1. 5:00 p.m.
1. City Council Work Session

1. 5:00 p.m. – 5:30 p.m. Report from Legislative Liaison
2. 5:30 p.m. – 6:30 p.m. Debrief Council on the Civic Engagement Budget Meetings
1. 6:30 p.m. – 6:40 p.m. Roll Call
1. 7:30 p.m.
1. City Council Agenda Items

1. C 0 N S E N T A G E N D A

#3. Consideration of approving the minutes of the November 9, 2010 meeting.

1. P U B L I C H E A R I N G

#4. Public hearing regarding a request from the Lynchburg Redevelopment and Housing Authority for authorization to pursue acquisition of blighted property at 234 Stoneridge Street under Section 36-19.5 of the Code of Virginia.

#5. Public hearing regarding the adopting of a Resolution to approve a lease agreement between the City of Lynchburg and John and Evangeline Anderson for city-owned property located at 3813 Old Forest Road.

#6. Public hearing to receive public input regarding the reallocation of Community Development Block Grant (CDBG) Funds; and approve the request from the Lynchburg Redevelopment and Housing Authority to reprogram funds from CDBG Program Years 2005-2006 and 2007-2008 for the Property Repair and Maintenance Program.

#7. Public hearing regarding a proposal to amend the boundaries of Enterprise Zones #2 and #46.

1. G E N E R A L B U S I N E S S

#8. Consideration of adopting an Ordinance amending the City Code relating to the repair of existing buildings.

#9. Consideration of adopting an Ordinance amending the City Code relating to relocation of equipment that private companies have installed in the City’s rights-of-way.

#10. Consideration of adopting a Resolution to reaffirm the City’s Financial Management Policies.

#11. Consideration of adopting a Resolution regarding Delta Airlines Service to Lynchburg Regional Airport.

#12. Consideration of a closed meeting to consider appointments to Council-appointed Boards and Commissions, i.e., Lynchburg Community Action Board and various committees that require Council membership, and for discussion and consideration of candidates for the position of the Clerk of Council, pursuant to Section 2.2-3711(A.)(1) of the Code of Virginia, 1950, as amended.

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 23, 2010** AGENDA ITEM NO.: 1

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

ACTION: INFORMATION: **X**

ITEM TITLE: **Meeting with Legislative Liaison**

RECOMMENDATION: No action required.

SUMMARY: Linda McMinimy will attend Council's work session to report on the House Appropriations and Senate Finance retreats which she recently attended. Linda will share what she heard regarding the state economy, the upcoming budget and special issues such as VRS.

PRIOR ACTION(S): N/A

FISCAL IMPACT: N/A

CONTACT(S): Linda McMinimy, (804) 643-1166

ATTACHMENT(S): None

REVIEWED BY: lkp

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 23, 2010** AGENDA ITEM NO.: 2

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

ACTION: INFORMATION: **X**

ITEM TITLE: **Debrief on the Civic Engagement Budget Meetings**

RECOMMENDATION: No action requested.

SUMMARY: Time has been set aside during Council's work session to share impressions of the recently completed four citizen meetings regarding the upcoming FY 2010 Budget. Attached for review is a compilation of the input provided through the small group discussions. Staff will share some of its impressions and then would like to hear from Council its impressions, it thoughts about the overall process of the meetings and suggestions for future citizen engagement.

PRIOR ACTION(S): N/A

FISCAL IMPACT: N/A

CONTACT(S): Kimball Payne, 455-3990; Margaret Schmitt, 455-4208

ATTACHMENT(S): Compilation of input from the citizen meetings.

REVIEWED BY: lkp

155L

2010 Citizen Budget Meetings

Ward II (11/1/10) R. S. Payne Elementary School

Concerns/Challenges:

- Attracting business/jobs in Ward II
- Need to enhance resources for at-risk community: education, employment, self-sufficiency
- Change the law to prevent "dead-end life for felons"
- Prevent crime increase due to unemployment and education challenges
- Increased homelessness
- Fewer private, non-profits due to insufficient funding
- Need to reduce class size in schools: increased class size results in dropouts, impaired learning, brain drain, frustrated teachers, misdiagnosing children's educational needs
- Less money results in fewer jobs
- Alcohol is easier to get
- Need to increase education and training

Ward II (11/1/10) Budget Exercise Results

Group 1

$100		**$90**	
Excellent Public Schools	$40 (40%)	Excellent Public Schools	$36 (40%)
Economic Development	$25 (25%)	Economic Development	$20 (22.2%)
Safe Community	$15 (15%)	Safe Community	$12 (13.3%)
Well-maintained Infrastructure	$15 (15%)	Well-maintained Infrastructure	$12 (13.3%)
Vibrant, Livable Community	$5 (5%)	Vibrant, Livable Community	$10 (11.1%)

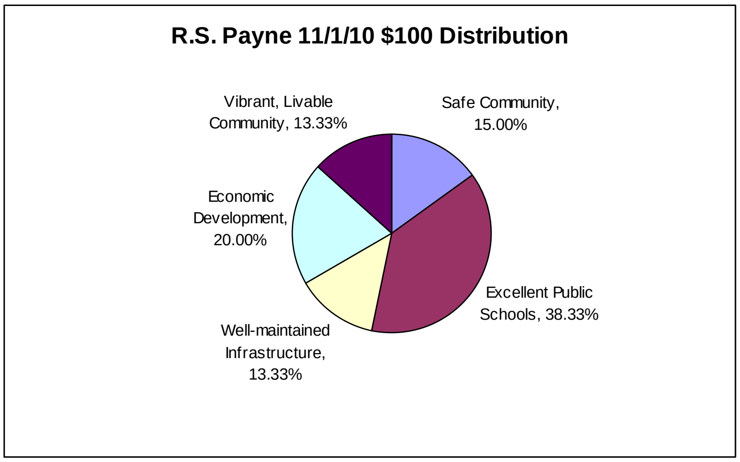
Group 2

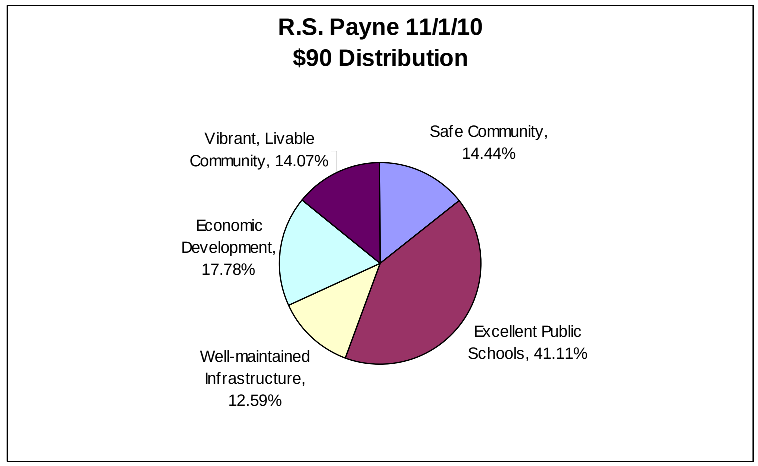
$100		**$90**	
Excellent Public Schools	$40 (40%)	Excellent Public Schools	$40 (44.4%)
Vibrant, Livable Community	$20 (20%)	Vibrant, Livable Community	$18 (20%)
Economic Development	$20 (20%)	Economic Development	$18 (20%)
Well-maintained Infrastructure	$10 (10%)	Well-maintained Infrastructure	$7 (7.8%)
Safe Community	$10 (10%)	Safe Community	$7 (7.8%)

Group 3

$100		$90	
Excellent Public Schools	$35 (35%)	Excellent Public Schools	$35 (38.9%)
Safe Community	$20 (20%)	Safe Community	$20 (22.2%)
Well-maintained Infrastructure	$15 (15%)	Well-maintained Infrastructure	$15 (16.7%)
Economic Development	$15 (15%)	Economic Development	$10 (11.1%)
Vibrant, Livable Community	$15 (15%)	Vibrant, Livable Community	$10 (11.1%)

Average of All Groups





Ward I (11/4/10) Bedford Hills Elementary School

Concerns/Challenges:

- Economy will get worse – City will have less revenue to work with
- Non-profits expected to do more with less because of cuts to City schools and reallocation of monies. Everyone will have less money – depending more on charities – unforeseen consequence
- Learn to do w/out some services – do a different way – provide for yourself. Would require a major paradigm shift by citizens
- Hard choices regarding essential services
- Maintain quality of life, education of City as well as the appearance of the City
- Using resources to help deliver City services:
    - Jail inmates
    - Unemployed
    - Volunteers
- Must fund education because it will cost more to house inmates or juveniles
- Need citizens to come together to do more
- Maintain competent workforce: fund salaries and training
- Lack of revenue to fund desired services
- Infrastructure
- Public Safety
- Fund Schools
- Raise taxes
- City/Schools Consolidation
- Closing City Market
- Deterioration of infrastructure: bridges, streets, utility lines, public buildings (major cost)
- Amount of debt service (medium cost)
- Loss of air service (small cost)
- Heritage High School (major cost)
- Reduced Federal financial assistance (medium cost)
- Increasing local taxes (medium support)
- Reduced youth/family support (major cost)
- School budget and needs (big cost)
- Water quality and environmental issues (major cost)
- Maintain library system (smaller cost)
- Housing needs and maintenance (medium cost)
- Delta leaving airport (medium cost)
- Loss of jobs – City and counties (big cost)
- Integration of City/School functions (small cost)
- Rising elderly population (medium cost)
- Infrastructure (big cost)

Ward I (11/4/10) Budget Exercise Results

Group 1

$100		**$90**	
Safe Community	$27 (27%)	Safe Community	$27 (30%)
Well-maintained Infrastructure	$24 (24%)	Excellent Public Schools	$24 (27%)
Excellent Public Schools	$24 (24%)	Well-maintained Infrastructure	$21 (23%)
Vibrant, Livable Community	$15 (15%)	Vibrant, Livable Community	$12 (13%)
Economic Development	$10 (10%)	Economic Development	$6 (7%)

Group 2

$100		**$90**	
Safe Community	$30 (30%)	Safe Community	$27 (30%)
Excellent Public Schools	$30 (30%)	Excellent Public Schools	$27 (30%)
Well-maintained Infrastructure	$25 (25%)	Well-maintained Infrastructure	$22.50 (25%)
Vibrant, Livable Community	$8 (8%)	Vibrant, Livable Community	$7.20 (8%)
Economic Development	$7 (7%)	Economic Development	$6.30 (7%)

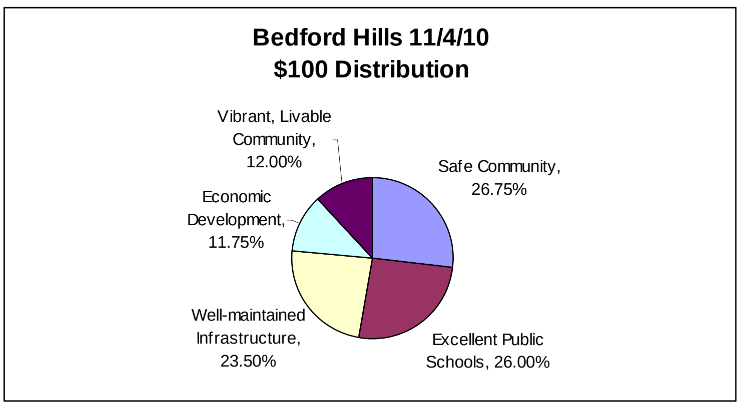
Group 3

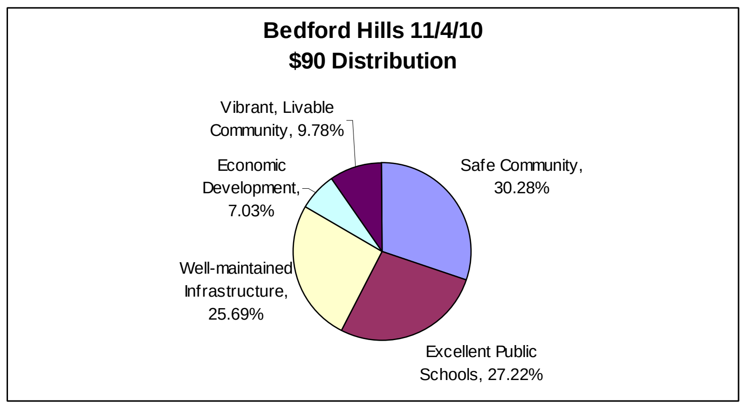
$100		$90	
Safe Community	$25 (25%)	Safe Community	$25 (28%)
Excellent Public Schools	$25 (25%)	Excellent Public Schools	$25 (28%)
Well-maintained Infrastructure	$25 (25%)	Well-maintained Infrastructure	$25 (28%)
Economic Development	$15 (15%)	Economic Development	$8 (9%)
Vibrant, Livable Community	$10 (10%)	Vibrant, Livable Community	$7 (8%)

Group 4

$100		$90	
Safe Community	$25 (25%)	Safe Community	$30 (33%)
Excellent Public Schools	$25 (25%)	Well-maintained Infrastructure	$24 (27%)
Well-maintained Infrastructure	$20 (20%)	Excellent Public Schools	$22 (24%)
Economic Development	$15 (15%)	Vibrant, Livable Community	$9 (10%)
Vibrant, Livable Community	$15 (15%)	Economic Development	$5 (6%)

Average of All Groups





Ward III (11/8/10) Heritage High School

Concerns/Challenges:

- Heritage High School ($60M)
- School Budget (level fund)
- Economy (high cost)
- Community employment (high cost)
- Sustainability of budget (high cost)
- Loss of revenue from real estate ($1M)
- Stimulus $
- More foreclosures
- More condemned houses
- Further reduction of services will impact quality of life
- Potential for increased crime
- Potential impact on employee retention
- Increase number of disadvantaged families
- How do we shift programs form government to non-profits or churches
- Lack of ADA housing (affordable)
- Cuts to education
- Lack of council support to non-profits
- High school renovations (millions)
- Increasing revenue (+ millions)
- City employee raises (millions)
- VRS payment (millions)
- Competition between police, fire and teachers for higher pay – morale
- Cutting social services when needs the greatest (millions)
- Lack of medical coverage and services for those in need (thousands)
- Lack of jobs
- Job training programs
- College tuition
- Potential crime increase

Ward III (11/8/10) Budget Exercise Results

Group 1

$100		**$90**	
Excellent Public Schools	$35 (35%)	Excellent Public Schools	$30 (33%)
Safe Community	$25 (25%)	Safe Community	$23 (25.5%)
Economic Development	$20 (20%)	Economic Development	$18 (20%)
Well-maintained Infrastructure	$15 (15%)	Well-maintained Infrastructure	$13 (14%)
Vibrant, Livable Community	$5 (5%)	Vibrant, Livable Community	$6 (7%)

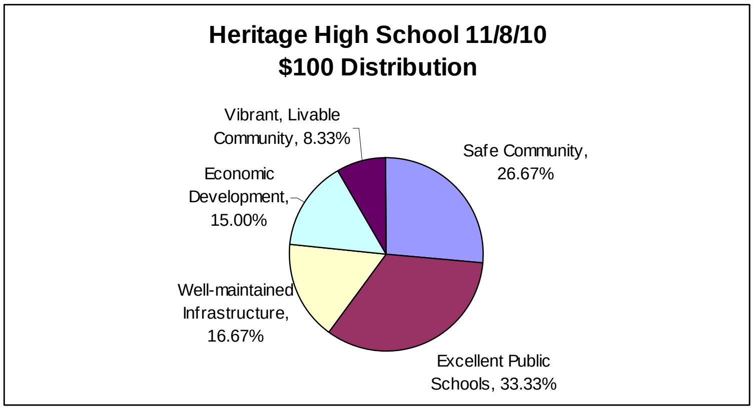
Group 2

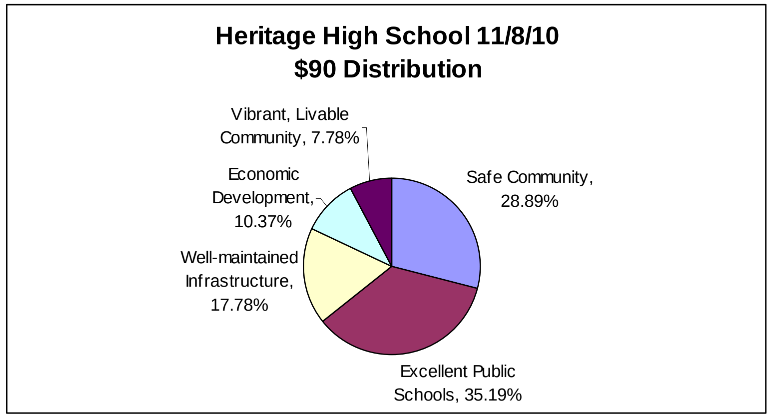
$100		**$90**	
Safe Community	$30 (30%)	Safe Community	$30 (33%)
Excellent Public Schools	$30 (30%)	Excellent Public Schools	$30 (33%)
Well-maintained Infrastructure	$15 (15%)	Well-maintained Infrastructure	$15 (17%)
Economic Development	$15 (15%)	Vibrant, Livable Community	$10 (11%)
Vibrant, Livable Community	$10 (10%)	Economic Development	$5 (5.5%)

Group 3

$100		$90	
Excellent Public Schools	$35 (35%)	Excellent Public Schools	$35 (39%)
Safe Community	$25 (25%)	Safe Community	$25 (28%)
Well-maintained Infrastructure	$20 (20%)	Well-maintained Infrastructure	$20 (22%)
Economic Development	$10 (10%)	Economic Development	$5 (5.5%)
Vibrant, Livable Community	$10 (10%)	Vibrant, Livable Community	$5 (5.5%)

Average of All Groups





Concerns/Challenges:

- Reduced funding for schools
- Keeping Core Services
- Reduction in positions
- Public Safety recruitment
- Closing a $5M funding gap
- Reduced funding for Public Safety
- Losing quality of life
- Protecting the environment/open space
- Unemployment
- Maintaining quality of public education (high cost)
- Heritage High School (high cost)
- Maintaining infrastructure (high cost)
- Creating alternative transportation (medium cost)
- Housing issues: home ownership, foreclosures (high cost)
- Disenfranchised youth – youth and family services (high cost)
- Increase in crime at all levels of society (high cost)
- VRS costs – lack of employee contributions
- Federal and State cuts
- Falling real estate assessments
- Maintaining quality police services (high cost)
- Maintaining quality education services (high cost)
- Re-emphasis on infrastructure: (Huge cost)
  - Streets
  - Water system
  - School facilities
- Emergency services preparedness (medium cost)
- Snow removal (medium cost)
- Strengthen/Tap regional tourism (high cost)
- Economic Development to boost tax base (high cost)
- Job growth (high cost)
- Increasing police pay to reduce turnover ($500k)
- Blighted properties ($1M)
- Revamp tax rate based on property value
- Funding for social service programs (millions)
- Maintain access to library computers ($50-100k)
- Maintain quality of life with declining revenues
- Funding for education
- Funding for juvenile prevention programs
- Pay for leaf removal

Ward IV (11/15/10) Budget Exercise Results
Group 1

$100		**$90**	
Excellent Public Schools	$34 (34%)	Excellent Public Schools	$30.60 (34%)
Safe Community	$30 (30%)	Safe Community	$27 (30%)
Well-maintained Infrastructure	$17 (17%)	Well-maintained Infrastructure	$15.30 (17%)
Vibrant, Livable Community	$12 (12%)	Vibrant, Livable Community	$10.8 (12%)
Economic Development	$7 (7%)	Economic Development	$6.30 (7%)

Group 2

$100		$90	
Excellent Public Schools	$30 (30%)	Excellent Public Schools	$30 (33%)
Safe Community	$25 (25%)	Safe Community	$22 (24%)
Well-maintained Infrastructure	$20 (20%)	Well-maintained Infrastructure	$18 (21%)
Vibrant, Livable Community	$15(15%)	Vibrant, Livable Community	$12 (13%)
Economic Development	$10 (10%)	Economic Development	$8 (9%)

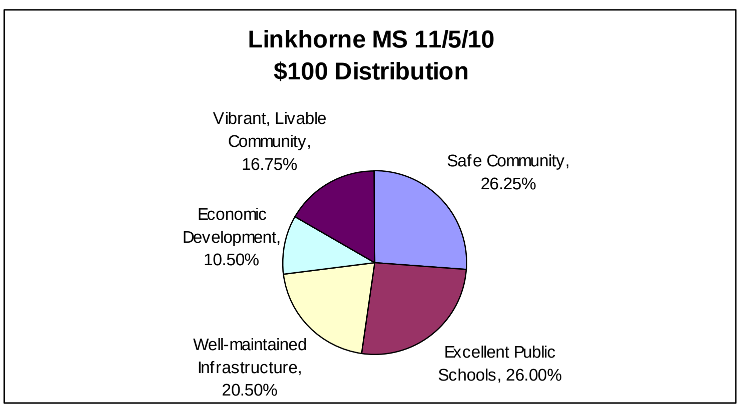
Group 3

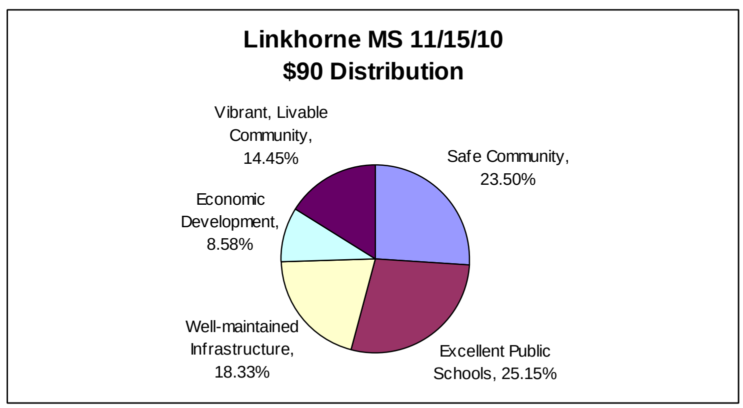
$100		$90	
Safe Community	$25 (25%)	Safe Community	$25 (28%)
Excellent Public Schools	$25 (25%)	Excellent Public Schools	$25 (28%)
Well-maintained Infrastructure	$20 (20%)	Well-maintained Infrastructure	$20 (22%)
Vibrant, Livable Community	$20 (20%)	Vibrant, Livable Community	$15 (17%)
Economic Development	$10 (10%)	Economic Development	$5 (6%)

Group 4

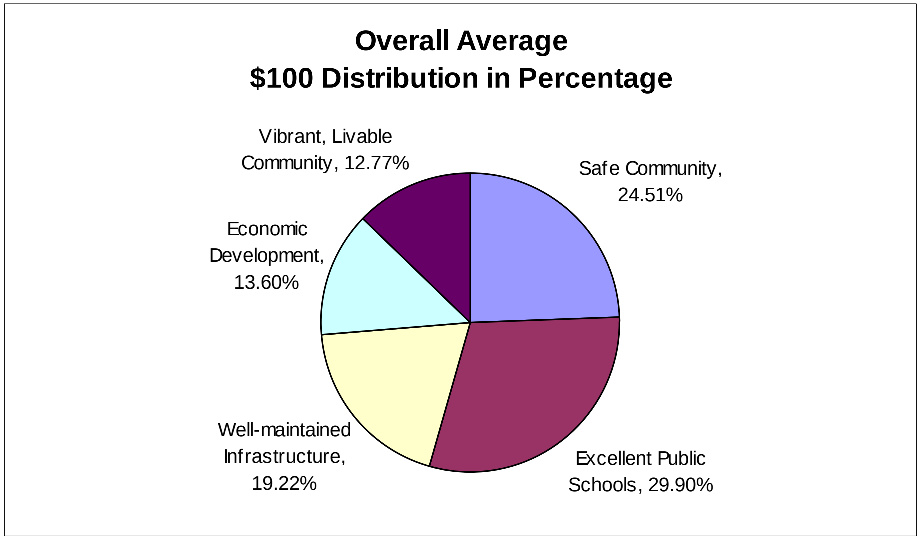
$100		$90	
Safe Community	$25 (25%)	Safe Community	$20 (22%)
Well-maintained Infrastructure	$25 (25%)	Well-maintained Infrastructure	$20 (22%)
Vibrant, Livable Community	$20 (20%)	Vibrant, Livable Community	$20 (22%)
Economic Development	$15 (15%)	Economic Development	$15 (17%)
Excellent Public Schools	$15 (15%)	Excellent Public Schools	$15 (17%)

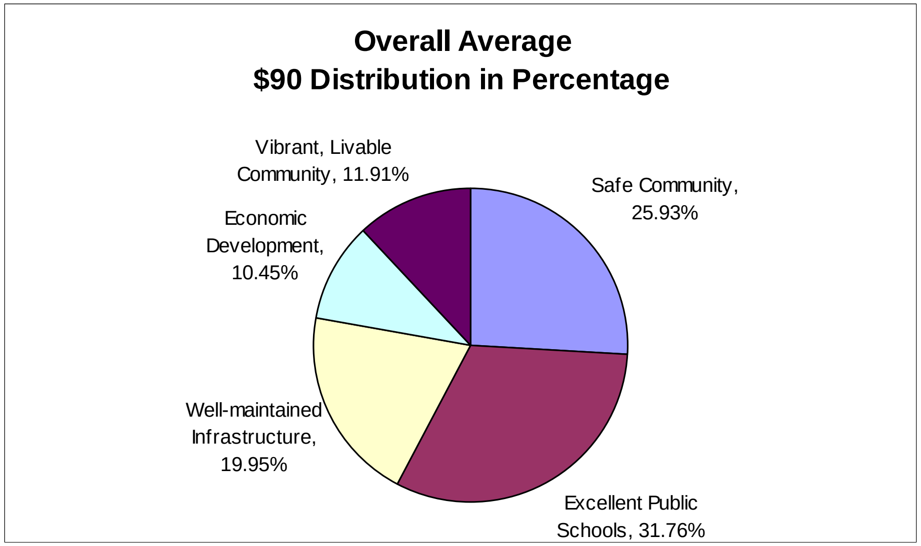
Average of All Groups





Overall Average of All Groups’ Input





// A regular meeting of the Council of the City of Lynchburg was held on the 9th day of November, 2010, at 5:00 P.M. in the Council Chamber, City Hall, Joan F. Foster, President, presiding. The following Members were present:

Present: Cary, Helgeson, Johnson, Nelson, Perrow, Foster 6

Absent: Gillette 1

// City Manager Kimball Payne gave a brief report on the Route 29 Bypass around Charlottesville stating that this has been under discussion for at least two decades. Some of the reasons for the delay around Charlottesville included local resistance, environmental concerns, costs and questions of utility. In an effort to make progress on improving traffic movement through the Route 29 Corridor, the Virginia Department of Transportation (VDOT) has undertaken a number of corridor studies, the most recent one was completed in December of 2009. During the study process a broad array of stakeholders, including many from this region, participated and offered ideas. Mr. Payne further stated that the proposed resolution before Council is similar to a resolution adopted by the Lynchburg Regional Chamber of Commerce Board of Directors which calls for the inclusion of the recommendations that were removed from the corridor study last December and urges action to address the ongoing problems on Route 29. On motion of Council Member Helgeson, seconded by Council Member Nelson, Council by the following recorded vote adopted Resolution #R-10-131, as presented:

Ayes: Cary, Helgeson, Johnson, Nelson, Perrow, Foster 6

Noes: 0

Absent: Gillette 1

// In the matter of Parks and Recreation - City Stadium, City Council Report authoring the City Manager to sign a proposed change order in excess of 25% of the original contract amount –Allen Morrison Office Building, after getting consensus from Council to add this item to the Agenda, was considered. Principal Engineer DeeDee Connor gave an update on this project stating that in an effort to stabilize and remediate a portion of the Allen Morrison site, staff is requesting authorization to proceed with a change order with the current contractor to perform the necessary soil sampling, removal of the concrete slabs, removal of an existing failing retaining wall, raising inlets and manholes on site, rough grading the entire site, and temporary seeding this winter, followed by permanent seeding this spring. Council Member Perrow, Physical Development Committee (PDC) Chair, made a motion authorizing the City Manager to sign the proposed change order. This motion required no second, and Council by the following recorded vote approved the motion:

Ayes: Cary, Helgeson, Johnson, Nelson, Perrow, Foster 6

Noes: 0

Absent: Gillette 1

// During Roll Call Council Member Cary asked about the Town and Gown Initiative that is underway stating that he is supportive of this issue and believes Council needed to take care of process. Council Member Cary further stated that the Rules of Procedure state that ad hoc committee's require action by

Council and he believes this would qualify as one of those committees. Council Member Cary asked if he should make a motion to put it on the Agenda or if Council wanted to discuss it now. Mayor Foster stated that she would like to discuss this issue now and that she did not see it as an ad hoc committee. Council agreed to discuss the matter.

Council Member Nelson stated that the Town and Gown Initiative has been discussed between some of the Council Members since the early part of this year and that the item had been mentioned at the Council retreat and had seemed to garner a good degree of consensus that it was a good idea. Council Member Nelson further stated that before Council tries to deal with the issues as a whole it would be wise to do some fact finding and ask Administrative leaders of the colleges and universities their opinion about the Town and Gown Initiative.

After some discussion, Council Member Cary stated that he was in favor of the Town and Gown Initiative and made a motion that Council endorse the Town and Gown Initiative with the understanding that Council will have an opportunity to talk about goals and objectives at some future date, seconded by Vice Mayor Johnson and after further discussion the motion passed by the following recorded vote:

Ayes: Cary, Helgeson, Johnson, Nelson, Perrow, Foster	6
Noes:	0
Absent: Gillette	1

// City Council recessed the meeting at 5:48 p.m.

// City Council reconvened the meeting at 7:30 p.m.

The following Members were present:

Present: Cary, Helgeson, Johnson, Nelson, Perrow, Foster	6
Absent: Gillette,	1

// Vice Mayor Johnson gave the Invocation, followed by the Pledge of Allegiance.

// Mayor Foster and Vice Mayor Johnson presented a proclamation for Nurse Practitioner Week.

// Mayor Foster recognized Mayor's Youth Council Member Thacher Jennings

// Mayor Foster recognized law students from Liberty University.

// Copies of the minutes of the October 26 (two meetings), 2010 meetings, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Helgeson, seconded by Council Member Perrow, Council by the following recorded vote approved the minutes as presented:

Ayes: Cary, Helgeson, Johnson, Nelson, Perrow, Foster	6
Noes:	0
Absent: Gillette	1

// In the matter of Police – General, Resolution #R-10-129 amending the FY 2011 City/Federal/State Aid Fund budget and appropriating $35,820, with resources of $29,850 from the Department of Motor Vehicles Highway Safety Program, to send crash team members to accident reconstruction training and to purchase equipment, laid over from the October 26, 2010 meeting, was again presented and read, and on motion of Council Member Helgeson, seconded by Council Member Perrow, Council by the following recorded vote adopted the Resolution:

Ayes: Cary, Helgeson, Johnson, Nelson, Perrow, Foster 6
Noes: 0
Absent: Gillette 1

// In the matter of Police – General, Resolution #R-10-130 amending the FY 2011 City/Federal State Aid Fund budget and appropriating $50,565, with resources of $42,137 from the Department of Motor Vehicles Highway Safety Grant, to provide selective DUI and Occupant Restraint enforcement activities, attend related training, and purchase equipment, laid over from the October 26, 2010 meeting, was again presented and read, and on motion of Council Member Helgeson, seconded by Council Member Perrow, Council by the following recorded vote adopted the Resolution:

Ayes: Cary, Helgeson, Johnson, Nelson, Perrow, Foster 6
Noes: 0
Absent: Gillette 1

// In the matter of Community Planning – Zoning Amendments, a public hearing was held regarding City Council Report #6 regarding the petition of Jeffrey Widmeyer to amend the Future Land Use Map from a Low Density Residential use to an Office use and to rezone 1.38 acres from R-1, Low Density Single Family Residential District to B-1C, Limited Business District (Conditional) to allow the use of an existing building and construction of a parking area for a doctor's office or other uses permitted within a B-1 District at 7626 Timberlake Road. City Planner Tom Martin gave a brief summary of the request. Mr. Norm Walton with Perkins and Orrison, Inc., representing the petitioner, outlined the request and asked for Council approval. Dr. Jeffrey Widmeyer, the petitioner, stated his purposes for the use of the property and asked Council for their approval. 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 Cary, Council by the following recorded vote adopted Ordinance #0-10-132, as presented, amending the Future Land Use Map from a Low Density Residential use to an Office use at 7626 Timberlake Road:

Ayes: Cary, Helgeson, Johnson, Nelson, Perrow, Foster 6
Noes: 0
Absent: Gillette 1

Council Member Cary made a motion to approve the rezoning, seconded by Council Member Nelson. After further discussion Council by the following recorded vote adopted Ordinance #0-10-133, as presented, rezoning 1.38 acres from R-1, Low Density Single Family Residential District to B-1C, Limited Business District (Conditional) to allow the use of an existing building and construction of a parking area for a doctor's office or other uses permitted within a B-1 District at 7626 Timberlake Road:

Ayes: Cary, Helgeson, Johnson, Nelson, Perrow, Foster 6
Noes: 0
Absent: Gillette 1

// In the matter of Community Planning - Zoning Amendments, a public hearing was held regarding City Council Report # 7 outlining the petition of Jamerson Real Estate, Inc. to rezone 11.47 acres from R-1, Low Density Single Family Residential District to R-2, Low-Medium Density Single Family Residential District to allow the development of twenty-one lots as single family homes or other uses permitted within an R-2 District at 116, 130, 134 Seven Oaks Drive and 104 Parkview Drive. City Planner Tom Martin gave a brief summary of the request. The petitioner, Mr. Bill Jamerson, President of Jamerson Real Estate, and Mr. Doyle Allen, Hurt & Proffitt, outlined the request and asked for Council approval. There were four citizens to speak in opposition stating that they were concerned about (1) stormwater runoff, (2) environmental problems, (3) lot frontage being too small, and (4) the proposed homes being too close together. There was no one else present who wished to speak to this item, and the public hearing was closed. Vice Mayor Johnson stated that he would like Council to postpone this item because Council Member Gillette was not at the meeting and would not be able to voice an opinion and vote on this issue. After some discussion it was the consensus of Council to continue with this item. Several Council Members stated that they could not see any compelling reasons to change the zoning classification from R-1 to R-2 and also had traffic concerns. Mayor Foster stated that the City is running out of land to develop and she would also like to see the character of the neighborhood retained. After further discussion, Council Member Perrow made a motion to approve the rezoning, seconded by Council Member Helgeson. Council had a discussion regarding “Roberts Rules of Order” stating that Roberts Rules preferred a positive motion over a negative motion and that although a motion can be made and seconded; neither party can speak negatively on the item. Furthermore, the Council members making and seconding the motion do not have to vote in favor of that motion and Council by the following recorded vote denied the petition:

Ayes: Johnson	1
Noes: Cary, Helgeson, Nelson, Perrow, Foster	5
Absent: Gillette	1

// In the matter of City Code/Economic Development, City Council Report #8 was considered. City Manager Kimball Payne gave a brief summary of the request stating that the James River Council for the Arts and Humanities held a contest to select a name for Lynchburg’s Arts and Cultural District. Mr. Payne went on to say from the winning entry the James River Council for the Arts and Humanities asked that the arts and cultural district be officially named the “James River Arts and Cultural District.” On motion of Council Member Perrow, seconded by Council Member Cary, Council by the following recorded vote adopted Ordinance #0-10-134, as presented, amending the City Code relating to the City’s Arts and Cultural District and naming it the “James River Arts and Cultural District”:

Ayes: Cary, Helgeson, Johnson, Nelson, Perrow, Foster	6
Noes:	0
Absent: Gillette	1

// The meeting was adjourned at 9:07 P.M.

Interim Clerk of Council

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 23, 2010** AGENDA ITEM NO.: 4

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Public Hearing to Authorize the Lynchburg Redevelopment and Housing Authority (LRHA) To Pursue Acquisition of Blighted Property at 234 Stoneridge Street**

RECOMMENDATION:

Adopt a resolution authorizing LRHA to pursue acquisition of blighted property at 234 Stoneridge Street under Section 36-19.5 of the Code of Virginia.

SUMMARY:

Please see attached information from LRHA including notification to the property owner.

PRIOR ACTION(S):

March 23, 2010 Resolution authorizing acquisition of property

FISCAL IMPACT:

NA

CONTACT(S):

Edward H. McCann 485 -7200

ATTACHMENT(S):

- Resolution
- Letter from LRHA

REVIEWED BY: lkp

RESOLUTION AUTHORIZING THE ACQUISITION OF REAL PROPERTY

WHEREAS, it appearing to City Council from the evidence presented at the public hearing that the structure located at 234 Stoneridge Street, parcel 002-33-004 (i) has deteriorated to such an extent as to constitute an immediate, serious and growing menace to the public health, safety and welfare; (ii) that such structure is likely to continue to deteriorate unless corrected; (iii) that the continued deterioration of such structure will contribute to the blighting or deterioration of the area immediately surrounding 234 Stoneridge Street; (iv) that such structure is a blighted property in accordance with §1-219.1 of the Code of Virginia in that its condition endangers the public health or safety, and the structure is a public nuisance or is beyond repair or unfit for human occupancy or use; (v) that the owner of 234 Stoneridge Street was given 60 days notice by certified mail of the condition of the structure and has failed to correct the deterioration; and (vi) that 234 Stoneridge Street lies within the Lynchburg Redevelopment and Housing Authority's area of operation; and

WHEREAS, it further appearing to City Council from the evidence presented at the public hearing that the acquisition of 234 Stoneridge Street by the Lynchburg Redevelopment and Housing Authority is to serve a public purpose and not for private benefit or gain; and

WHEREAS, it further appearing to City Council from the evidence presented at the public hearing that the primary purpose for acquiring 234 Stoneridge Street by the Lynchburg Redevelopment and Housing Authority is not to increase any tax base or taxable revenues, or to increase employment;

NOW, THEREFORE BE IT RESOLVED that as provided by Section 36-19.5 of the Code of Virginia the Lynchburg City Council does hereby designate, authorize, and direct the Lynchburg Redevelopment and Housing Authority to acquire the property located at 234 Stoneridge Street by purchase, lease, gift or through the exercise of eminent domain for the purposes set forth in subsection A of Section 36-19.5 of the Code of Virginia, including, but not limited to, the renovation, rehabilitation and disposition of the structure at 234 Stoneridge Street;

BE IT FURTHER RESOLVED that the Lynchburg Redevelopment and Housing Authority is hereby designated, authorized, and directed to act on the City's behalf in the acquisition of the property at 234 Stoneridge Street, and in the event the Lynchburg Redevelopment and Housing Authority files a petition in the Lynchburg Circuit Court to acquire the property located at 234 Stoneridge Street through the use of the power of eminent domain. the Lynchburg Redevelopment and Housing Authority shall be deemed to be acting as, and on behalf of, the City of the Lynchburg for the purposes of such petition.

Adopted:

Certified: ______________________________
Interim Clerk of Council

148L

LYNCHBURG
REDEVELOPMENT AND
HOUSING AUTHORITY

EDWARD H. McCANN
Executive Director

October 18, 2010

Mrs. Valeria P. Chambers
Interim Clerk of City Council
900 Church St.
Lynchburg, VA 24504

Re: Spot Blight Property

Dear Mrs. Chambers,

Section 36-19.5 of the Code provides that an authority may acquire any single-family or multi-family dwelling unit in the city after public hearing by the governing body of the city wherein the property to be acquired is located. This is to request that City Council hold a public hearing to consider the Lynchburg Redevelopment and Housing Authority's request to acquire property at 234 Stone Ridge Street. This property is located within the City of Lynchburg and is in accordance with the provisions of Section 36-19.5 of the Code of Virginia.

The Lynchburg Redevelopment and Housing Authority previously brought this property before City Council on March 23, 2010. At that time City Council adopted a resolution allowing the Authority to acquire the property. Subsequent to Council's resolution on this matter, the Authority was informed that the property had been conveyed to new owners. By certified mail the Authority requested the new owner to submit either a plan to correct the deficiencies within 30 days or undertake the action to correct the deficiencies within 60 days. The Authority was informed by letter on May 24, 2010, that the owner was intending to make repairs on the property. Further attempts to contact the owner in regard to repairs have produced no results. As of the writing of this letter no corrections or repairs have been observed.

Enclosed is a Report to City Council, copy of the resolution adopted by the Commissioners of the Lynchburg Redevelopment and Housing Authority, copy of notice sent to owner, response from owner, proposed resolution for Council's consideration and copy of Council's previous resolution on this matter dated March 23, 2010.

Thank you for your time on this matter and please let me know should you have any questions or need additional information.

Sincerely,

Edward H McCann

Edward H. McCann

Executive Director

enclosures

Report to City Council

October 18, 2010

As part of the collaborative effort between the City of Lynchburg and The Lynchburg Redevelopment and Housing Authority to address blighted residential properties in our City, The Authority brings to Council the property located at 234 Stone Ridge Street. This property was first identified as a blighted property by Authority staff in November 2009. The City's Inspections Department had cited the property with numerous violations from March 2009 through October 2009. On November 5, 2009, the owner was notified by the Authority of the deficiencies and asked to submit a plan of correction within 30 days or to undertake and complete the repairs within 60 days. With no response from the owner, City Council adopted a resolution on March 23, 2010 pursuant to section 36-19.5 of the Code of Virginia authorizing The Lynchburg Redevelopment and Housing Authority to acquire the property. The owner was notified of this action on April 12, 2010.

The Authority was notified in May of 2010 that the property had been conveyed to a new owner. On May 12, 2010 the new owner was notified of the properties deficiencies and asked to submit a plan of correction within 30 days or to undertake and complete the repairs within 60 days. The owner responded by mail and informed the Authority that they intended to repair the deficiencies. The Authority has continued to monitor the property and has seen no evidence of any work from May of 2010 to the date of this report. On October 6, 2010, the Authority Commissioners adopted Resolution No. 1039 requesting that City Council hold a public hearing to consider the request of the Authority to acquire the property. The Authority wishes to acquire this property for renovation, rehabilitation and disposition. Attached is a copy of the Authority's Resolution, copy of the deficiency report accepted by the Commissioners, copy of the notice to the owner, owner's response and a proposed resolution for City Council's consideration.

Members of the Authority's staff will be in attendance at the public hearing.

RESOLUTION AUTHORIZING THE ACQUISITION OF REAL PROPERTY

WHEREAS, it appearing to City Council from the evidence presented at the public hearing that the structure located at 234 Stoneridge Street, parcel 002-33-004 (i) has deteriorated to such an extent as to constitute an immediate, serious and growing menace to the public health, safety and welfare; (ii) that such structure is likely to continue to deteriorate unless corrected; (iii) that the continued deterioration of such structure will contribute to the blighting or deterioration of the area immediately surrounding 234 Stoneridge Street; (iv) that such structure is a blighted property in accordance with §1-219.1 of the Code of Virginia in that its condition endangers the public health or safety, and the structure is a public nuisance or is beyond repair or unfit for human occupancy or use; (v) that the owner of 234 Stoneridge Street was given 60 days notice by certified mail of the condition of the structure and has failed to correct the deterioration; and (vi) that 234 Stoneridge Street lies within the Lynchburg Redevelopment and Housing Authority's area of operation; and

WHEREAS, it further appearing to City Council from the evidence presented at the public hearing that the acquisition of 234 Stoneridge Street by the Lynchburg Redevelopment and Housing Authority is to serve a public purpose and not for private benefit or gain; and

WHEREAS, it further appearing to City Council from the evidence presented at the public hearing that the primary purpose for acquiring 234 Stoneridge Street by the Lynchburg Redevelopment and Housing Authority is not to increase any tax base or taxable revenues, or to increase employment;

NOW, THEREFORE BE IT RESOLVED that as provided by Section 36-19.5 of the Code of Virginia the Lynchburg City Council does hereby designate, authorize, and direct the Lynchburg Redevelopment and Housing Authority to acquire the property located at 234 Stoneridge Street by purchase, lease, gift or through the exercise of eminent domain for the purposes set forth in subsection A of Section 36-19.5 of the Code of Virginia, including, but not limited to, the renovation, rehabilitation and disposition of the structure at 234 Stoneridge Street;

BE IT FURTHER RESOLVED that the Lynchburg Redevelopment and Housing Authority is hereby designated, authorized, and directed to act on the City's behalf in the acquisition of the property at 234 Stoneridge Street, and in the event the Lynchburg Redevelopment and Housing Authority files a petition in the Lynchburg Circuit Court to acquire the property located at 234 Stoneridge Street through the use of the power of eminent domain, the Lynchburg Redevelopment and Housing Authority shall be deemed to be acting as, and on behalf of, the City of the Lynchburg for the purposes of such petition.

Adopted:

Certified: ____________________________

Clerk of Council

RESOLUTION NO. 1039 10/06/2010

Resolution Authorizing the Executive Director to seek approval of City Council for the acquisition of the property at 234 Stoneridge Street, Parcel 002-33-004, Lynchburg, Virginia pursuant to Code section 36-19.5

WHEREAS, the Commissioners of the Lynchburg Redevelopment and Housing Authority (the Authority) have undertaken the exercise of additional powers granted to the Authority pursuant to section 36-19.5 of the Code of Virginia, as amended; and

WHEREAS, one of the major objectives to be achieved in exercising powers granted to the Authority under Code section 36-19.5 is to prevent single-family or multi-family dwelling units within the Authority's area of operation from contributing to the blighting or deterioration of the area immediately surrounding such dwelling unit as a result of the continued deterioration of such dwelling unit and further, to prevent the deterioration of such dwelling unit to such an extent as to constitute an immediate, serious and growing menace to the public health, safety and welfare; and

WHEREAS, the Commissioners of the Authority have made a finding that the dwelling unit located at 234 Stoneridge Street, Lynchburg, Virginia (the property), (i) has deteriorated to such extent as to constitute an immediate, serious and growing menace to the public health, safety and welfare; (ii) that the property is likely to continue to deteriorate unless corrected; and (iii) that the continued deterioration of the property may contribute to the blighting or deterioration of the area immediately surrounding the dwelling unit; and

WHEREAS, the Commissioners of the Authority have made a further finding that, unless the property is brought into full compliance with the applicable building codes of the City of Lynchburg, Virginia, the acquisition of the property pursuant to Code section 36-19.5 (B) will further the objectives of, and is necessary for, the purposes of the Authority; and

WHEREAS, as a prerequisite to the acquisition of the property by the City of Lynchburg, on behalf of the Authority, in accordance with Code section 36-19.5 (B), the required notice has been given to the landowner to correct the deterioration of the dwelling unit; and

WHEREAS, the owner has failed to correct the deteriorated condition of the dwelling unit.

THEREFORE, BE IT RESOLVED, by the Commissioners of the Authority that the Executive Director of the Authority, in consultation with the Authority's legal counsel, is hereby authorized and directed to request that the City Council of the City of Lynchburg hold a public hearing to consider the Authority's request to acquire the property at 234 Stoneridge Street, Lynchburg, Virginia, in accordance with the provisions of Code section 36-19.5, for the purpose of development and redevelopment, including, but not limited to, renovation, rehabilitation and disposition of the property.

BORN AGAIN CHRISTIAN
CONSTRUCTION COMPANY, INC.
STATE REG. NO. 18998

1107 CHURCH STREET • P.O. BOX 599 • LYNCHBURG, VIRGINIA 24505
OFFICE: (434)846-4112 • CELL: (434)841-8876 • FAX: (434)845-4710

May24,2010

Lynchburg Redevelopment andHousing Authority
Mr.Edward H.McCann-Executive Director
918 Commerce Street
Lynchburg,Virginia 24505

Re: Parcel #002-33-004
234 Stoneridge Street
Lynchburg,Virginia 24501

Dear Mr.McCann:

Mr.Jeremy Jackson my sub-contractor for the renovation of the above property informed me that he spoke with your office last week May19thor May 20th,2010,concerning the certified letter dated May 13,2010 from your Board of Commissioners.

Born Again Christian Construction Co.,Inc.,only just obtained the Deed to said property on May 4th,2010. We have every intention on repairing and remodeling the damages that are apparent to everyone,so the house will be an asset to the property owners now in that neighborhood. God willing the work should be done by the end of 2010.

Should your board have any questions please contact me at either (434)846-4112 or (434)841-8876.

Sincerely,

Ms. Mary Cox

Ms.Mary Cox
President Of BAC

"For God so loved the world, that He gave His only begotten Son, that whosoever believeth in Him should not perish but have everlasting life. John 3:16

LYNCHBURG
REDEVELOPMENT AND
HOUSING AUTHORITY

EDWARD H. McCANN
Executive Director

May 12, 2010

Mary L. Cox
P. O. Box 599
Lynchburg, Virginia 24505

Re: Parcel Number:002-33-004
234 Stoneridge Street
Lynchburg, Virginia

Dear Ms. Cox:

In a cooperative effort with the City of Lynchburg. the Board of Commissioners of the Lynchburg Redevelopment and Housing Authority has directed our staff to identify residential properties that are deteriorated to such an extent as to constitute an immediate, serious and growing menace to the public health, safety and welfare, that are likely to deteriorate unless corrected, and that may contribute to the blighting or deterioration of the surrounding area. We have been made aware of the above property which city records show to be owned by you. We observed the dwelling on November 2, 2009, and found the following conditions:

- Sections of gutters and downspouts missing
- Window frames have peeling paint
- Wood and debris on front porch
- Peeling paint on all wood trim
- Front porch soffits and fascia deteriorated
- Front porch ceiling has peeling paint
- Front porch steps deteriorated and missing
- Front porch deck deteriorated
- Foundation needs repointing and cracks repaired
- Fence deteriorated and section missing
- Soffit and fascia needs repairing and painting

- Ditch and hole in yard
- Weeds overgrown on structure and fence
- Sheds at rear deteriorated and one near collapsing
- Rear porch deteriorated
- Window at rear boarded
- Water standing in basement
- Siding missing around vent pipe - pipe needs to be removed and wood siding needs to be covered
- Trash and debris in yard
- Chimney deteriorated
- Open pond at rear of property

We are requesting that you:

1. Present a written plan within thirty (30) calendar days of receipt of this notice for consideration and approval by the Commissioners which would address the correction of these deficiencies and include a timetable and financing arrangements and identify who would complete the work;

<u>or</u>

2. Correct these deficiencies and any other non-compliance with the local building code within sixty (60) days of receipt of this notice.

Should the above plan not be received within thirty (30) days and subsequently approved by the Commissioners and then implemented by you, or, in the alternative, if no plan is presented and these deficiencies are not corrected within the 60 day time period, the Authority Commissioners, pursuant to 36-19.5 Code of Virginia, may request Lynchburg City Council to conduct a public hearing to determine the appropriateness of authorizing the Authority to acquire the property for the purpose of development or redevelopment, including but not limited to, renovation, rehabilitation, and disposition of the property.

Please contact Connie Snavely of our staff if you wish to discuss this.

Very truly yours,

Edward H McCann

Certified Mail - Return Receipt Requested

LYNCHBURG
REDEVELOPMENT AND
HOUSING AUTHORITY

EDWARD H. McCANN
Executive Director

April 12, 2010

Jesse R. Spinner
1463 Yancey Street
Lynchburg, Virginia 24503

Re: Parcel 002-33-004
234 Stoneridge Street
Lynchburg, Virginia

Dear Mr. Spinner:

On March 23, 2010, City Council adopted a resolution pursuant to section 36-19.5 of the Code of Virginia authorizing the Authority to acquire the above referenced property. This shall serve as the Lynchburg Redevelopment and Housing Authority's notice of intent to acquire the above referenced property.

Dodd Harvey of Consensus Real Estate Services and Ray Mallard of Hallmark Properties have been retained by the Authority to perform independent appraisals of the property, and we would appreciate your cooperation in permitting an inspection. You are encouraged to accompany the appraisers to point out any distinguishing features of the property that may affect its value.

Enclosed is a pamphlet that describes our acquisition program. Please contact Connie Snavely of our staff if you have any questions.

Very truly yours,

Edward H McCann

Enclosure
Certified mail – return receipt

918 COMMERCE STREET • P.O. BOX 1298 • LYNCHBURG, VA 24505 • (434) 485-7200

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 23, 2010** AGENDA ITEM NO.: 11

CONSENT: REGULAR: X WORK SESSION: CLOSED SESSION: (Confidential)

ACTION: X INFORMATION:

ITEM TITLE: **Public Hearing to Authorize the Lynchburg Redevelopment and Housing Authority (LRHA) To Pursue Acquisition of Blighted Property at 234 Stoneridge Street**

RECOMMENDATION:

Adopt a resolution authorizing LRHA to pursue acquisition of blighted property at 234 Stoneridge Street under Section 36-19.5 of the Code of Virginia.

SUMMARY:

Please see attached information from LRHA including notification to the property owner.

PRIOR ACTION(S):

NA

FISCAL IMPACT:

NA

CONTACT(S):

Edward H. McCann 845-9011

ATTACHMENT(S):

- Resolution
- Letter from LRHA

REVIEWED BY: lkp

APR 19 2010

LYNCHBURG
REDEVELOPMENT AND
HOUSING AUTHORITY

EDWARD H. McCANN
Executive Director

November 5, 2009

Jesse R. Spinner
1463 Yancey Street
Lynchburg, Virginia 24503

Re: Parcel Number:002-33-004
234 Stoneridge Street
Lynchburg, Virginia

Dear Mr. Spinner:

In a cooperative effort with the City of Lynchburg, the Board of Commissioners of the Lynchburg Redevelopment and Housing Authority has directed our staff to identify residential properties that are deteriorated to such an extent as to constitute an immediate, serious and growing menace to the public health, safety and welfare, that are likely to deteriorate unless corrected, and that may contribute to the blighting or deterioration of the surrounding area. We have been made aware of the above property which city records show to be owned by you. We observed the dwelling on November 2, 2009, and found the following conditions:

- Sections of gutters and downspouts missing
- Window frames have peeling paint
- Wood and debris on front porch
- Peeling paint on all wood trim
- Front porch soffits and fascia deteriorated
- Front porch ceiling has peeling paint
- Front porch steps deteriorated and missing
- Front porch deck deteriorated
- Foundation needs repointing and cracks repaired
- Fence deteriorated and section missing
- Soffit and fascia needs repairing and painting

- Ditch and hole in yard
- Weeds overgrown on structure and fence
- Sheds at rear deteriorated and one near collapsing
- Rear porch deteriorated
- Window at rear boarded
- Water standing in basement
- Siding missing around vent pipe - pipe needs to be removed and wood siding needs to be covered
- Trash and debris in yard
- Chimney deteriorated
- Open pond at rear of property

We are requesting that you:

1. Present a written plan within thirty (30) calendar days of receipt of this notice for consideration and approval by the Commissioners which would address the correction of these deficiencies and include a timetable and financing arrangements and identify who would complete the work;

or

2. Correct these deficiencies and any other non-compliance with the local building code within sixty (60) days of receipt of this notice.

Should the above plan not be received within thirty (30) days and subsequently approved by the Commissioners and then implemented by you, or, in the alternative, if no plan is presented and these deficiencies are not corrected within the 60 day time period, the Authority Commissioners, pursuant to 36-19.5 Code of Virginia, may request Lynchburg City Council to conduct a public hearing to determine the appropriateness of authorizing the Authority to acquire the property for the purpose of development or redevelopment, including but not limited to, renovation, rehabilitation, and disposition of the property.

Please contact Connie Snavely of our staff if you wish to discuss this.

Very truly yours,

Edward H. McCan

Certified Mail - Return Receipt Requested

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 23, 2010** AGENDA ITEM NO.: 5

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Lease of City-owned property located at 3813 Old Forest Road**

RECOMMENDATION:

After a public hearing, approve the attached resolution to lease City-owned property located at 3813 Old Forest Road.

SUMMARY:

Anderson's Country Market, Inc., owned by John and Evangeline Anderson has requested to lease the City of Lynchburg's property at 3813 Old Forest Road on a year to year basis beginning December 1, 2010. They currently operate a store on Route 29 in Madison Heights. The store will be used to sell various food products and other merchandise.

PRIOR ACTION(S):

PDC meeting on November 9, 2010

FISCAL IMPACT:

As noted on the attached Schedule of Rent; $17,400 lease revenue to the City in the first year.

CONTACT(S):

Steve Lawson, Real Estate Manager – 455-3945
Lee Newland, City Engineer – 455-3947
David Owen, Director of Public Works – 455-4469

ATTACHMENT(S):

Resolution
Schedule of Rent

REVIEWED BY: lkp

RESOLUTION

BE IT RESOLVED that the Lynchburg City Council hereby approves a lease agreement between the City of Lynchburg and John and Evangeline Anderson, the owners of Anderson's Country Market, Inc, for the lease of City-owned property at 3813 Old Forest Road. The property will be used to sell various food products and other merchandise; and,

BE IT FURTHER RESOLVED that the City Manager is authorized to execute the lease agreement on behalf of the City.

Adopted:

Certified: ______________________________
Interim Clerk of Council

149L

SCHEDULE OF RENT AT 3813 OLD FOREST ROAD

The lease will be net and the rent paid as follows:

December 1, 2010 - November 30, 2011	$1,450 month
December 1, 2011 - November 30, 2012	$1,750 month
December 1, 2012 - November 30, 2013	$1,750 month
December 1, 2013 - November 30, 2014	$1,750 month + a 3% increase Each year going forward the rent will increase 3% annually.

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 23, 2010** AGENDA ITEM NO.: 6

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

ACTION: **X** INFORMATION:

ITEM TITLE: **PUBLIC HEARING AND CONSIDERATION OF REPROGRAMMING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS**

RECOMMENDATION: Conduct a public hearing to receive public input regarding the reallocation of CDBG funds. Approve the request from Lynchburg Redevelopment and Housing Authority (LRHA) to reprogram funds from CDBG Program Years 2005-2006 and 2007-2008 for the Property Repair and Maintenance Program.

SUMMARY: LRHA has requested the reallocation of $100,520.77 for the Property Repair and Maintenance Program. These funds were previously allocated to the following projects administered by LRHA:

(1) Program Year 2005-2006 ($8,895.68) - Daniel's Hill Neighborhood Acquisition
(2) Program Year 2005-2006 ($1,190.77) - Maintenance of Acquired Properties
(3) Program Year 2007-2008 ($3,144.32) - Tinbridge Hill Acquisition Project
(4) Program Year 2007-2008 ($87,290) - Property Repair and Maintenance Project

LRHA and City staff has met and discussed the remaining balances in these projects and how best they could be utilized by the Housing Authority in lieu of continuing to carry prior year projects as open activities within the CDBG Program. LRHA staff indicated that there was a need for additional funds to repair, maintain, and demolish previously-acquired CDBG properties on the CDBG Property Inventory at LRHA. The reprogramming of these funds would allow LRHA to address these needs.

LRHA requested that these funds be reprogrammed to a 2010-2011 Property Repair and Maintenance Program and that the scope of work for this Program be expanded to include property maintenance (i.e. lawn care, tree removal, securing and clearing properties), minor repairs, and demolition of properties previously acquired with CDBG funds and unsuitable for rehabilitation. The revised Property Repair and Maintenance Program will consist of the following activities:

(1) Property Maintenance - $18,334.23
(2) Minor Property Repairs - $5,000
(3) Property Demolition - $77,186.54

The planned CDBG Program accomplishments for these activities include the necessary property maintenance and minor repairs for 29 properties on the CDBG Property Inventory and the proposed demolition of three properties (119 I Street, 1012 Dearing Street, and 719 Polk Street).

The Community Development Advisory Committee (CDAC) met on November 15, 2010 and discussed the reprogramming of these funds. It was the consensus of the Committee that this was a good use of the funds and, therefore, supported the reprogramming of these funds for LRHA.

PRIOR ACTION(S): Community Development Advisory Committee review on November 15, 2010

FISCAL IMPACT: None

CONTACT(S): Bonnie Svrcek, Deputy City Manager and Acting Director of Community Development
455-3900
Melva Walker, Grants Manager, Department of Community Development, 455-3916

ATTACHMENT(S): Letter from LRHA dated June 30, 2010; Letter from LRHA dated November 11, 2010

REVIEWED BY: lkp

RESOLUTION:

BE IT RESOLVED that CDBG Program Year 2005-2006 funds in the amount of $8,895.68 for the Daniel’s Hill Neighborhood Acquisition project; Program Year 2005-2006 in the amount of $1,190.77 for the Maintenance of Acquired Properties; Program Year 2007-2008 in the amount of $3,144.32 for the Tinbridge Hill Acquisition Project; and Program Year 2007-2008 in the amount of $87,290 for the Property Repair and Maintenance Project be reallocated to a 2010-2011 CDBG Property Repair and Maintenance Program consisting of the following activities: Property Maintenance in the amount of $18,334.23; Minor Property Repairs in the amount of $5,000; and Property Demolition in the amount of $77,186.54.

Adopted:

Certified: ______________________________

Interim Clerk of Council

151L

LYNCHBURG
REDEVELOPMENT AND
HOUSING AUTHORITY

EDWARD H. McCANN
Executive Director

June 30, 2010

Mrs. Melva C. Walker
Grants Administrator
City of Lynchburg
900 Church Street
Lynchburg, Virginia 24504

Dear Melva:

This is a follow up to the meeting with you, Bonnie Svrcek, Connie Snavely and me on April 29th in which we discussed reprogramming some of the Authority's CDBG funds. As we discussed, the Authority is requesting that the remaining Tinbridge Hill funds in the amount of $3,144.32 be reprogrammed to the Authority's Property Repair and Maintenance Program. We are also requesting that the remaining Daniel's Hill funds in the amount of $8,895.68 and the remaining Property Maintenance funds in the amount of $1,190.77 be reprogrammed to the Property Repair and Maintenance Program. These program balances are as of June 30, 2010. In addition, we are asking that the scope of work of the Property Maintenance Program be broadened to include property maintenance, minor repairs and demolition of properties unsuitable for rehabilitation. Property maintenance includes items such as cutting grass, trimming, pruning, tree removal, securing and cleaning out properties. The following is a breakdown of funds for each of these categories:

Program	**Total Funding**
Property Repair and Maintenance Program	$ 102,630.77
Program Categories	**Program Funding**
• Property maintenance	$ 18,334.23
• Minor property repairs	$ 5,000.00
• Property demolition	$ 79,296.54

Thank you for discussing these requests with us and for your assistance with this matter. Please let me know if you need any additional information.

Very truly yours

LYNCHBURG
REDEVELOPMENT AND
HOUSING AUTHORITY

Post-It® Fax Note 7671	Date 11/11/10 # of pages ▶ 3
To Melva Walker	From Sue Vest
Co./Dept.	Co.
Phone #	Phone #
Fax # 845-7630	Fax #

November 11, 2010

Melva C. Walker
Grants Manager
City of Lynchburg, Department of Community Development

Re: Reprogrammable Funds

Melva,

The Redevelopment and Housing Authority currently maintains 20 miscellaneous lots and 9 Homestead Properties located in the City of Lynchburg utilizing CDBG monies. They are listed with their appropriate address on the following page. Listed below are the funds to be reprogrammed with their description of use and amounts. I have added a brief narrative of how these funds will be distributed and used by our office on the listed properties. I hope this is the information you are in need of at this time.

(1) **Property Maintenance: $18,334.00** We currently have 29 properties that we maintain throughout the year with CDBG money. The property maintenance for these include, but is not limited to, mowing, trash removal, pruning of trees, and snow removal.

(2) **Minor Property Repairs: $5,000.00** Of the 29 properties listed, we periodically have repairs to items such as broken windows, minor roof repairs, falling gutters, etc.

(3) **Property Demolition: $79,296.00** We have 3 properties that have been in our Homesteading Program for several years. These properties are in such distress that financially, they may not be further candidates for rehabilitation. These properties are noted on the following page. This money would be used for the removal of these buildings and preparation of the lots for future use.

Please let me know if you are in need of any further information in regard to this matter. We will be in attendance for the CDAC meeting on Monday should any questions arise that may require our assistance.

Sincerely,

Robert Vincent

November 11, 2010
Melva C. Walker
(attachment)

Current Properties Maintained by Lynchburg Redevelopment and Housing Authority

Lots

50 Polk Street
52 Polk Street
54 Polk Street
312 Polk Street
408 Federal Street
800 Mansfield Avenue
219 Wadsworth Street
66 Monroe Street
300 Monroe Street
304 Monroe Street
1007 Tyree Street
1413 Valley Street
513 Dinwiddee Street
707 5th. Street
711 5th. Street
717 5th. Street
1015 2nd. Street
1017 2nd. Street
1018 2nd. Street
42 Hollins Mill Road

Homestead Properties

302 Cabell Street
119 I Street
1816 Vine Street
1818 Vine Street
719 Polk Street
1012 Dearing Street
2401 Poplar Street
611 Washington Street
613 Washington Street

Possible need for Demolition

119 I Street
1012 Dearing Street
719 Polk Street

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 23, 2010**			AGENDA ITEM NO.: 7
CONSENT:	REGULAR: **X**	WORK SESSION:	CLOSED SESSION: (Confidential)
ACTION: **X**		INFORMATION:	

ITEM TITLE: **Public Hearing for Boundary Amendments to Enterprise Zones #2 and #46**

RECOMMENDATION: Conduct a Public Hearing regarding amendments to Virginia Enterprise Zones #2 and #46 to encompass the area as delineated and as described on maps entitled "City of Lynchburg, Virginia, Enterprise Zone # 2 Amendments" and "City of Lynchburg, Virginia Enterprise Zone #46 Amendments," contingent upon approval by the Commonwealth of Virginia, Department of Housing and Community Development.

SUMMARY: Lynchburg has two enterprise zones identified by the state as # 2 and #46. Both zones were established by the state and provide incentives for businesses to locate, or to expand, thus stimulating economic development within the designated areas. Although the benefits of enterprise zone designation have changed over the years, two primary benefits remain for businesses: job creation and capital improvement grants.

The boundaries are eligible for amendment upon approval of City Council and the Virginia Department of Housing and Community Development. Under the state's regulations the zone size is limited to 7% of the locality's total land area and as much as 15% of an existing zone may be deleted (with an equal area then added) in a given year. Because of the limit on the size of the enterprise zone, taking in new areas requires that the zone designation be lifted from other areas where it is of little utility. The areas proposed for deletion from the zone are primarily residential where zone designation provides no benefit. In order to accomplish this amendment, City Council is required to conduct a public hearing regarding the proposed amendments. Property owners in the areas to be deleted by the proposed amendment have been notified individually by letter.

Enterprise zone designation has no impact on land use regulation.

PRIOR ACTION(S): None

FISCAL IMPACT: The Enterprise Zone program encourages business investment and economic development.

CONTACT(S): Marjette Upshur, 434-455-4490

ATTACHMENT(S): Map showing existing zone #2, proposed deletion, and proposed expansion; Map showing existing zone #46, proposed deletion, and proposed expansion.

REVIEWED BY: lkp

Resolution:

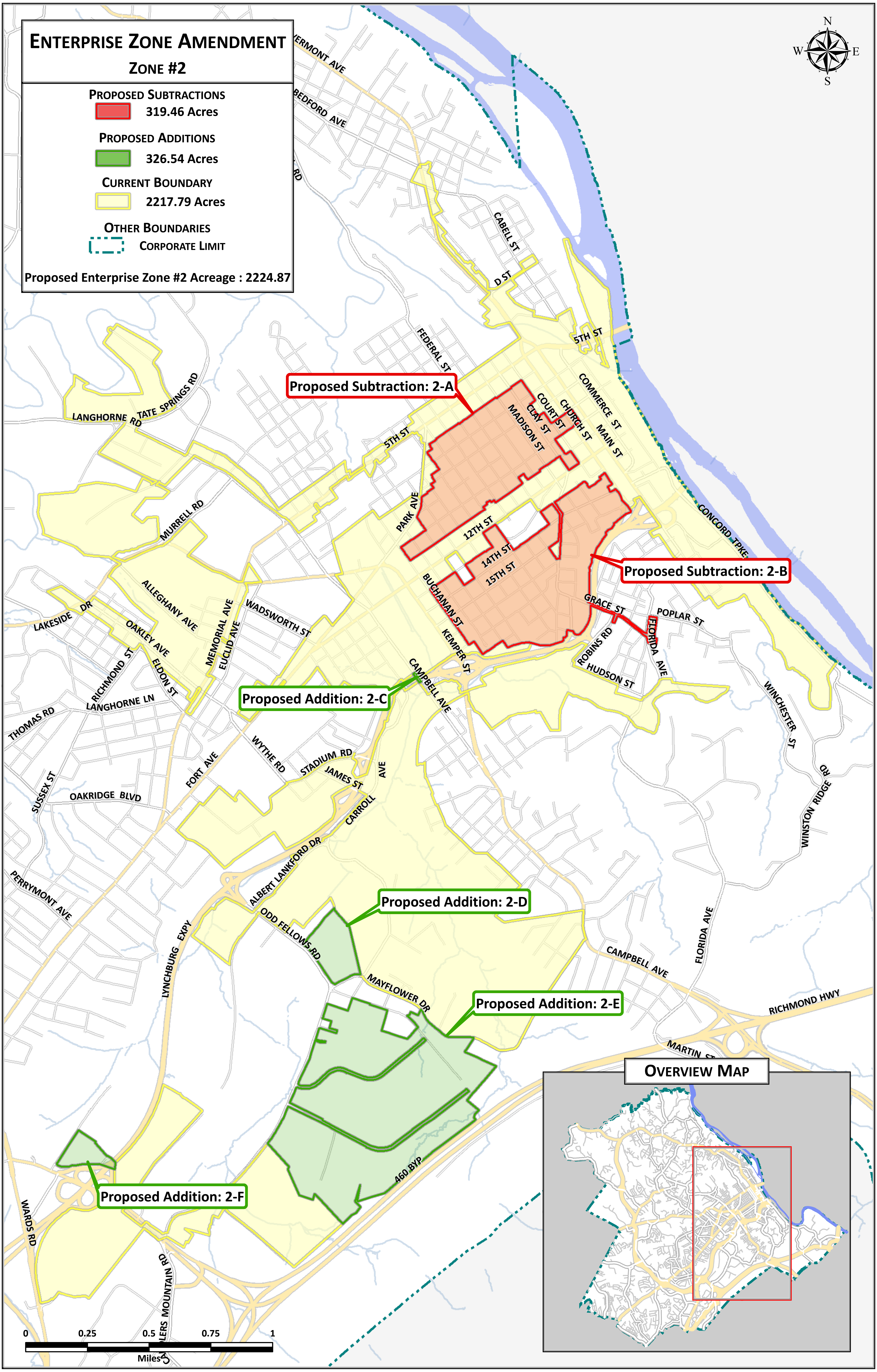
BE IT RESOLVED That the Lynchburg City Council endorses the removal of Areas “2-A and 2-B” from the City of Lynchburg, Virginia Enterprise Zone #2 and the addition of Areas “2-C, 2-D, 2-E and 2-F” to the City of Lynchburg, Virginia Enterprise Zone #2 as shown on the map entitled “City of Lynchburg, Virginia Enterprise Zone #2 Amendments.”

Be it further resolved that the Lynchburg City Council endorses the addition of Areas “46-A and 46-B” to the City of Lynchburg, Virginia Enterprise Zone #46 as shown on the map entitled “City of Lynchburg, Virginia Enterprise Zone #46 Amendments.”

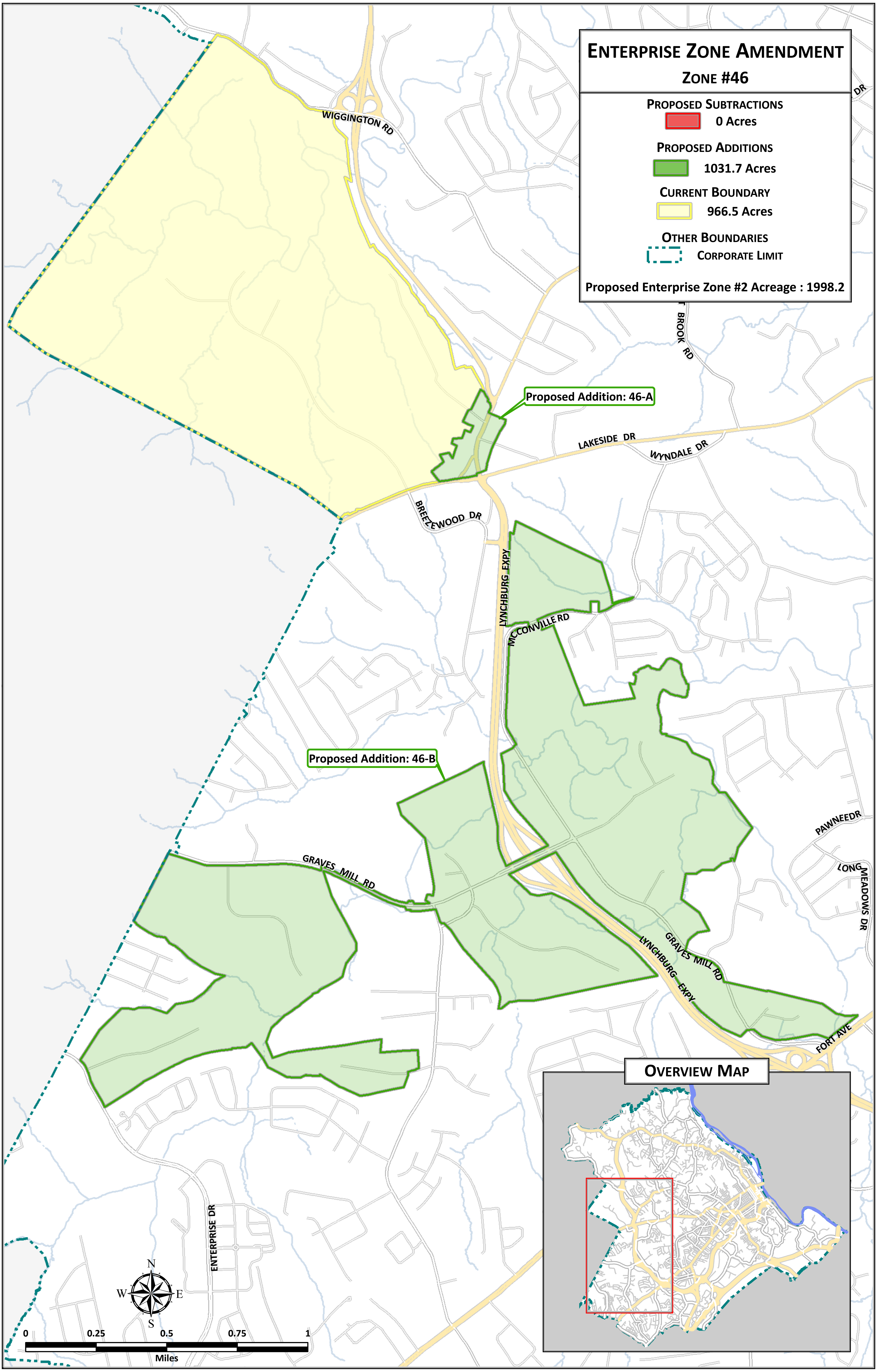
Adopted:

Certified: ______________________________
Interim Clerk of Council

156L



Enterprise Zone Amendment
Zone #2
Proposed Subtractions
319.46 Acres
Proposed Additions
326.54 Acres
Current Boundary
2217.79 Acres
Other Boundaries
Corporate Limit
Proposed Enterprise Zone #2 Acreage : 2224.87
Proposed Subtraction: 2-A
Proposed Subtraction: 2-B
Proposed Addition: 2-C
Proposed Addition: 2-D
Proposed Addition: 2-E
Proposed Addition: 2-F
Overview Map
N
S
E
W
0
0.25
0.5
0.75
1
Miles
VERMONT AVE
BEDFORD AVE
CABELL ST
D ST
5TH ST
FEDERAL ST
COMMERCE ST
MAIN ST
COURT ST
CLAY ST
CHURCH ST
MADISON ST
PARK AVE
12TH ST
14TH ST
15TH ST
BUCHANAN ST
KEMPER ST
GRACE ST
POPLAR ST
FLORIDA AVE
ROBINS RD
HUDSON ST
CONCORD TPKE
WINCHESTER ST
WINSTON RIDGE RD
CAMPBELL AVE
TATE SPRINGS RD
LANGHORNE RD
MURRELL RD
ALLEGHANY AVE
MEMORIAL AVE
EUCLID AVE
WADSWORTH ST
LAKESIDE DR
OAKLEY AVE
RICHMOND ST
ELDON ST
LANGHORNE LN
THOMAS RD
WYTHE RD
STADIUM RD
JAMES ST
FORT AVE
SUSSEX ST
OAKRIDGE BLVD
CARROLL AVE
ALBERT LANKFORD DR
PERRYMONT AVE
ODD FELLOWS RD
LYNCHBURG EXPY
MAYFLOWER DR
FLORIDA AVE
CAMPBELL AVE
RICHMOND HWY
MARTIN ST
460 BYP
WARDS RD
MOUNTAIN RD


ENTERPRISE ZONE AMENDMENT
ZONE #46
PROPOSED SUBTRACTIONS
0 Acres
PROPOSED ADDITIONS
1031.7 Acres
CURRENT BOUNDARY
966.5 Acres
OTHER BOUNDARIES
CORPORATE LIMIT
Proposed Enterprise Zone #2 Acreage : 1998.2
Proposed Addition: 46-A
Proposed Addition: 46-B
WIGGINGTON RD
LAKESIDE DR
WYNDALE DR
BREEZEWOOD DR
BROOK RD
LYNCHBURG EXPY
MCCONVILLE RD
GRAVES MILL RD
PAWNEEDR
LONG MEADOWS DR
FORT AVE
ENTERPRISE DR
OVERVIEW MAP
0
0.25
0.5
0.75
1
Miles

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 23, 2010** AGENDA ITEM NO.: 8

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Amendment to City Code Regarding the Rehabilitation of Certain Buildings**

RECOMMENDATION: Adopt the proposed amendment to the City Code.

SUMMARY: The Department of Community Development, Inspections Division is asking for a City Code modification to be made to Section 11-103; Repair to Existing Buildings, under Division 4 Technical Provisions. In changing this Code section it will give the Building Official more latitude to work with Contractors on the rehab of certain existing structures that might not otherwise be rehabilitated. The amendments to the Code noted below reflect the intent of language in the International Code adopted by the State.

As presently in effect, the City Code requires that a building undergoing renovations affecting more than 50% of its area must be brought up to the current building code requirements. This is cost prohibitive for some older buildings and may prevent their rehabilitation. The Virginia Rehabilitation Code provides greater flexibility to the Building Official without compromising life safety.

PRIOR ACTION(S): The current Code was adopted on Oct. 1, 2003

FISCAL IMPACT: None

CONTACT(S): Doug Saunders, Acting Building Official Doug Saunders, 455-3925
Bonnie Svrcek, Deputy City Manager and Acting Director of Community Development, 455-3987

ATTACHMENT(S): Proposed ordinance.

REVIEWED BY: lkp

ORDINANCE

AN ORDINANCE TO AMEND AND REENACT SECTION 11-103 OF THE CODE OF THE CITY OF LYNCHBURG, 1981, THE AMENDED SECTION RELATING TO THE REPAIR OF EXISTING BUILDINGS.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That Section 11-103 of the Code of the City of Lynchburg, 1981, be and the same is hereby amended and reenacted as follows:

Sec. 11-103. Repair of existing buildings.

(a) If, within any period of twelve (12) months, alterations or repairs costing in excess of fifty (50) per cent of the then physical value of the building are made to an existing building, such building shall be made to conform to the requirements of the building code for new buildings or where applicable, the requirements of the Virginia Rehabilitation Code.

(b) If an existing building is damaged by fire or otherwise in excess of fifty (50) per cent of its then physical value before such damage is repaired, it shall be made to conform to the requirements of the building code for new buildings or where applicable, the requirements of the Virginia Rehabilitation Code.

(c) If the cost of such alterations or repairs, or the amount of such damage, is more than twenty-five (25) per cent but not more than fifty (50) per cent of the then physical value of the building, the portions to be altered or repaired shall be made to conform to the requirements of the building code for new buildings to such extent as the building official may determine or where applicable, the requirements of the Virginia Rehabilitation Code.

(d) For the purpose of this section physical value of the building shall be determined by the building official.

(e) Repairs and alterations, not covered by the preceding paragraphs of this section, restoring a building to its condition previous to damage or deterioration, or altering it in conformity with the provisions of the building code or in such manner as will not extend or increase an existing nonconformity or hazard, may be made with the same kind of materials as those of which the building is constructed; but not more than twenty-five (25) per cent of the roof covering of a building shall be replaced in any period of twelve (12) months unless the entire roof covering is made to conform with the requirements of the building code for new buildings or where applicable, the requirements of the Virginia Rehabilitation Code.

(f) When in the opinion of the building official it is impractical to achieve compliance with the requirements of the building code for new buildings, the building official may approve modifications provided the spirit and functional intent of the building code are observed and the public health, welfare and safety are assured.

2. That this ordinance shall become effective upon its adoption.

Adopted:

Certified: ______________________________
Interim Clerk of Council

150L

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 23, 2010**			AGENDA ITEM NO.: 9
CONSENT:	REGULAR: **X**	WORK SESSION:	CLOSED SESSION: (Confidential)
ACTION: **X**		INFORMATION:	

ITEM TITLE: **Relocating private facilities that are installed in the City's rights-of-way**

RECOMMENDATION: Adopt an ordinance requiring private companies that have installed facilities in the public rights-of-way to relocate their facilities in a timely manner to prevent delays in City projects.

SUMMARY: A number of private companies (e.g. the electric company, gas company, cable television companies, telephone companies, etc.) have franchises or license agreements from the City that allow them to install their facilities in the public rights-of-way. Sometimes during the City's construction projects it becomes necessary for these private companies to relocate their facilities. Most of the franchise and license agreements between the City and these private companies contain provisions requiring the companies to relocate their facilities within sixty days after being given notice to do so by the City, unless the City agrees to extend the time period. However, a few of the older franchises and license agreements do not contain relocation provisions. During the past year the City experienced delays in two of its construction projects when private companies failed to relocate their facilities in a timely manner. All of the franchise agreements and licenses contain provisions requiring the companies to comply with any City ordinances that apply to the placement of their facilities in the public rights-of-way. Therefore, it is recommended the City adopt an ordinance requiring companies that have installed facilities in the public rights-of-way to relocate their facilities in a timely manner after having been given notice to do so by the City. Such an ordinance will require those companies that do not have relocation provisions in their franchises or licenses to relocate their facilities in a timely manner and treat all of the companies that have installed facilities in the public rights-of-way in an equal manner.

PRIOR ACTION(S): None

FISCAL IMPACT: Will save the City the increased costs that are associated with delays in City projects when a private company fails to relocate its facilities in a timely manner.

CONTACT(S): Walter C. Erwin, 455-3973

ATTACHMENT(S): An ordinance to amend the City Code by adding Section 35-27

REVIEWED BY: lkp

ORDINANCE

AN ORDINANCE TO AMEND AND REENACT THE CODE OF THE CITY OF LYNCHBURG, 1981, BY ADDING THERETO A NEW SECTION NUMBERED 35-27, RELATING TO RELOCATION OF EQUIPMENT THAT PRIVATE COMPANIES HAVE INSTALLED IN THE CITY'S RIGHTS OF WAY.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That the Code of the City of Lynchburg, 1981, be and the same is hereby amended and reenacted by adding thereto Section 35-27 as follows:

Sec. 35-27. Removal or relocation of equipment.

(a) Whenever the city shall determine it is necessary in connection with the repair, relocation, or improvement of the public rights-of-way or any public project, the city may require by written notification that any corporation, association, person, partnership, or any other entity, which currently has a franchise, license, interim license, lease or other authorization from the city to install and maintain electric, gas, light, power, telephone, cable television, telecommunications or any other services in the city's streets, alleys, or other public rights-of-way or on public grounds to remove or relocate any facilities located in the public rights or way or on public grounds. Within sixty (60) days after receipt of notification, unless the city extends such period for good cause shown, such corporation, association, person, partnership, or other entity shall remove or relocate its facilities to such place and under such terms and conditions as specified by the city. Such corporation, association, person, partnership, or other entity shall bear all expenses associated with the removal and relocation of its facilities except that the city will issue, without charge whatever local permits are required for the relocation of such facilities. If such corporation, association, person, partnership, or any other entity does not complete its removal or relocation within sixty (60) days or such other period as authorized by the city, the city may take such actions as necessary to effect such removal or relocation at such corporation's, association's, person's, partnership's, or other entities' expense. If the city or its representatives remove or relocate any facilities that are located in the city's streets, alleys, or other public rights-of-way or on public grounds because the owner of the facilities fails to do so in a timely manner, neither the city or its representatives shall be liable for any damages the facilities may suffer as a result of such removal or relocation. Further, any corporation, association, person, partnership, or any other entity that fails to remove its facilities in a timely manner will be responsible for any additional costs and expenses incurred by the city as a result of such corporation's, association's, person's, partnership's, or other entities' failure to remove or relocate its facilities as instructed by the city.

(b) Any violation of this section shall be punishable by a fine of two thousand five hundred dollars ($2,500.00) and each day such violation continues shall be punishable as a separate offense. In addition to the other penalties provided herein the city shall have the right to petition the judges of the circuit court for a court order enjoining any violation of this section.

2. That this ordinance shall become effective upon its adoption.

Adopted:

Certified: ______________________________
Interim Clerk of Council

153L

Lynchburg City Council
Agenda Item Summary

MEETING DATE: **November 23, 2010**		AGENDA ITEM NO.: 10
CONSENT:	REGULAR: **X**	CLOSED SESSION: (Confidential)
ACTION: **X**	INFORMATION:	
ITEM TITLE: **Review and Reaffirm the City's Financial Management Policies**		

RECOMMENDATION: Review and reaffirm the City's Financial Management Policies.

SUMMARY: The Government Finance Officer's Association (GFOA) recommends that localities review their financial policies on no less than a biennial basis. The City's financial policies were last reaffirmed by City Council in December 2008.

In coordination with the City's financial advisors, Davenport & Company, LLC (Davenport), staff has reviewed the financial policies and has found the policies continue to be sufficient to provide the strong basis for sound financial decisions. One minor change has been proposed on page 2 under Revenue Supported Debt, number 3 which allows debt service payments for thirty years instead of twenty for bonds through the Virginia Revolving Loan Fund. This change is necessary to reflect current practice. City and Davenport staffs recommend the policies be reaffirmed with the one change as proposed in the attached document.

PRIOR ACTION(S):
The financial policies were originally adopted by Council on August 10, 1999 and have been periodically revised or reaffirmed.
October 28, 2008, Finance Committee
November 25, 2008, Finance Committee
December 9, 2008, Finance Committee
November 23, 2010, Finance Committee

FISCAL IMPACT:
Broad implications

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

ATTACHMENT(S):
Resolution
Proposed Financial Management Policies

REVIEWED BY: lkp

RESOLUTION:

BE IT RESOLVED that City Council reaffirms the Financial Management Policies with one change as noted in the document, Financial Management Policies (revised November 23, 2010).

Adopted:

Certified: ______________________________
Interim Clerk of Council

152L

FINANCIAL MANAGEMENT POLICIES

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

Basis for Sound Financial Management Policies

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

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

Financial Management Policies

Policy I - Fund Balance

General Fund

- The City of Lynchburg's Undesignated General Fund Balance will be maintained at a level to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- The City shall not use the Undesignated General Fund Balance to finance recurring operating expenditures.
- The City will maintain an Undesignated General Fund Balance (UGFB) equal to 10% of General Fund revenues. In the event the UGFB is used to provide for temporary funding of unforeseen emergency needs, the City shall restore the Undesignated General Fund Balance to the minimum of 10% over five years.
- Funds in excess of the targeted 10% fund balance may be considered to supplement "pay-as-you-go" capital outlay expenditures, other non-recurring expenditures or as additions to fund balance.

Enterprise Funds

Water Fund

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

Sewer Fund

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

Policy II - Debt Management

Tax-Supported Debt

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

- The City will not use long-term debt to fund current operations.
- The City will not use short-term borrowing to fund current operations.
- Whenever the City finds it necessary to issue tax-supported bonds, the following policy will be adhered to:
  1. The City will never borrow more than it has the capacity to repay.
  2. The term of any bond issue will not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended.
  3. Annual debt service expenditures for tax-supported debt should not exceed 10% of total General Fund Expenditures plus School Component Unit Expenditures.
  4. Total tax-supported debt will not exceed 4.50% of the net assessed valuation of taxable property in the City of Lynchburg.
  5. Total tax-supported debt per capita should be maintained at a reasonable level.
  6. The 10-Year Principal Payout Ratio shall not be less than 60% for Tax-Supported General Obligation Indebtedness.

Revenue-Supported Debt

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

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

Refinancing of Debt

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

General Debt Policies

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

Policy III - Budget Policy

Principles

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

Policies

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

- One-time revenues shall be used for one-time expenditures only.
- A General Fund Reserve for Contingencies of $1.2 million shall be used as a source of funding for unanticipated expenditures during the budget year. The Reserve for Contingencies is limited to one-time expenditures and shall not be considered a source for recurring financing.

Process

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

Capital Improvement Program

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

Quarterly Financial Reporting

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

Third Quarter Review

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

Policy IV - Investment Policy

I. Policy Statement

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

II. Scope

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

III. Objectives

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

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

1. *Safety* - Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. Specifically, the City will:

    a. seek to avoid realizing any loss through the sale or disposal of an investment; and

    b. seek to mitigate the risk of unrealized losses due to a decline in value of investments held in the portfolio.

2. *Liquidity* - The investment portfolio shall remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio in the following manner:

    a. The City will purchase investments scheduled to mature in accordance with its anticipated cash needs, in order to minimize the need to sell investments prior to maturity;

    b. A portion of City Funds will be maintained in cash equivalents, including money market funds, investment pools and overnight securities, which may be easily liquidated without a loss of principal should an unexpected need for cash arise; and

    c. The portfolio will consist largely of investments with active secondary markets.

3. *Yield* - The City's investment portfolio shall be designed with the objective of maximizing a fair rate of return consistent with the investment risk constraints and cash flow characteristics of the portfolio. The Investment Committee shall establish suitable benchmarks for the measurement of the portfolio's return.

IV. Delegation of Authority

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

V. Standards of Care

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

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

The Director of Financial Services, and those delegated investment authority under this Policy, when acting in accordance with written procedures and this Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

VI. Ethics and Conflicts of Interest

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

VII. Collateral and Safekeeping Arrangements

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

VIII. Competitive Selection of Investment Instruments

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

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

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

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

1. The Director of Financial Services shall determine the class of investment and maturity range most appropriate for investment of the funds available, based upon the anticipated expenditure schedule of the City, the desired asset allocation of the City's portfolio and the City's Investment Plan.
2. Offers will be solicited for the selected investment from the list of pre-approved providers as noted above.
3. The Director of Financial Services will accept the offer (or bid, if the City is selling an investment) which provides the highest rate of return or which is otherwise deemed most suitable while complying with this Policy and any other criteria specified in the solicitation of offers.

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

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

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

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

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

2. Agency Securities (FHLB, FNMA, FFCB, FHLMC, GNMA)
Obligations issued and guaranteed as to principal and interest by the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association, maturing within five years of the date of purchase.

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

4. **Certificates of Deposit**
   Certificates of Deposit maturing within one year and issued by domestic banks rated P-l by Moody's and A-l by Standard & Poor's.

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

6. **Commonwealth of Virginia and Virginia Local Government Obligations**
   General Obligations, Insured Obligations or Revenue Bonds secured by Debt Service Reserve Funds not subject to annual appropriation rated AA or higher by Moody's or Standard & Poor's.

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

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

9. **Virginia Local Government Investment Pool**

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

X. Suitable and Authorized Investments – Restricted Funds

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

XI. Internal Controls

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

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

XII. Reporting

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

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

XIII. Diversification

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

XIV. Maximum Maturities

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

Appendix 1: Glossary of Investment Terms

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

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

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

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

Basis Point - A unit of measurement used in the valuation of fixed -income securities equal to l/l00 of 1 percent of yield, e.g., “one-quarter” of 1 percent is equal to 25 basis points.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Interest Rate - See "Coupon Rate."

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

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

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

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

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

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

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

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

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

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

Market Value - Current market price of a security.

Maturity - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See 'Weighted Average Maturity."

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

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

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

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

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

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

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

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

Offer - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par - Face value or principal value of a bond, typically $1,000 per bond.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Swap - Trading one asset for another.

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

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

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

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

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

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

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

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

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

When Issued (WI) - A conditional transaction in which an authorized new security has not been issued. All "when issued' transactions are settled when the actual security is issued.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

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

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

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

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

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **November 23, 2010** AGENDA ITEM NO.: 11

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Proposed Resolution Regarding Delta Airlines Service to Lynchburg Regional Airport**

RECOMMENDATION: Adopt the attached resolution asking Delta Airlines to reconsider its decision to suspend service to Lynchburg Regional Airport.

SUMMARY: A significant effort is underway on many fronts to convince Delta Airlines to reconsider its decision to suspend service to Lynchburg. It has been suggested that a resolution from the governing body would be an appropriate part of that effort.

PRIOR ACTION(S): N/A

FISCAL IMPACT: Of significant economic development importance to Lynchburg and Region 2000.

CONTACT(S): Mark Courtney, Airport Manager, 455-6089

ATTACHMENT(S): Proposed resolution.

REVIEWED BY: lkp

RESOLUTION

WHEREAS, Lynchburg's central Virginia location is home to nearly 250,000 people who together produce a stable, even mix of business and leisure air travelers who provide millions of dollars in domestic and international tickets sales to Delta Air Lines, Inc.; and

WHEREAS, Delta has a 16-year history of uninterrupted service to central Virginia, the last seven of which were provided with regional jet aircraft; and

WHEREAS, Delta's passenger traffic at Lynchburg Regional Airport (LYH) has experienced tremendous growth in the past two years, with total passengers up by 64% in 2009 and some 16% year-to-date; and

WHEREAS, in 2010, it is projected that Delta Air Lines will handle a total of nearly 80,000 passengers at LYH, by far the most passengers ever in Delta's 16-year history here;

NOW, THEREFORE, BE IT RESOLVED That the Lynchburg City Council does hereby urge Delta Air Lines, Inc. to reconsider its recent decision to discontinue its scheduled airline service to LYH.

Adopted:

Certified: ______________________________
Interim Clerk of Council

157L