006, state funds are available to provide comprehensive preschool programs to 100 percent of Virginia's at-risk four-year-olds, as defined by VPI funding eligibility, and who are not being served by Head Start. Children at or below 100% of the poverty level should receive priority for Head Start enrollment. VPI should focus on children above that poverty level. Parental choice must be honored.

The 2011 General Assembly approved funding, subject to final approval by the Governor, calculated at an estimated $6,000 per eligible child, with program costs shared by the state and local governments based on the composite index of local ability-to-pay. In FY 2012, the composite index value was capped at 0.5000 for purposes of calculating the estimated local match requirement for the VPI match.

Access to the application for school division personnel should be requested through the school division's SSWS account manager. Programs must operate on a full-day or half-day basis for the entire 2015-2016 school year to receive the full state allocation. For a new program in the first year of implementation only, a program operating less than a full school year will receive state funds on a fractional basis determined by the pro-rata portion of a school year program provided.

The program will comply with the staffing standards required by Section 22.1-199.1C, *Code of Virginia*. The maximum class size will be 18 students. One teacher will be employed for any class of nine students or less. If the average daily membership in any class exceeds nine students but does not exceed 18, a full-time teacher's aide will be assigned to the class.

Scope of Services

The purpose of the grant is to reduce disparities among young children upon formal school entry and to reduce or eliminate those risk factors that lead to early academic failure (see Appendix A).

To obtain state funding, localities must develop a written local plan for programs that includes five services:

1. Quality preschool education;
2. Parental involvement;
3. Comprehensive child health services;
4. Comprehensive social services; and
5. Transportation.

The legislative intent of the initiative is to establish a high quality preschool education program for at-risk four-year-olds.

Localities are required to use the Phonological Awareness Literacy Screening instruments for pre-kindergarten students (PALS-PreK) for literacy screening during the fall and spring of each school year. The results of PALS-PreK assessments, both fall and spring, must be reported to the PALS office. The cost for PALS materials and access to the PALS Online Score Entry and Reporting System is a local responsibility. This is an allowable expense in the local VPI budget (see Appendix B).

The curriculum must align with *Virginia's Foundation Blocks for Early Learning*. The *Foundation Blocks* establish a measurable range of skills and knowledge essential for four-year-olds to be successful in kindergarten. The purpose of the *Foundation Blocks* is to provide early childhood educators a set of comprehensive standards with indicators of success for entering kindergarten derived from scientifically-based research. They reflect a consensus of children's conceptual learning, acquisition of basic knowledge, and participation in meaningful and relevant learning experiences (see Appendix C).

Virginia's Preschool Curriculum Review Rubric and Planning Tool was developed to assist localities in identifying and choosing curricula that are based on scientific research and that align with *Virginia's Foundation Blocks for Early Learning* (see Appendix D).

Virginia's Quality Indicators for Responsive Teaching: Creating a High Quality Preschool Learning Environment is a checklist to help teachers and parents design environments, materials, and interactions that promote optimal motivation and engagement in learning (see Appendix E).

Localities are expected to coordinate resources and funding streams to serve the greatest number of four-year-old children.

Funds will be disbursed by the Department of Education to localities to:

1. Establish or expand quality, comprehensive preschool programs in public schools or community sites;
2. Purchase quality preschool education programs and services for at-risk four-year-old children from existing providers;
3. Expand existing quality programs to serve more children; and
4. Upgrade existing programs to meet criteria for comprehensive, quality preschool programs to include new, unserved children.

Programs must provide full-day or half-day and at least school year services. First year programs operating less than a full school year will receive state funds on a fractional basis determined by the pro-rata portion of a school year program provided. Children enrolled in the program must be four years of age on or before September 30 of the school year.

2016 Appropriation Act Language

14. Virginia Preschool Initiative Payments

a.1) It is the intent of the General Assembly that a payment estimated at $70,657,776 the first year and $70,912,925 the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to schools and community-based organizations to provide quality preschool programs for at-risk four-year-olds who are residents of Virginia and unserved by Head Start program funding. In no event shall distributions from the Lottery Proceeds Fund be made directly to community-based or private providers.

2) These state funds and required local matching funds shall be used to provide programs for at-risk four-year-old children, which include quality preschool education, health services, social services, parental involvement and transportation. It shall be the policy of the Commonwealth that state funds and required local matching funds for the Virginia Preschool Initiative not be used for capital outlay. Programs must provide full-day or half-day and, at least, school-year services.

3) The Department of Education, in cooperation with the Council on Child Day Care and Early Childhood Programs, shall establish academic standards that are in accordance with appropriate preparation for students to be ready to successfully enter kindergarten. These standards shall be established in such a manner as to be measurable for student achievement and success. Students shall be required to be evaluated in the fall and in the spring by each participating school division and the school divisions must certify that the Virginia Preschool Initiative program follows the established standards in order to receive the funding for quality preschool education and criteria for the service components. Such guidelines shall be consistent with the findings of the November 1993 study by the Board of Education, the Department of Education, and the Council on Child Day Care and Early Childhood Programs.

4) a) Grants shall be distributed based on an allocation formula providing the state share of a $6,125 grant for 100 percent of the unserved at-risk four-year-olds in each locality for a full-day program. The number of unserved at-risk four-year-olds in each locality shall be based on the projected number of kindergarten students, updated once each biennium for the Governor's introduced biennial budget. Half-day programs shall operate for a minimum of three hours of classroom instructional time per day, excluding breaks for lunch or recess, and grants to half-day programs shall be funded based on the state share of $3,062 per unserved at-risk four-year-old in each locality. Full-day programs shall operate for a minimum of five and one-half instructional hours, excluding breaks for meals and recess. No additional state funding is provided for programs operating greater than three hours per day but less than five and one-half hours per day. In determining the state and local shares of funding, the composite index of local ability-to-pay is capped at 0.5000.

b) For new programs in the first year of implementation only, programs operating less than a full school year shall receive state funds on a fractional basis determined by the pro-rata portion of a school year program provided. In determining the prorated state funds to be received, a school year shall be 180 days.

b.1) Any locality which desires to participate in this grant program must submit a proposal through its chief administrator (county administrator or city manager) by May 15 of each year. The chief administrator, in conjunction with the school superintendent, shall identify a lead agency for this program within the locality. The lead agency shall be responsible for developing a local plan for the delivery of quality preschool services to at-risk children which demonstrates the coordination of resources and the combination of funding streams in an effort to serve the greatest number of at-risk four-year-old children.

2) The proposal must demonstrate coordination with all parties necessary for the successful delivery of comprehensive services, including the schools, child care providers, local social services agency, Head Start, local health department, and other groups identified by the lead agency.

3) A local match, based on the composite index of local ability-to-pay, shall be required. For purposes of meeting the local match, localities may use local expenditures for existing qualifying programs, however, at least seventy-five percent of the local match will be cash and no more than twenty-five percent will be in-kind. In-kind contributions are defined as cash outlays that are made by the locality that benefit the program but are not directly charged to the program. The value of fixed assets cannot be considered as an in-kind contribution. Localities shall also continue to pursue and coordinate other funding sources, including child care subsidies. Funds received through this program must be used to supplement, not supplant, any funds currently provided for programs within the locality. However, in the event a locality is prohibited from continuing the previous level of support to programs for at-risk four-year-olds from Title I of the federal Elementary and Secondary Education Act (ESEA), the state and local funds provided in this grants program may be used to continue services to these Title I students. Such prohibition may occur due to amendments to the allocation formula in the reauthorization of ESEA as the No Child Left Behind Act of 2001 or due to a percentage reduction in a locality's Title I allocation in 2016-2017 or 2017-2018. Any locality so affected shall provide written evidence to the Superintendent of Public Instruction and request his approval to continue the services to Title I students.

c. Local plans must provide clear methods of service coordination for the purpose of reducing the per child cost for the service, increasing the number of at-risk children served and/or extending services for the entire year. Examples of these include:

1) "Wraparound Services" -- methods for combining funds such as child care subsidy dollars administered by local social service agencies with dollars for quality preschool education programs.

2) "Wrap-out Services" - methods for using grant funds to purchase quality preschool services to at-risk four-year-old children through an existing child care setting by purchasing comprehensive services within a setting which currently provides quality preschool education.

3) "Expansion of Service" - methods for using grant funds to purchase slots within existing programs, such as Head Start, which provide comprehensive services to at-risk four-year-old children.

d.1) Local plans must indicate the number of at-risk four-year-old children to be served, and the eligibility criteria for participation in this program shall be consistent with the economic and educational risk factors stated in the 2015-2016 programs guidelines that are specific to: (i) family income at or below 200 percent of poverty, (ii) homelessness, (iii) student's parents or guardians are school dropouts, or (iv) family income is less than 350 percent of federal poverty guidelines in the case of students with special needs or disabilities. Up to 15 percent of a division's slots may be filled based on locally established eligibility criteria so as to meet the unique needs of at-risk children in the community.

2) The Department of Education is directed to compile from each school division the aggregated information as to the number of enrolled students whose families are (i) at or below 130 percent of poverty, and (ii) above 130 percent but below 200 percent of poverty. The Department shall report this information annually, after the application and fall participation reports are submitted to the Department from the school divisions, to the Chairmen of House Appropriations and Senate Finance Committees. In addition, the Department will post and maintain the summary information by division on the Department's website in keeping with current student privacy policies.

e.1) The Department of Education and the Council on Child Day Care and Early Childhood Programs shall provide technical assistance for the administration of this grant program to provide assistance to localities in developing a comprehensive, coordinated, quality preschool program for serving at-risk four-year-old children.

2) A pre-application session shall be provided by the Department and the Council on Child Day Care and Early Childhood Programs prior to the proposal deadline. The Department shall provide interested localities with information on models for service delivery, methods of coordinating funding streams, such as funds to match federal IV-A child care dollars, to maximize funding without supplanting existing sources of funding for the provision of services to at-risk four-year-old children. A priority for technical assistance in the design of programs shall be given to localities where the majority of the at-risk four-year-old population is currently unserved.

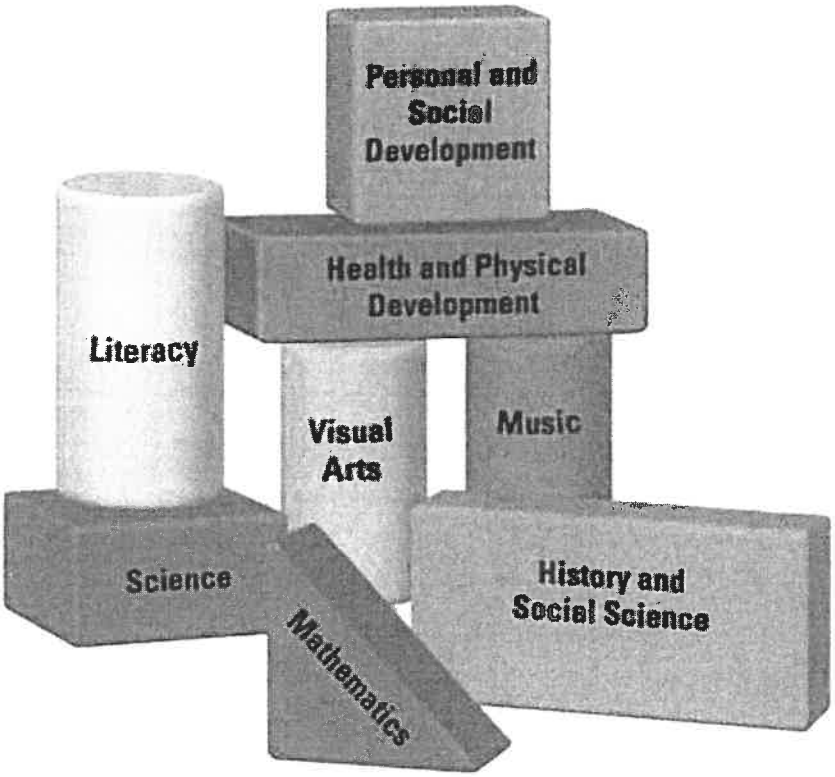
f. The Department of Education shall include in the program's application package specific information regarding the potential availability of funding for supplemental grants that may be used for one-time expenses, other than capital, related to start-up or expansion of programs, with priority given to proposals for expanding the use of

partnerships with either nonprofit or for-profit providers. Furthermore, the Department is mandated to communicate to all eligible school divisions the remaining available balances in the program's adopted budget, after the fall participation reports have been submitted and finalized for such grants.

Appendix C

Virginia's Foundation Blocks for Early Learning may be found at the following Web site: http://www.doe.virginia.gov/instruction/early_childhood/preschool_initiative/foundationblocks.pdf

Virginia's Foundation Blocks for Early Learning: Comprehensive Standards for Four-Year-Olds



Prepared by
Office of Humanities and Early Childhood
Virginia Department of Education
2013

Student Learning & Success

Advanced Opportunities

Alternative Education

Career-Technical Education

Elementary Education

English Language Learners

Pre-Kindergarten Program

Program of Studies

GEAR UP

Course Pacing Guides

Online Course Offerings

Textbooks

Title I

Pre-Kindergarten Program

Who May Apply – Lynchburg City Schools Pre-Kindergarten

- Lynchburg City Schools is accepting applications for the 2016-2017 school year for children who will be four years old by September 30, 2016.
- Parents of children who are residents of Lynchburg City.
- Acceptance is based on meeting one or more criteria set by the state and the Lynchburg City Schools Pre-Kindergarten Screening Process.

How to Apply

- Complete the Pre-Kindergarten Application and return it to one of the following locations by **March 31, 2016**:
  - In person at any Lynchburg City elementary school or the Lyn-CAG Head Start Program
  - By mail or fax to:

    Pam Thomas
    915 Court St
    Lynchburg, VA 24504
    Fax: (434) 522-3774

- Applications are available online or at one of the following locations: Head Start Centers, Lynchburg Health Department, any Lynchburg City elementary school, Johnson Health Clinic, Lynchburg Community Action Group, Carl B. Hutcherson Early Learning Center, and LCS School Administration Building.

Selection Process – Lynchburg City Schools Pre-Kindergarten

- Only children who will be four (4) on or before September 30, 2016 will be screened.
- Screening will determine eligibility.
- Once the child has been accepted, the parent/guardian will be contacted by letter.

Once accepted to the Lynchburg City Schools Pre-Kindergarten Program you will need to provide the following information at the beginning of the school year:

- The child's state birth certificate (Application for Birth Certificate - Vital Record)
- The child's current physical examination record (Physical Examination Form)
- The child's immunization record (Immunization Requirements)
- The child's social security number (Application for a Social Security Card)
- Proof of residence

Lynchburg City Schools can help you get this information. Contact any Lynchburg City elementary school for forms and information.

Lynchburg City Schools can help you get this information. Contact any Lynchburg City elementary school for forms and information. Direct any questions regarding this information to **(434) 515-5030.**

SchoolFinder

THE CITY OF LYNCHBURG

Partners in Education

Education FOUNDATION Advancing Lynchburg City Schools

LYNCHBURG BEACON OF HOPE

STAY CONNECTED

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915 Court Street
Lynchburg, Virginia 24504
(434) 515-5000
Questions? Email: lcswebmaster@lcsedu.net

Notice of Non-discrimination | Title IX

Home About LCS Parents/Students Community Alumni Our Schools School Board Departments Careers

EXHIBIT 2 tabbies

Inclusion Sites

We currently meet the needs of our students in their natural environment whenever that is possible. When the student requires additional support the IEP committee may opt to place the student in one of our inclusion sites. These sites have participated in trainings with Lynchburg City Schools and have agreed to support students with disabilities in their program. The following sites participate in our inclusion program:

- 1st Presbyterian Weekly Day School
- Bethune Academy
- Elizabeth's Early Learning Center
- Heritage United Methodist Church
- Little Wings Preschool (Presbyterian Home and Family Services)
- Head Start, Old Forest Road
- Head Start White Rock
- Rivermont Avenue Baptist Church Early Learning Center
- In addition we have wonderful working relationships and include students in:
- Caterpillar Clubhouse
- Liberty Christian Academy Early Learning Center
- Peakland United Methodist Church Preschool
- Quaker Memorial Preschool
- St. Johns Day School

We have two playgroups that meet twice a week for students not attending other programs and we also serve students in their homes when appropriate. Some of our students receive speech therapy at the Carl B. Hutcherson School.

Students who require more support may be enrolled in one of our self-contained classes where their needs can be met.

H.E.L.P.

- Attendance Policy
- Services
- Screening Process
- Inclusion Sites

Carl B. Hutcherson Building
Polly Smith, Director
2401 High Street
Lynchburg, VA 24504
Phone: (434) 515-5180

Select Another School

LCS Employee WebMail Access

A TRADITION OF EXCELLENCE FOR ALL
LCS
LYNCHBURG CITY SCHOOLS © 2014
Question about the website? Contact: Webmaster

Attachment C

Academy Home

Interested in Accreditation

- **Why NAEYC Accreditation?**
- Self-Study: A Quality Improvement Process
- Earning NAEYC Accreditation
- Enroll Now!

Pursuing Accreditation

Currently Accredited Programs

Accreditation Facilitation

Families and the Public

30th Anniversary of Accreditation

Why NAEYC Accreditation?

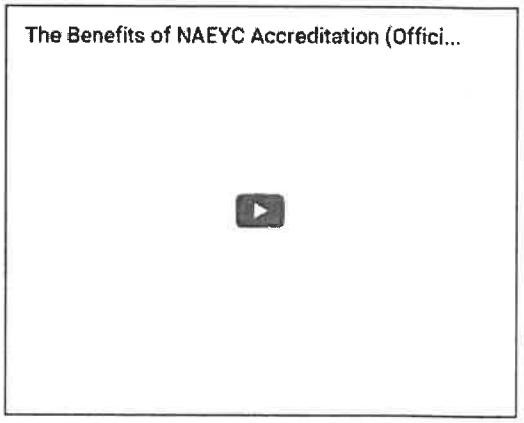
SHARE

NAEYC Accreditation of programs for young children represents the mark of quality in early childhood education. NAEYC Accreditation began in 1985 with the goal of providing an accrediting system that would raise the level of early childhood programs. Today, over 7,000 programs are NAEYC Accredited.

Benefits of Accreditation Video

NAEYC accredited programs invest in early childhood education because they believe in the benefits to children and families. Early childhood experiences—from birth to age 8—have an enormous impact on children's lifelong learning and positively contribute to their health and development. Early childhood education programs with the mark of quality benefit children with greater readiness for and success in school.

It is for this reason that parents and families are seeking out NAEYC-accredited programs. Parents choosing an early childhood education program can be overwhelmed by trying to find the highest-quality program for their child. NAEYC Accreditation is the mark of quality that families are looking for. NAEYC Accreditation gives families the chance to make the Right Choice for Kids.



Benefits of being an NAEYC Accredited Program:

- Helps to build a stronger team of teachers, administrators, and families working together to improve quality for children.
- Improved standards for the overall program
- Recognition through NAEYC, including program listing on the NAEYC website in the Program Search section
- Announcement of program's accreditation in the NAEYC Early Learning News weekly newsletter to programs, members, media, and others.
- Use of NAEYC Accredited logo for marketing purposes
- Attracts more families to enroll their children at program

See what some programs have to say about NAEYC Accreditation:

"I know it is a lot of work, but in the long run your center, your children and your families will reap the benefits." – Diane Rudash, Director of Lasting Impressions Child Development Center

"It's great to have a consensus (NAEYC Accreditation) *throughout the field." – Alissa Levey Baugh, Director, Early Childhood Services*

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1313 L St. N.W. Suite 500, Washington DC 20005 (202) 232-8777 | (800) 424-2460 | webmaster@naeyc.org

EXHIBIT 3 tabbies

Attachment C

Interested in Accreditation
Pursuing Accreditation
Currently Accredited Programs
- **Requirements for Maintaining**
- The Annual Report
- Update NAEYC
- Additional Verification
- Random Visits
- Renewal Process
- Appeals
- Withdrawals and Postponements
- Voluntarily Relinquish
- School-Age Pilot Program

Accreditation Facilitation
Families and the Public
30th Anniversary of Accreditation

Requirements for Maintaining NAEYC Accreditation

SHARE

Your program has worked hard to achieve NAEYC Accreditation and we applaud you. An NAEYC-Accredited program is the mark of quality in early childhood education - display your NAEYC accreditation certificate with pride!

The second phase of Step 4 in the four-step accreditation process is entitled "Maintaining the Standards" and extends throughout the five-year term of accreditation. In order to maintain accreditation, all currently accredited programs must:

- Demonstrate continued compliance with the 10 NAEYC Early Childhood Program Standards.
- Submit an Annual Report on the 1st, 2nd, 3rd, and 4th accreditation anniversaries.
- Update NAEYC - Programs that are currently NAEYC Accredited are required to Self Report major programmatic changes within 30 days and notify NAEYC of licensing status changes and critical incidents within 72 hours. Learn how to provide NAEYC with the most up-to-date information.
- Submit to Random Visits and/or Additional Verification.
- Complete the Renewal process according to the timeline for currently accredited programs.

Programs accredited after September 2006 must maintain Candidacy requirements throughout their term of accreditation. Read more about maintaining Candidacy requirements.

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1313 L St. N.W. Suite 500, Washington DC 20005 (202) 232-8777 | (800) 424-2460 | webmaster@naeyc.org

Elizabeth's Early Learning Center (/)

Our Philosophy

We believe that children are best served and educated in environments that are supportive, nurturing, and safe. Children thrive in environments that provide:

- A sense of community
- A strong connection between family and school
- The recognition that the rate of development varies dramatically from one child to another
- Positive social interactions among all individuals within a community
- Opportunities to develop and celebrate everyone's cultural heritage
- Child-centered and active learning opportunities
- Age and developmentally appropriate curriculum
- A recognition of the importance of imaginative play
- Ample opportunities for early literacy development
- Frequent involvement in creative arts

We especially acknowledge the many positive benefits that result from recognizing and celebrating human diversity. With a culturally competent staff and curriculum, we believe that all children can gain a respectful disposition toward human similarities an differences.

Our Curriculum

The educational foundation of the EELC curriculum is based on the principles of developmentally-appropriate practices. Teachers individualize instruction while providing activities to enhance language development, cognitive, physical, social, and self-help skills. Our curriculum includes several critical components.

- Creative Curriculum – A framework that is rooted in the developmental theories of Erik Erikson and Jean Piaget. The classrooms are arranged in interest centers to promote independence and creativity, and to foster decision making skills.
- Thematic Units – Teachers provide experiences based on a theme of study each week.
- Virginia Foundational Blocks – A state program for four-year-olds to ensure readiness for kindergarten
- The Ages and Stages Questionnaire is used to assess the development of all children throughout the year.

Attachment C

Elizabeth's Early Learning Center (/)

Elizabeth's Early Learning Center

NAEYC Accredited

The National Association for the Education of Young Children (NAEYC) is the world's largest organization working on behalf of young children. Their accreditation program is a comprehensive system which measures the quality of early childhood education programs. Only 8% of early childhood programs in the United States have obtained NAEYC accreditation.

In order to achieve accreditation, teaching staff and administrators must provide evidence, through documentation and during an on-site visit by a NAEYC assessor, that the school meets the national quality standards in over 400 criteria. Every aspect of the program is studied and observed to ensure compliance with the following standards:

- Positive relationships between children and teachers
- A curriculum that fosters all areas of child development: cognitive, emotional, language, physical, and social
- Effective teaching practices
- Ongoing assessments of children's learning and development
- Promotion of good nutrition and health
- Qualifications of staff and ongoing professional development
- Collaborative family involvement
- Relationships within the community to support achievement of program goals
- A safe and healthy physical environment

THE CITY OF LYNCHBURG, VIRGINIA

CITY HALL, 900 CHURCH STREET, LYNCHBURG, VIRGINIA 24504 • (434) 455-3980
Fax (434) 847-9049

OFFICE OF THE CITY ATTORNEY

WALTER C. ERWIN, III
CITY ATTORNEY

ELEANOR A. PUTNAM DUNN
DEPUTY CITY ATTORNEY

SUSAN L. HARTMAN
ASSISTANT CITY ATTORNEY

HOPE R.TOWNES
ASSISTANT CITY ATTORNEY

May 12, 2017

John E. Falcone, Esq.
Petty Livingston Dawson & Richards
Post Office Box 1080
Lynchburg, Virginia 24505

Re: Real Estate Assessment for Elizabeth's Early Learning Center

Dear John:

I am responding to your letter concerning the tax exempt status for Elizabeth's Early Learning Center. In order to respond, I considered the information you provided in your letter, conducted additional research, and consulted with a member of the Gentry Locke law firm. I greatly appreciate your patience while I researched and considered this matter.

The City recognizes that Elizabeth's Early Learning Center provides valuable services to the community; however, for the reasons outlined in this letter, I believe Gregory H. Daniels, the former City Assessor, reached the correct decision in his letter of March 11, 2016, that Elizabeth's Early Learning Center does not qualify as an institution of learning under Va. Code Ann. § 58.1-3606(A)(4) for tax exemption purposes.

Taxation of property is the rule, not the exception. Statutes granting tax exemptions are strictly construed against the taxpayer. When a tax statute is capable of two interpretations, one granting an exemption and the other not granting it, courts adopt the interpretation which denies the exemption. *Commonwealth v. Community Motor Bus*, 214 Va. 155 (1973). As discussed below, it is my opinion that Elizabeth's Early Learning Center does not qualify for the statutory tax exemption as strictly construed and as applied by the Supreme Court of Virginia in *Commonwealth Department of Taxation v. Progressive Community Club, Inc.*, 215 Va. 732 (1975).

There are a number of sections in the Virginia Code that have a bearing on this issue. Virginia Code Ann. § 58.1-3606(A) provides in pertinent part:

> Pursuant to the authority granted in Article X, Section 6(a)(6) of the Constitution of Virginia to exempt property from taxation by classification, the following classes of real and personal property shall be exempt from taxation:
>
> > 4. Property owned by public libraries, law libraries of local bar associations when the same are used or available for use by a state court or courts or the judge or judges thereof, medical libraries of local medical associations when the same are used or available for use by state health officials, incorporated colleges or other institutions of learning not conducted for profit. This paragraph shall apply only to property primarily used for literary, scientific or educational purposes or purposes incidental thereto and shall not apply to industrial schools which sell their products to other than their own employees or students.

Virginia Code Ann. § 22.1-199(A) requires that the kindergarten program in each school division shall include a program suitable for children who reach their fifth birthday on or before September 30 of the school year.

Virginia Code Ann. § 22.1-254(A) provides that parents and guardians of any child who will have reached their fifth birthday on or before September 30 of any school year shall send such child to a public school or other qualified educational program.

Virginia Code Ann. § 22.1-199.1(C) provides for the State Department of Education to administer a grant program, with such funds appropriated for such purpose, for schools and community based organizations to provide quality preschool programs for at-risk four-year-olds who are unserved by Head Start programs and for at-risk five-year-olds who are not eligible to attend kindergarten.

Article II of Chapter 13 of Title 22.1 (Special Education, §§ 22.1-213 through 22.1-222), provides for programs of special education designed to educate and train children with disabilities beginning at age two.

The leading case addressing the issue of what qualifies as an institution of learning is *Commonwealth Department of Taxation v. Progressive Community Club, Inc.*, 215 Va. 732 (1975). In *Progressive*, the Court held that a child development headstart program was not an "other institution of learning" within the meaning of former Va. Code § 58-441.6(t). Former § 58-441.6(t) provided a tax exemption for tangible personal property for use or consumption by a college or other institution of learning, a hospital, or a licensed nursing home, provided such college, institution of learning, hospital, or licensed nursing home was not conducted for profit. 215 Va. at 733.

The Court first held that it must apply the rule of strict construction in determining the application of the tax exemption statute. *Id.* at 736-37.

The Court stated: "Applying the rule of strict construction, as the Constitution now mandates, we must decide if *Progressive* is the type of "other institution of learning" referred to in Code § 58-441.6(t)." *Id.* at 737.

In *Progressive*, the child development headstart program operated three child care centers for eighty-one children, ages three and four. *Progressive* operated the centers according to various standards and licensure requirements. *Progressive* maintained a curriculum involving "units of work," which included multi-week units addressing math concepts, science, reading, readiness, nature, the community, arts, music, and other subject areas. *Id.* at 733-34.

The Court further held that, in light of the revised Constitution, that Progressive was not an "institution of learning" as such institutions were commonly known and accepted, or as within the contemplation of the General Assembly when the statute was enacted. *Id.* at 738.

The Court observed that every argument advanced by *Progressive* could have been as well advanced had its programs been geared to one and two-year-olds, or two and three-year-olds, instead of children ages three and four. *Id.* The Court noted the educational value of Progressive's programs and that organizations providing such services take on many aspects of an institution of learning. The Court also noted, however, that the educational potential of such programs must necessarily be limited by the youth and immaturity of their charges. *Id.* at 738.

The Court stated: "We hold that the proper level of education at which to commence the exemption is that accepted as the first level in the public school system and that Progressive does not qualify for the exemption." *Id.* at 739.

The Virginia Tax Commissioner has issued two rulings applying the Court's holding in *Progressive*. In both rulings, the Tax Commissioner held that a preschool was not eligible for the retail and sales use taxation exemption. Public Document 91-253 (October 31, 1991) and Public Document 86-30 (February 6, 1986).

In Public Document 86-30, the Tax Commissioner considered the application of the tax exemption statue to a preschool for three and four-year-olds. The Tax Commissioner stated:

> In Virginia, kindergarten is the first level in the public school systems; therefore, nurseries, daycare centers, and other preschool institutions do not qualify for exemption. However, an organization conducted not for profit which offers nursery and kindergarten programs would qualify for the institution of learning exemption when the majority of the students are enrolled in the kindergarten

> program and the organization meets the requirements of an institution of learning as set forth in § xxx-xx-96 of the Regulations. When the majority of the students are enrolled in the nursery program, the exemption would not apply.

The Virginia Tax Commissioner, therefore, stated a measurement or factor that an organization conducted not-for-profit which offered both nursery and kindergarten programs would qualify for the institution of learning exemption when the majority of the students were enrolled in the kindergarten program. When the majority of the students are enrolled in the nursery program the exemption would not apply. [1]

I was not able to identify any court decisions applying *Progressive* in the context of nurseries and preschools, but I did find the following cases which I believe support the City Assessor's decision.

In *United States v. Virginia*, 500 F. Supp. 729 (E.D. Va. 1980), the United States District Court for the Eastern District of Virginia considered whether Associated Universities Inc. ("AUI") was exempt from sales and use tax assessment as an "institution of learning" under former § 58-441.6(t). AUI provided education and other opportunities for graduate students at the National Radio Astronomy Observatory. The court analyzed the Supreme Court of Virginia decision in *Progressive*, including the rule of strict construction. 500 F. Supp. at 732-33.

The court also analyzed the Virginia Tax Regulations governing the application of the tax exempt statute, including the criteria of a faculty, a student body, and a prescribed course of study. *Id.* at 733. After analyzing each of the criteria, the court held that the Observatory was not an "institution of learning" within the meaning of the Virginia tax law. *Id.* at 733, 735.

The Circuit Court of Arlington County considered whether the "Close Up Foundation" was exempt from taxation of its personal property as an institution of learning under Va. Code § 58.1-3606(A)(4) in *Close Up Foundation v. Arlington County Board of Supervisors*, 39 Va. Cir. 490 (Cir. Ct. of Arlington County, July 29, 1996).

The Close Up Foundation provided week long education programs for high school students and their teachers about the United States government. 39 Va. Cir. at 491. The court analyzed the Supreme Court's decision in *Progressive*, including the rule of strict construction. *Id.* at 493-94, 498.

The court found that the Close Up Foundation did not fall under the term "institution of learning." *Id.* at 499. In its analysis, the court analyzed: who

[1] See also Public Document 89-269 (October 25, 1989) (Tax Commissioner ruling that a preschool learning center for three to six-year-olds did not qualify for exemption from the Virginia retail sales and use tax; *Progressive* not cited).

participated in the programs; the absence of a regular student body that stayed constant over a period of time; the absence of a regular course of study or any grading or critique of participants' work; the absence of a campus; and the absence of any accreditation. *Id.* at 499.

Viewing all of these factors in their totality, the court concluded that the Close Up Foundation was not sufficiently similar to a college to qualify as an "other institution of learning" under a strict construction of the term. *Id.* at 499.

Elizabeth's Early Learning Center argues that it should be considered an institution of learning for purposes of Va. Code § 58.1-3606(A)(4). Elizabeth's Early Learning Center acknowledges the Court's decision in *Progressive*, but suggests that the field of education has changed dramatically since 1975 when the Court decided *Progressive*. Elizabeth's Early Learning Center suggests that it now satisfies the Court's criteria of providing education "at the first level of the public school system."

In support of its position, Elizabeth's Early Learning Center identifies the federal IDEA which requires public schools to provide equal access to education for children with disabilities, beginning at age two. Thirteen preschool students with special needs are currently receiving services through the City of Lynchburg schools at the EELC properties.

Elizabeth's Early Learning Center also identified the 1995 Omnibus and Education Act and the Annual Appropriation Acts as a adopting and reinforcing the four major programs recommended in 1994 by the Commission on Equity in Public Education. A preschool program for at-risk four-year-olds was one of those recommendations.

From the information that was provided, approximately 36 four-year-olds participate in the EELC's programs. I understand that Elizabeth's Early Learning Center does not receive any funding from the City schools for the participation of four-year-olds. I do not know how many of the four-year-olds participating in the Elizabeth's Early Learning Center's programs potentially meet the criteria for "at-risk" children applied by the State Department of Education.

The starting point of the analysis is the Supreme Court's decision in *Progressive* and the rule that the proper level at which to commence the tax exemption is that accepted as the first level of the public school system. 215 Va. at 763.

The first level in the public school system where compulsory attendance is required remains kindergarten for five-year-olds. Va. Code §§ 22.1-199(A) and 22.1-254(A).

As noted by Elizabeth's Early Learning Center, public schools systems, including the City of Lynchburg schools, provide services to some children before

kindergarten, particularly the at-risk four-year-olds participating in the prekindergarten program and children receiving services under the IDEA.

I also considered other characteristics of Elizabeth's Early Learning Center. Elizabeth's Early Learning Center has a faculty which includes persons formally trained in early childhood education; it is accredited by the NAEYC; and it has a curriculum that meets NAEYC requirements.

On the other hand, based on the information available, Elizabeth's Early Learning Center participants do not participate in education programs based on specific periods such as semesters. Rather, Elizabeth's Early Learning Center charges for its services on a weekly basis. Also, participants are not graded nor do they "graduate" in the traditional sense of institutions of learning. As noted by the Court in *Progressive*, the educational potential of the Elizabeth's Early Learning Center's education program is necessary limited by the youth and immaturity of the Elizabeth's Early Learning Center's charges. 215 Va. at 738.

Finally, Elizabeth's Early Learning Center advises that is has approximately 144 total participants. Of this total, approximately 36 are four-year-olds, 45 are other "preschoolers," 39 are toddlers, and 24 are infants. Approximately 13 participate in the IDEA programs. Out of the total of approximately 144 participants, therefore, approximately 13 participate in programs sponsored by the City of Lynchburg schools.

Applying the measurement or factor stated by the Virginia Tax Commissioner in Public Document 86-30, the majority of the total participants do not participate in programs sponsored by the City of Lynchburg schools.

Considering all of these factors and principles in their totality, and applying the rule of strict construction required by the Court's decision in *Progressive*, it is my opinion that Elizabeth's Early Learning Center is not an "institution of learning" within the meaning of Va. Code § 58.1-3606(A)(4).

The decision as to whether or not an organization qualifies as a tax exempt organization under the Virginia Code is subject to a final determination by the City Assessor. While I believe that Gregory H. Daniels, the former City Assessor, reached the correct decision in his letter of March 11, 2016, that Elizabeth's Early Learning Center does not qualify as an institution of learning, the City will soon have a new City Assessor. I feel confident that if Elizabeth's Early Learning Center has any additional information it would like the City to consider on this issue, the new City Assessor will be glad to consider such information.

Sincerely,

Walter C. Erwin

Attachment E

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August 21, 2017

HAND-DELIVERED

Bonnie Svrcek, City Manager
City Hall, 3rd floor
900 Church St.
Lynchburg, VA 24504

Re: Elizabeth's Early Learning Center

Dear Bonnie:

Our firm represents Elizabeth's Early Learning Center, Inc. (EELC). In a letter dated March 11, 2016 to Walker Sigler of the EELC Board, the City Assessor denied EELC's request for a real estate tax exemption on the basis of EELC being an institution of learning pursuant to Va. Code § 58.1-3606. Although for the reasons specified in my October 14, 2016 letter to the City Attorney (copy attached) we believe that decision is erroneous, the Board of EELC would prefer to negotiate an alternative resolution of the issue rather than engaging in litigation with the City over the tax exemption.

After discussing the matter with Walter Erwin, I believe there are the following two options available which would allow the City to recognize the services EELC provides to the City, while not removing EELC's real estate from the tax rolls:

1. Va. Code § 15.2-953 and the City Charter both permit the City to make a donation to various charitable organizations such as EELC. The difference between those two provisions is that a donation under the Va. Code section would require only a majority (4 members) of the City Council to approve, whereas the City Charter section requires a two-thirds vote of Council (5 members). Walter believes the Charter would trump the Va. Code section, so we would need 5 votes on Council. This approach would require annual review and approval by Council to renew the donation. Walter cited Amazement Square as an example of this treatment.

2. The second option can be termed "external service provider". This option would involve a contract between the City and EELC for services that EELC would provide for the benefit of the City. Walter cited the former Lynchburg Neighborhood Development Foundation as an example. Former City Manager Chuck Church entered into a 3-year contract with LNDF in which the City gave money to LNDF for providing housing services to low-income residents. This option must also be approved by Council, but requires only a majority of 4 because it would be a contract.

With either option, EELC would seek an annual payment equivalent to the amount of real estate taxes which EELC pays. EELC currently pays $11,065.59 annually in real estate taxes, and anticipates that the amount will increase to approximately $15,000 in the near future because of a planned expansion. The City could justify either option in recognition of the services and benefits EELC provides to the City, as outlined in the attached summary prepared by EELC's Executive Director, Jane Gerdy.

Mrs. Gerdy, board member Ed Polloway and I would like to schedule a meeting with you to discuss the options. In addition to being a board member of EELC, Dr. Polloway is a recognized expert in the field of early childhood education. If you feel that a tour of EELC's facility would be helpful, we would be happy to meet with you there.

Thank you for your consideration of our request.

Sincerely,

John E. Falcone

Enclosures

Cc: Jane Gerdy, Executive Director
Dr. Ed Polloway

Summary of Elizabeth's Early Learning Center's contributions to the City of Lynchburg for consideration of real estate tax relief

In the Poverty 2 Progress Initiative of the City of Lynchburg, a lack of quality, affordable and available child care has been identified as a barrier to workforce development. EELC is in the process of planning an expansion project to add four new classrooms to the existing building to meet the needs of the community. The estimated 3500 square foot addition will increase our square footage by 25% and we are concerned that this could add another 25% to our real estate taxes bringing the total to almost $15,000 per year.

EELC provides the following services which benefit the City of Lynchburg:

- Provides approximately $200,000 in financial aid to economically disadvantaged children in Lynchburg area to cover child care costs so parents can work. Our population includes homeless children, children in foster care, and children of teenage parents.

- Cares for 145 children from 6-weeks-old until they start kindergarten, year round, from 7:00am-6:00pm daily, so parents can work in the private and public sector, medical and educational communities, as first responders, and for the many service industries of Lynchburg.

- EELC meets the standards and qualifications required by the state in order to accept vouchers from the Department of Social Services for Child Care Subsidies for children living in poverty in Lynchburg. These standards require that each of our 45 staff members be CPR/First Aid certified (at a cost of $35.00 per person) and receive 10 hours of DSS training before working with children (at a cost of $100.00 per person). These subsidies only pay part of the tuition for children living in poverty in Lynchburg. Therefore, EELC provides financial aid to cover the difference in tuition not provided by DSS.

- Serves 12 children identified by Lynchburg City Schools with disabilities. Several other children are in the process of being evaluated to determine if they are eligible, also. LCS teachers provide special education services to those children in our facility since best practice in education is to include children with disabilities in general education classes with typically developing peers. EELC provides the general education classrooms with typically developing peers and the general education teachers and support staff. The services provided by LCS in the EELC facility include services provided by special education teachers, speech therapist, physical therapist, occupational therapist

- The average cost per child attending a full day program at EELC is $9,353.00 annually or $779.41 per month. The program includes degreed teachers, research-based curriculum, low teacher/student ratios, full time child care hours, inclusion of students with disabilities in general education classrooms, library privileges, an outdoor

classroom, breakfast, lunch and an afternoon snack. Students with disabilities receive their Lynchburg City School services during the morning hours, only, (1/2 day) and only receive services for 10 months out of the year. Therefore, the estimated cost per child for children receiving their special education services at EELC is half of $779.41 per month for 10 months for a total of $3,897.05 per year per child. For the 12 children currently receiving services at EELC, the total cost is $46,764.60. Annually, Lynchburg City Schools currently pays EELC $7,992.00 for those 12 students and parents pay $26,303.00 in tuition annually. Some of the parents of those 12 students are financially unable to provide tuition support so EELC currently provides scholarships in the amount of $12,469.60 for those students with disabilities. The services for those LCS students are all provided in EELC's classrooms using EELC's facilities.

Attachment G

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September 27, 2017

HAND-DELIVERED

Bonnie Svrcek, City Manager
City Hall, 3rd floor
900 Church St.
Lynchburg, VA 24504

Re: Elizabeth's Early Learning Center (REVISED SCHEDULE)
(item for City Council Finance Committee meeting of November 28)

Dear Bonnie:

Our firm represents Elizabeth's Early Learning Center, Inc. (EELC). I confirm our discussion about EELC's request to City Council.

In a letter dated March 11, 2016 to Walker Sigler of the EELC Board, the City Assessor denied EELC's request for a real estate tax exemption on the basis of EELC being an institution of learning pursuant to Va. Code § 58.1-3606. Although for the reasons specified in my October 14, 2016 letter to the City Attorney (a copy of which I previously provided to you) we believe that decision is erroneous, the Board of EELC would prefer to negotiate an alternative resolution of the issue rather than engaging in litigation with the City over the tax exemption.

Attached is a summary of the services and benefits EELC provides to the City prepared by EELC's Executive Director, Jane Gerdy. These services and benefits directly support the City's Poverty to Progress initiative. Rather than removing EELC's real estate from the tax rolls, EELC proposes to enter into a contract with the City as an external service provider to continue providing these educational services for the benefit of the City. An example of this type of agreement is the 3-year contract between the City and the former Lynchburg Neighborhood Development Foundation in which the City gave money to LNDF for providing housing services to low-income residents.

With this proposed service contract, EELC would seek an annual payment equivalent to the amount of real estate taxes which EELC pays. EELC currently pays $11,065.59 annually in real estate taxes, and anticipates that the amount will increase to approximately $15,000 in the near future because of a planned expansion.

Jane Gerdy and I would like to make a brief presentation to Council's Finance Committee at their November 28 meeting, and we request that you place us on the agenda for that meeting. We also would like to make a presentation to the full Council at the next available meeting after the Finance Committee meeting.

Please let me know if you have any questions or need additional information. Thank you for your consideration of our request.

Sincerely,

John E. Falcone

Enclosure

Cc: Jane Gerdy, Executive Director

How Elizabeth's Early Learning Center (EELC) supports Lynchburg's Poverty to Progress Initiative

Lack of affordable, quality childcare is listed as a major barrier to workforce development. If there is no childcare, parents cannot work.

- EELC provides care for children from birth until they start kindergarten. Current enrollment is 145.
- The program operates year-round, from 7:00 am to 6:00 pm every weekday.
- Elizabeth Forsyth set up an endowment through the Greater Lynchburg Community Trust to provide scholarship funds for children in need so that all families are able to participate in the program, regardless of ability to pay. Based on a sliding fee scale, each year EELC gives approximately $200,000 in scholarship funds to families living at the poverty level or up to 250% of the poverty level and for children with disabilities and extensive medical costs. In general, approximately 40-50 students receive these scholarship benefits each year.
- Our population includes homeless children, children in foster care, and children of teenage parents.
- Shortage of childcare in Lynchburg is evident in our waiting list of over 80 children. Unless some students withdraw, there will be no openings until August, 2018 and the waiting list grows, weekly.
- EELC participates in the USDA Food Program and all children receive free breakfast, lunch, and an afternoon snack.

The top priority of the Education Subcommittee of the Poverty to Progress Initiative is to expand residents' access to quality Pre-K. 27% of children starting kindergarten this year in Lynchburg City Schools (LCS) did not have any Pre-K experience which is shown to "make the biggest difference" for students who live in poverty, according to LCS Assistant Superintendent, Jay McLain.

- EELC has two Pre-K classes for 4-year-olds and enrolls 36 Pre-K students.
- EELC is one of only 8% of preschools in the nation to be accredited by the National Association for the Education of Young Children (NAEYC).
- All lead teachers have a minimum of a bachelor's degree and implement a research-based curriculum that includes social-emotional, physical, language and cognitive development as well as literacy, math, science, technology, social studies and the arts.
- Pre-K students are eligible for scholarship funds to pay tuition. Some of these children would likely be eligible for LCS Pre-K but parents choose to leave them enrolled at EELC because they need before and after school and year-round childcare which is not available through the public schools.
- Each spring, EELC administers the Phonological Awareness Literacy Screening (PALS) to all of our Pre-K students who are heading to kindergarten. PALS was developed at UVA and is a test used throughout the state as a measure of young children's knowledge of important literacy skills, the skills necessary to be successful readers in the future. A perfect score is 125. Typical scores that are

associated with early reading success fall in the range of 53-87. The average score for the children graduating from EELC in 2017 was 110. This includes the scores of at-risk children and children with disabilities.

- EELC currently serves 12 children identified by Lynchburg City Schools with disabilities and/or developmental delays. LCS teachers provide special education services to those children in our facility. Parents of these children need childcare in addition to special education services, so EELC is the best placement for them. The services provided by LCS in the EELC facility include services provided by special education teachers, speech therapists, occupational therapists, and physical therapists.

What Makes EELC Unique and Deserving of Consideration by City Council

- EELC wants to support the City of Lynchburg and the Poverty to Progress Initiative.

- Unlike other private childcare centers in Lynchburg, EELC is a non-profit organization. Not only are we non- profit but we also provide $200,000 per year in tuition assistance/scholarships to families in need, including children at-risk due to economic disadvantage or disability.

- Unlike other private childcare centers, we provide a nationally accredited educational program for children, from birth to five, for families that also need childcare, helping to decrease the number of children starting kindergarten with no Pre-K experience.

- Unlike other non-profit preschools in Lynchburg that provide educational programs, we are paying real estate taxes because we are not located in a church or on a college campus. It appears that we are the only non-profit preschool in Lynchburg paying real estate taxes.

- Because we continually have a long waiting list, we are raising funds to expand our facility in order to provide care for more children in Lynchburg. This helps with workforce development and also educates children so that they have skills needed for success in kindergarten, reducing the 27% starting kindergarten in the LCS with no preschool experience. We will also provide scholarships for the children entering these new classrooms, based on family income and need.

- Expanding the facility will increase our real estate taxes, possibly reducing the scholarship funds that will be available to children.

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 28, 2017** AGENDA ITEM #: **10**

CONSENT: REGULAR: **X** WORK SESSION: CLOSED SESSION:
ACTION: **X** INFORMATION: (Confidential)

ITEM TITLE: Budget Amendment and Appropriation of a $70,494 Stormwater Local Assistance Fund (SLAF) Grant for Fire Station No. 8 Water Quality Improvement Project

KEY ELEMENTS:
___Economic Development ___Excellent Government _X_Natural and Built Environment ___Safe Community _X_Vibrant Community

RECOMMENDATION: Adopt a resolution to amend the FY 2018 Stormwater Capital Fund budget and appropriate $70,494 with resources from a Stormwater Local Assistance Fund (SLAF) Grant to reimburse costs associated with a stormwater quality improvement project needed to meet Phase II Municipal Separate Storm Sewer System (MS4) permit compliance.

SUMMARY: The City has been awarded a SLAF grant in the amount of $70,494, from the Department of Environmental Quality (DEQ) for a water quality improvement project located at Fire Station No. 8 on Old Graves Mill Road. This project was identified in the City's Chesapeake Bay Total Maximum Daily Load (TMDL) Action Plan as a project towards meeting the pollution reduction requirements of the Phase II MS4 Permit.

A local match of 50% is required with this grant award. Grant funds will be used to reimburse costs incurred by the Stormwater Capital Fund for this project.

PRIOR ACTION(S):
Adoption of the FY 2018 – FY 2022 Capital Improvement Program
Finance Committee, November 28, 2017

FISCAL IMPACT: $70,494 local match from the Stormwater Capital Projects Fund

CONTACT(S): Tim Mitchell, Director of Department of Water Resources, 455-4252
Erin Hawkins, Water Quality Manager, 455-3869

ATTACHMENT(S): Resolution

REVIEWED BY: bms

RESOLUTION:

BE IT RESOLVED that the FY 2018 Stormwater Capital Fund budget is amended and $70,494 is appropriated with resources from Stormwater Local Assistance Fund (SLAF) matching grant to reimburse costs for Fire Station No. 8 Water Quality Improvement Project.

Introduced: Adopted:

Certified: _____
Clerk of Council

156K

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 28, 2017** AGENDA ITEM #: **11**

CONSENT: REGULAR: **X** WORK SESSION: CLOSED SESSION:
ACTION: **X** INFORMATION: (Confidential)

ITEM TITLE: 2017 Police Bulletproof Vest Partnership Grant Funding

KEY ELEMENTS:
___Economic Development ___Excellent Government ___Natural and Built Environment _X_Safe Community ___Vibrant Community

RECOMMENDATION: Adopt a resolution to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $36,182.98 with resources of $18,091.49 from the Bulletproof Vest Partnership 2017 Grant Program and $18,091.49 transferred from the FY 2018 General Fund Police Department ($13,703.99) and Sheriff's Office ($4,387.50) budgets to purchase 43 replacement bulletproof vests for law enforcement officers.

SUMMARY: Total vest replacement costs are $36,182.98. The grant requires a 50% local match; these funds are available in the FY 2018 General Fund Police and Sheriff's Office operating budgets.

PRIOR ACTION(S): Finance Committee, November 28, 2017

FISCAL IMPACT: The required local match is budgeted in the FY 2018 General Fund Police and Sheriff's Office operating budgets; therefore, no additional funds are required.

CONTACT(S): Captain R.S. Houck, 455-6067
Major K.T. Swisher, 455-6154

ATTACHMENT(S): Resolution

REVIEWED BY: bms

RESOLUTION:

BE IT RESOLVED that the FY 2018 City/Federal/State Aid Fund budget is amended and $36,182.98 is appropriated with resources of $18,091.49 from the Bulletproof Vest Partnership 2017 Grant Program and $18,091.49 transferred from the FY 2018 General Fund Police Department ($13,703.99) and Sheriff's Office ($4,387.50) budgets to purchase 43 replacement bulletproof vests for law enforcement officers.

Introduced: Adopted:

Certified: _____
Clerk of Council

155K

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 28, 2017** AGENDA ITEM #: **12**

CONSENT: REGULAR: **X** WORK SESSION: CLOSED SESSION:
ACTION: **X** INFORMATION: (Confidential)

ITEM TITLE: Amendment to the City Code Section relating generally to Ambulance Rates

KEY ELEMENTS:
___Economic Development ___Excellent Government ___Natural and Built Environment _X__Safe Community _X_Vibrant Community

RECOMMENDATION: Adopt an ordinance to amend and reenact Section 5-6 of the Code of the City of Lynchburg, 1981, relating to the rates charged for ambulance services within the City.

SUMMARY: A review of the City Code in relation to Ambulance Service charges has resulted in several recommendations for change.

Current City ambulance rates were set January 1, 2012 and are at an overall average of 129 percent of the 2017 Medicare urban rates. The City's third party ambulance billing agency recommends rates to be set between 125 percent and 150 percent of the current Medicare urban rate. It is recommended the rates be changed to an overall average of 149 percent of the 2017 Medicare urban rate.

In addition to this change, it is recommended that an oxygen supply charge be added.

It is anticipated the changes will result in an additional $64,959 annually in revenue to help offset the cost of providing these services. The FY 2018 Adopted budget projected this revenue to be $2.75 million prior to the proposed changes. Since this change would go into effect January 1, 2018, the impact on the FY 2018 Adopted budget would be an additional $32,480 in revenue.

PRIOR ACTION(S): None

FISCAL IMPACT: An estimated increase in ambulance services revenue of approximately $64,959 annually.

CONTACT(S): Steven B. Ferguson, Fire Chief - 455-6340
Ellen Davidson-Martin, Fire Administrative Manager, 455-6368

ATTACHMENT(S): Ordinance

REVIEWED BY: bms

ORDINANCE:

AN ORDINANCE TO AMEND AND REENACT SECTION 5-6 OF THE CODE OF THE CITY OF LYNCHBURG, 1981, THE AMENDED SECTION RELATING TO THE RATES THAT ARE CHARGED BY THE FIRE DEPARTMENT FOR AMBULANCE SERVICES WITHIN THE CITY.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That Section 5-6 of the Code of the City of Lynchburg, 1981, be and the same is hereby amended and reenacted as follows:

Sec. 5-6. Rates—Generally.

Effective on ~~January 1, 2012~~ January 1, 2018, and for each year thereafter, unless otherwise changed by city council, the following rates for ambulance services shall apply:

(a) The rates to be charged for the transportation of a patient from one point within the city to another point within the city on a non-emergency basis shall be at a base rate of ~~$325.00~~ $350.00 per trip, and ~~$425.00~~ $500.00 per trip when such transportation is conducted on an emergency basis; provided, however, that:

(1) In addition to the base charges provided in subsections (a) and (b) of this section, there shall also be a charge of ~~$9.00~~ $12.00 for each mile the patient is transported.
(2) In addition to the base charges provided in subsections (a) and (b) of this section and subsection (a)(1), there shall also be a $50.00 oxygen supply charge.

(b) Whenever a patient receives advanced life support procedure performed by the emergency medical services personnel, the rate shall be $425.00 per patient, if provided on a non-emergency basis; ~~$500.00~~ $600.00 if provided on an emergency basis, and ~~$700.00~~ $850.00 if provided on an emergency basis and three or more different medications combined with at least one specialized ALS procedure are administered.

(c) Whenever an ambulance responds to a call for ambulance service, if the patient is evaluated by emergency medical services personnel and receives treatment but no transport occurs, the rate shall be $100.00 per patient.

2. That this ordinance shall become effective upon January 1, 2018.

Adopted:

Certified: _____
Clerk of Council

154K