

FINANCE COMMITTEE AGENDA
Tuesday, June 24, 2014
11:00 a.m.

GENERAL BUSINESS

11:00 a.m.

1. Report on the General Fund Reserve for Contingencies

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

11:05 a.m.

2. Consider a request to adopt a resolution to amend the FY 2015 City/Federal/State Aid Fund budget and appropriate \$98,298 with resources of \$88,298 from the U.S. Department of Housing and Urban Development (HUD) and \$10,000 transferred from the FY 2015 General Fund Division of Social Services budget to provide at least 10 units of tenant-based rental assistance and associated case management services.

Contact: Bonnie Svrcek, Deputy City Manager 455-3987

11:10 a.m.

3. Consider a request to approve the submittal of an application to the U.S. Department of Agriculture for a Farmers' Market Promotion Program grant to help address food desert challenges in the city and to promote agriculture in the Region 2000 area.

Contact: Kay Frazier, Director of Parks and Recreation 455-5868

11:15 a.m.

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

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

11:20 a.m.

5. Roll Call

The next Finance Committee meeting is Tuesday, July 8, 2014, at 11:30 a.m.

FY 2014 GENERAL FUND RESERVE FOR CONTINGENCIES

	Reserve for Contingencies	City Manager's Discretionary Funding
BEGINNING BALANCE, JULY 1, 2013	\$700,000	\$0
Anticipated carryforward to FY 2014 Reserve for Contingencies - 05/28/13 Council Meeting	450,000	50,000
BALANCE	\$1,150,000	\$50,000
APPROPRIATIONS (Second Reading)		
Additional funding for the Regional Radio Upgrade Project - 10/22/13 Council Meeting	\$210,700	
Debt service interest payment on \$10m bond issue - 10/22/13 Council Meeting	166,528	
Reverse 911 Grant matching funds - 02/25/14 Council Meeting	17,095	
FEMA grant for Fire Department Communications Equipment - 04/22/14 Council Meeting	62,130	
TOTAL APPROPRIATIONS	\$456,453	\$0
REMAINING BALANCE	\$693,547	\$50,000
ITEMS INTRODUCED		
TOTAL INTRODUCED ITEMS	\$0	\$0
REMAINING BALANCE	\$693,547	\$50,000
PENDING ITEMS		
Carryforward to FY 2015 Reserve for Contingencies - 05/13/14 Council Meeting	\$600,000	
TOTAL PENDING ITEMS	\$600,000	\$0
PROJECTED BALANCE	\$93,547	\$50,000

FY 2015 GENERAL FUND RESERVE FOR CONTINGENCIES

	Reserve for Contingencies	City Manager's Discretionary Funding
BEGINNING BALANCE, JULY 1, 2014	\$550,000	\$50,000
Anticipated carryforward to FY 2015 Reserve for Contingencies - 05/13/14 Council Meeting	600,000	
BALANCE	\$1,150,000	\$50,000
APPROPRIATIONS (Second Reading)		
TOTAL APPROPRIATIONS	\$0	\$0
REMAINING BALANCE	\$1,150,000	\$50,000
ITEMS INTRODUCED		
TOTAL INTRODUCED ITEMS	\$0	\$0
REMAINING BALANCE	\$1,150,000	\$50,000
PENDING ITEMS		
Police Department Tasers - 05/27/14 Finance Committee	\$115,713	
School Resource Officer Grant local match and additional costs - 05/27/14 Finance Committee	133,765	
TOTAL PENDING ITEMS	\$249,478	\$0
PROJECTED BALANCE	\$900,522	\$50,000

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **June 24, 2014**

AGENDA ITEM NO.: **2**

CONSENT: REGULAR: **X**

WORK SESSION:

CLOSED SESSION:
(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Shelter Plus Care Program (Permanent Supportive Housing Program) Grant Renewal**

RECOMMENDATION: Adopt a resolution to amend the FY 2015 City/Federal/State Aid Fund budget and appropriate \$98,298 with resources of \$88,298 from the U.S. Department of Housing and Urban Development (HUD) and \$10,000 transferred from the FY 2015 General Fund Division of Social Services budget to provide at least 10 units of tenant-based rental assistance and associated case management services.

SUMMARY: The Central Virginia Continuum of Care (CoC), on behalf of the City, submitted the renewal grant application for the Shelter Plus Care Program (also known as Permanent Supportive Housing Program). The City has received this renewal grant award in the amount of \$88,298 from the U.S. Department of Housing and Urban Development (HUD). The overall goal of this grant is to identify homeless persons, ready for permanent housing, and offer additional time, financial assistance and services to supplement their own resources, skills and motivation to live independently and achieve self-sufficiency.

With the annual renewal grants issued since Fiscal Year 2010 the City, as grant recipient, in conjunction with Lynchburg Neighborhood Development Foundation (LNDF) has been coordinating this program to provide rental assistance to eligible homeless persons and/or households who are prepared to enter into permanent housing.

Beginning with this renewal grant LNDF has advised City staff that they no longer wish to administer this grant for the City. With the housing partnership and knowing the similar nature of housing services provided by Lynchburg Redevelopment and Housing Authority (LRHA), City staff contacted LRHA regarding the possibility of LRHA administering this grant for the City. This matter was presented to the Board of Commissioners at LRHA's meeting on June 18, 2014; the Commissioners accepted grant administration responsibilities for the Shelter Plus Care Program. LRHA will provide the supportive services and case management needed, and continue to engage local property owners to work with the program so that appropriate housing is available to the current and eligible new participants in the Program.

The Division of Social Services, through contractual services within their FY 2015 General Fund budget, will be providing \$10,000 for the case management services component of this grant.

PRIOR ACTION(S): June 24, 2014: Finance Committee

FISCAL IMPACT: Funding of \$10,000 is available from the FY 2015 General Fund Division of Social Services budget for case management; no additional local funding is needed.

CONTACT(S): Bonnie Svrcek, Deputy City Manager, 455-3987
Melva Walker, Grants Manager, 455-3916

ATTACHMENT(S): Resolution
Shelter Plus Care Grant Award Letter
LNDF Letter
LRHA Resolution

REVIEWED BY: bms

RESOLUTION:

BE IT RESOLVED that the FY 2015 City/Federal/State Aid Fund budget is amended and \$98,298 is appropriated with resources of \$88,298 from the U.S. Department of Housing and Urban Development (HUD) and \$10,000 transferred from the FY 2015 General Fund Division of Social Services budget to provide at least 10 units of tenant-based rental assistance and associated case management services.

Introduced:

Adopted:

Certified: _____
Clerk of Council

FINANCE COMMITTEE

Agenda Item Summary

MEETING DATE: **June 24, 2014**

AGENDA ITEM NO.: **3**

CONSENT:

REGULAR:

WORK SESSION:

CLOSED SESSION:

(Confidential)

ACTION:

INFORMATION:

ITEM TITLE: **USDA Farmers' Market Promotion Program Grant Application**

RECOMMENDATION:

Approve the submittal of an application to the U.S. Department of Agriculture for a Farmers' Market Promotion Program grant to help address food desert challenges in the city and to promote agriculture in the Region 2000 area.

SUMMARY:

The Parks and Recreation Department is requesting approval to submit an application to the U.S. Department of Agriculture (USDA) for \$92,087 in Farmers' Market Promotion Program grant funding.

According to the Food Study Task Force, a committee created by Virginia's General Assembly to examine food deserts in the state, accessing affordable, healthy food is a challenge for a significant portion of the Lynchburg community. Funds from the grant will be used to: conduct outreach and educational programming, provide Supplemental Nutrition Assistance Program incentives and increase redemption rates at the Lynchburg Community Market, and expand promotion of the Lynchburg Community Market through an "Eat Local Lynchburg" campaign to increase sales of local food in the community. Successful implementation of the grant benefits those trying to access affordable, healthy food while supporting local farmers, ultimately improving the overall health and wellness of the community.

The project will be supported and implemented with the help of local organizations including Virginia Cooperative Extension, Lynchburg Area Food Council, Friends of the Lynchburg Community Market, Virginia Department of Health, and Region 2000 Local Government Council.

No local match is required for the grant; therefore, no City funds are needed.

PRIOR ACTION(S):

None

FISCAL IMPACT:

None, no local match is required.

CONTACT(S):

Kay Frazier, Director of Parks and Recreation, 455-5868

ATTACHMENT(S):

None

REVIEWED BY:

FINANCE COMMITTEE

Agenda Item Summary

MEETING DATE: **June 24, 2014**

AGENDA ITEM NO.: **4**

CONSENT:

REGULAR:

WORK SESSION:

CLOSED SESSION:

(Confidential)

ACTION:

INFORMATION: **X**

ITEM TITLE: **Revenue Update**

RECOMMENDATION:

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

SUMMARY:

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

PRIOR ACTION(S):

This information is provided monthly to the Finance Committee.

FISCAL IMPACT:

None

CONTACT(S):

Donna Witt, Director of Financial Services, 455-3968

ATTACHMENT(S):

Comparison of Collections Budget to Actual FY 2013 – FY 2014

REVIEWED BY:

**Comparison of Collections
Budget to Actual FY 2013 - FY 2014**

	Actual FY 2011	Actual FY 2012	Actual FY 2013	Adopted FY 2014	Actual FY 2014	Actual FY 2014 to Adopted FY 2014	Actual FY 2014 to Actual FY 2013
SALES & USE TAX							
<i>ADOPTED FY 2014 BUDGET - \$13,440,973</i>							
JULY	\$979,650	\$1,014,596	\$996,646	\$985,733	\$1,075,816	\$90,083	\$79,170
AUGUST	1,022,849	1,079,129	1,145,592	1,133,048	1,098,342	(34,706)	(47,250)
SEPTEMBER	1,102,964	1,100,698	1,117,209	1,104,976	1,083,199	(21,777)	(34,010)
OCTOBER	1,056,307	1,055,941	1,033,859	1,022,538	1,161,965	139,427	128,106
NOVEMBER	1,144,056	1,117,090	1,187,008	1,174,010	1,155,729	(18,281)	(31,279)
DECEMBER	1,548,053	1,488,926	1,466,715	1,450,654	1,316,419	(134,236)	(150,296)
JANUARY	1,018,798	998,052	1,085,312	1,073,428	1,103,175	29,747	17,863
FEBRUARY	1,025,671	1,134,434	1,074,819	1,063,050	1,172,252	109,202	97,433
MARCH	1,112,797	1,196,149	1,138,611	1,126,143	1,217,930	91,787	79,319
APRIL	1,135,478	1,053,637	1,129,443	1,117,076	1,183,748	66,672	54,305
TOTAL	\$11,146,623	\$11,238,652	\$11,375,214	\$11,250,655	\$11,568,575	\$317,919	\$193,361
CONSUMER UTILITY TAX - ELECTRIC							
<i>ADOPTED FY 2014 BUDGET - \$3,650,000</i>							
JULY	\$352,603	\$341,729	\$323,141	\$312,574	\$325,815	\$13,241	\$2,674
AUGUST	345,842	345,615	345,163	333,876	318,738	(15,138)	(26,425)
SEPTEMBER	329,379	325,754	318,915	308,486	317,324	8,838	(1,591)
OCTOBER	283,250	280,745	279,145	270,017	273,646	3,629	(5,499)
NOVEMBER	262,650	281,842	282,035	272,812	280,945	8,133	(1,090)
DECEMBER	341,053	325,287	330,714	319,900	348,750	28,850	18,036
JANUARY	388,100	344,439	346,399	335,072	374,541	39,469	28,142
FEBRUARY	350,799	322,546	342,839	331,628	372,254	40,626	29,415
MARCH	299,725	298,405	326,828	316,141	334,289	18,148	7,461
APRIL	284,770	271,034	320,253	309,781	306,485	(3,296)	(13,768)
TOTAL	\$3,238,171	\$3,137,396	\$3,215,432	\$3,110,287	\$3,252,787	\$142,500	\$37,355
COMMUNICATIONS SALES & USE TAX							
<i>ADOPTED FY 2014 BUDGET - \$3,462,621</i>							
JULY	\$301,373	\$349,339	\$293,358	\$288,552	\$286,999	(\$1,553)	(\$6,359)
AUGUST	344,401	294,910	291,560	288,552	284,691	(3,861)	(6,869)
SEPTEMBER	274,076	179,549	263,295	288,551	284,249	(4,302)	20,954
OCTOBER	299,531	309,437	319,011	288,552	288,830	278	(30,181)
NOVEMBER	292,735	284,123	300,665	288,552	284,176	(4,376)	(16,489)
DECEMBER	344,423	233,654	297,855	288,551	289,726	1,175	(8,129)
JANUARY	265,736	337,936	282,620	288,552	264,960	(23,592)	(17,660)
FEBRUARY	288,629	287,492	287,759	288,552	280,480	(8,072)	(7,279)
MARCH	300,235	302,278	299,333	288,551	288,500	(51)	(10,833)
APRIL	285,073	292,542	287,442	288,552	285,052	(3,500)	(2,390)
TOTAL	\$2,996,212	\$2,871,260	\$2,922,898	\$2,885,517	\$2,837,663	(\$47,854)	(\$85,235)

Comparison of Collections **Budget to Actual FY 2013 - FY 2014**

	Actual Assessed FY 2012	Actual Collected FY 2012 ¹	Actual Assessed FY 2013	Actual Collected FY 2013 ¹	Adopted FY 2014	Actual Assessed FY 2014	Actual Assessed FY 2014 to Adopted FY	Actual Collected FY 2014	Actual Collected FY 2014 to Adopted FY	Collected FY 2014 to Assessed FY 2014
MEALS TAX										
<i>ADOPTED FY 2014 BUDGET - \$11,785,000</i>										
JULY ²	\$889,917	\$889,135	\$943,431	\$1,044,556	\$917,109	\$950,875	\$33,766	\$1,159,786	\$242,677	\$208,911
AUGUST	960,082	962,761	1,042,850	1,026,544	1,013,754	1,062,943	49,189	1,024,718	10,964	(38,225)
SEPTEMBER	984,785	998,157	1,011,701	1,012,294	983,475	1,038,949	55,474	1,052,079	68,604	13,130
OCTOBER	999,289	994,851	1,006,966	1,003,032	978,872	1,026,731	47,859	958,359	(20,513)	(68,372)
NOVEMBER	916,955	898,157	964,775	868,692	937,858	1,000,780	62,922	1,064,385	126,527	63,605
DECEMBER	1,028,805	986,078	1,044,178	1,083,983	1,015,045	1,067,250	52,205	1,035,379	20,334	(31,871)
JANUARY	931,373	950,784	927,026	889,358	901,162	977,119	75,957	971,677	70,515	(5,442)
FEBRUARY	988,981	977,100	983,390	995,618	955,953	994,179	38,226	957,979	2,026	(36,200)
MARCH	1,079,018	1,073,364	1,092,759	1,091,421	1,062,271	1,131,402	69,131	1,142,746	80,475	11,344
APRIL	1,017,193	1,011,594	1,052,568	1,067,037	1,023,201	1,094,031	70,830	1,034,811	11,610	(59,220)
TOTAL	\$9,796,398	\$9,741,981	\$10,069,644	\$10,082,535	\$9,788,701	\$10,344,259	\$555,558	\$10,401,919	\$613,218	\$57,660
LODGING TAX										
<i>ADOPTED FY 2014 BUDGET - \$1,700,000</i>										
JULY ²	\$180,074	\$168,386	\$180,074	\$197,072	\$160,554	\$174,789	\$14,235	\$223,419	\$62,865	\$48,630
AUGUST ³	192,759	200,321	163,020	275,903	145,349	185,677	40,328	185,340	39,991	(337)
SEPTEMBER	156,383	159,891	160,661	157,680	143,245	181,706	38,461	204,758	61,513	23,052
OCTOBER	185,386	185,530	183,064	191,453	163,220	184,209	20,989	185,014	21,794	805
NOVEMBER	131,053	131,431	131,993	129,941	117,685	153,449	35,764	148,082	30,397	(5,367)
DECEMBER	108,029	92,483	112,277	113,067	100,106	123,501	23,395	126,077	25,971	2,576
JANUARY	122,636	115,790	134,471	129,578	119,894	132,869	12,975	125,716	5,822	(7,153)
FEBRUARY	136,278	130,805	136,660	136,660	121,846	136,497	14,651	139,851	18,005	3,354
MARCH	154,626	144,654	158,737	158,706	141,530	176,151	34,621	172,029	30,499	(4,122)
APRIL	146,380	149,258	161,422	161,391	143,924	170,566	26,642	171,590	27,666	1,024
TOTAL	\$1,513,604	\$1,478,549	\$1,522,379	\$1,651,451	\$1,357,353	\$1,619,414	\$262,061	\$1,681,876	\$324,523	\$62,462

¹ Meals and Lodging Tax data includes columns titled "Actual Collected ." The figures listed under these columns include all revenue received per month under that description regardless of whether the payment is current or delinquent.

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

³ The August FY 2013 collection amount includes a one-time \$140,000 payment in delinquent taxes.

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **June 24, 2014**

AGENDA ITEM NO.: 10

CONSENT: REGULAR: **X**

WORK SESSION:

CLOSED SESSION:
(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Public Hearing – Virginia Aviation/Freedom Aviation Request to Assign Lease upon Sale**

RECOMMENDATION: Deny a joint request by Freedom Aviation and Virginia Aviation, the two authorized retail aviation service companies at Lynchburg Regional Airport (LYH), that City Council approve an assignment of Virginia Aviation's lease to Freedom Aviation as part of a Stock Purchase Agreement, and waive or amend specific lease language that automatically terminates Virginia Aviation's current lease in the event of such a sale.

SUMMARY: By letter dated April 11, 2014, the City was notified by Virginia Aviation's attorney that an agreement had been reached between Virginia Aviation and Freedom Aviation (subsidiary of Liberty University) whereby Freedom Aviation would acquire all interest in Virginia Aviation. Since such an acquisition would automatically terminate Virginia Aviation's Lease of Property at LYH pursuant to Article XIII its lease, the parties have requested that the City waive enforcement of the lease termination provision, and also approve the assignment of the lease to Freedom Aviation.

There is a statutory requirement for a public hearing prior to amending a Lease of Property. Airport Director Mark Courtney will make a staff presentation prior to the public hearing.

PRIOR ACTION(S):

June 24, 2008	City Council approval of Lease of Property with Virginia Aviation for five-year term with a second five-year option.
July 1, 2013	Second five-year option period approved by Council and executed.
April 22, 2014	City Council considered the sale request in Closed Meeting; requested the Airport Commission review and make a recommendation to City Council.
May 19, 2014	Airport Commission voted to recommend disapproval of the request at Special Meeting.

FISCAL IMPACT: Impact varies depending upon final outcome.

CONTACT(S): L. Kimball Payne, City Manager, 455-3990 Mark F. Courtney, Airport Director, 455-6090

ATTACHMENT(S):

- 1) Letter from Edmunds & Williams representing Virginia Aviation re Assignment of Lease to Freedom Aviation
- 2) Article XIII of Virginia Aviation's lease containing "automatic termination language."
- 3) History of FBO Leases at Lynchburg Regional Airport
- 4) Virginia Aviation and Freedom Aviation leasehold drawings; properties if combined.
- 5) May 29, 2013 letter from City Manager to Dave Young regarding Freedom unsolicited offer.
- 6) May 19, 2014 Airport Commission Special Meeting minutes.

REVIEWED BY: lkp

084K

EDMUNDS & WILLIAMS

BANK OF THE JAMES BUILDING
828 Main Street, 19th Floor
Lynchburg, Virginia 24504
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Facsimile: (434) 846-0337
www.ewlaw.com

RESPOND TO:
P.O. Box 958
Lynchburg, Virginia 24505-0958

April 11, 2014

L. Kimball Payne, III
City Manager
City of Lynchburg, Virginia
900 Church Street
Lynchburg, VA 24504

Re: Lease of Property – Aircraft Hangars, Offices and General
Aviation Terminal dated July 1, 2013 by and between
City of Lynchburg and Aviation Resources, Inc. dba
Virginia Aviation (the “Lease”)

Dear Kim:

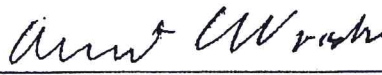
This firm represents Aviation Resources, Inc., a Virginia corporation doing business as Virginia Aviation (“VA Aviation”), and James R. Walker, the sole shareholder of VA Aviation (“Mr. Walker”). VA Aviation, Mr. Walker and Falwell Aviation, Inc., a Virginia corporation doing business as Freedom Aviation (“Freedom Aviation”), have entered into a Stock Purchase Agreement pursuant to which Freedom Aviation will acquire VA Aviation from Mr. Walker (the “Contemplated Transaction”). Freedom Aviation is represented by Judy Lin Bristow of Williams Mullen.

On behalf of our respective clients, we request that the City of Lynchburg approve the assignment of the Lease from VA Aviation to Freedom Aviation (the “Approval”). The Approval is required by the terms of the Stock Purchase Agreement in order for the parties to close the Contemplated Transaction. **The parties have agreed to close the Contemplated Transaction within 45 days of receiving the Approval.**

L. Kimball Payne, III
April 11, 2014
Page 2

Should you have any questions or require any additional information please do not hesitate to contact either Judy Bristow or me. We thank you in advance for your consideration in this matter.

Sincerely yours,
Edmunds & Williams, P.C.

By 
Robert C. Wood, III

RCWIII:mmh
cc: Walter C. Erwin, III, City Attorney
James R. Walker, Virginia Aviation
David L. Young, Freedom Aviation

The foregoing request for the Approval
is being made on behalf of Freedom Aviation:

By: 
Judy Lin Bristow
Williams Mullen, P.C.
200 S. 10th Street, 16th FL
Richmond, VA 23219
Phone: 804-420-6476
Email: jbristow@williamsmullen.com

EDMUNDS
&
WILLIAMS

perform, keep or observe any of the terms, covenants or conditions hereof to be performed, kept and observed.

ARTICLE XIII - ASSIGNMENT OR TRANSFER OF AGREEMENT

It is agreed and understood that this Lease Agreement is personal to Virginia Aviation. Therefore, the Lessee shall not at any time assign, sell or transfer this Lease Agreement or any part thereof during the term of the Agreement. Further, in the event that Virginia Aviation is sold, consolidated, merges or is acquired by another entity, this Lease Agreement shall automatically terminate. However, the Lessee's interest in this Agreement shall not inure to the benefit of any successor in interest of the Lessee, as a result of the merger, consolidation or other reorganization of the Lessee, without the participation by such successor in the RFP or bid process, if such participation is required by the Minimum Standards. Under no circumstances shall the Lessee be relieved of any of its obligations hereunder by any such transfer.

The above provisions of this Article are not intended to prohibit the Lessee from entering into a sub-lease agreement consistent with the requirements set forth in the airport's Minimum Standards. However, any aeronautical service(s) offered to the public by a sub-lessee, whether that service is authorized in this Agreement or not, must follow the applicable procedures as contained in the Airport's Minimum Standards for approval by the City prior to engaging in business activities. In the event the lessee enters into a sub-lease agreement for aeronautical service(s) that are not to be offered to the public (self-servicing), and such service(s) are specifically authorized by this Agreement, the lessee shall not be required to obtain prior approval of the City. The lessee, however, shall make copies of any such sub-lease agreement available to the City upon request.

No assignment or sublease shall in any way affect or diminish the Lessee's obligations to perform all of the terms, conditions and provisions contained in this Agreement. In the event the City and any of the surrounding localities establish an Airport Authority for the operation of the Lynchburg Regional Airport, the City shall have the right to assign this Agreement to the Airport Authority and said Airport Authority shall have the right to assume all of the City's rights and responsibilities under this Agreement

ARTICLE XIV - SURRENDER OF POSSESSION

Upon the expiration or termination of this Agreement, the Lessee's authority to use the Premises, rights and facilities herein granted shall cease, and the Lessee shall, upon such expiration or termination, promptly and in good condition, surrender the same to the City, ordinary wear and tear excepted.

Except as otherwise provided in this Agreement, all equipment and other personal property brought in, installed, or placed by the Lessee in, on, or about the Premises during the term of this Agreement shall be deemed to be personal and shall remain the property of the Lessee, and the Lessee shall have the right, at any time during the term of this Agreement and for a period of sixty (60) days after the expiration or termination hereof, to remove any or all of its property from the Premises; provided, however, the Lessee is not in default in its payment to City hereunder, and further subject to the Lessee's obligation to repair all damage, if any, resulting from such removal, and to make reasonable restoration of the Premises to the condition in which they existed prior to the Lessee's occupancy of said Premises. Any and all property not removed by the Lessee within sixty (60) days subsequent to the expiration or other termination of this Agreement shall, thereupon, become a part of the land on which it is located and title thereto shall be vested in City. The City may remove and/or dispose of such items without any liability to the City. Removal by the City shall not relieve the Lessee from its obligation to pay the cost of repairing damage to the Premises caused by the removal, or from its obligation to pay the cost of restoring the Premises to their pre-occupancy condition.

ARTICLE XV – NOTICES

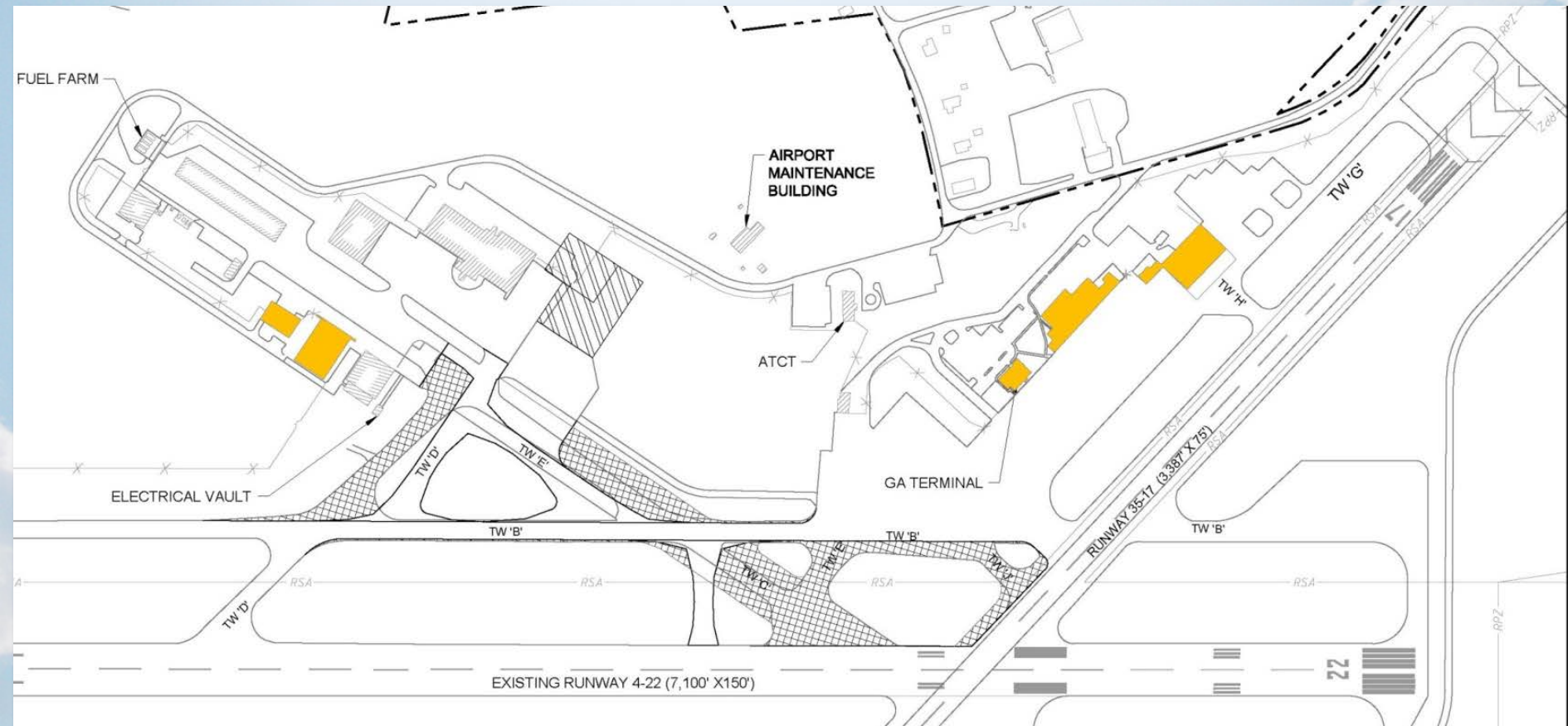
Notices to the Lessee provided for herein shall be sufficient if sent by Certified Mail, postage prepaid, addressed to the President of the Lessee or to such other representative persons or addressees as the Lessee may designate to

History of FBO Leases and Franchises at LYH (1998-2014)
Background Summary for Lynchburg Regional Airport Commission
April 29, 2014

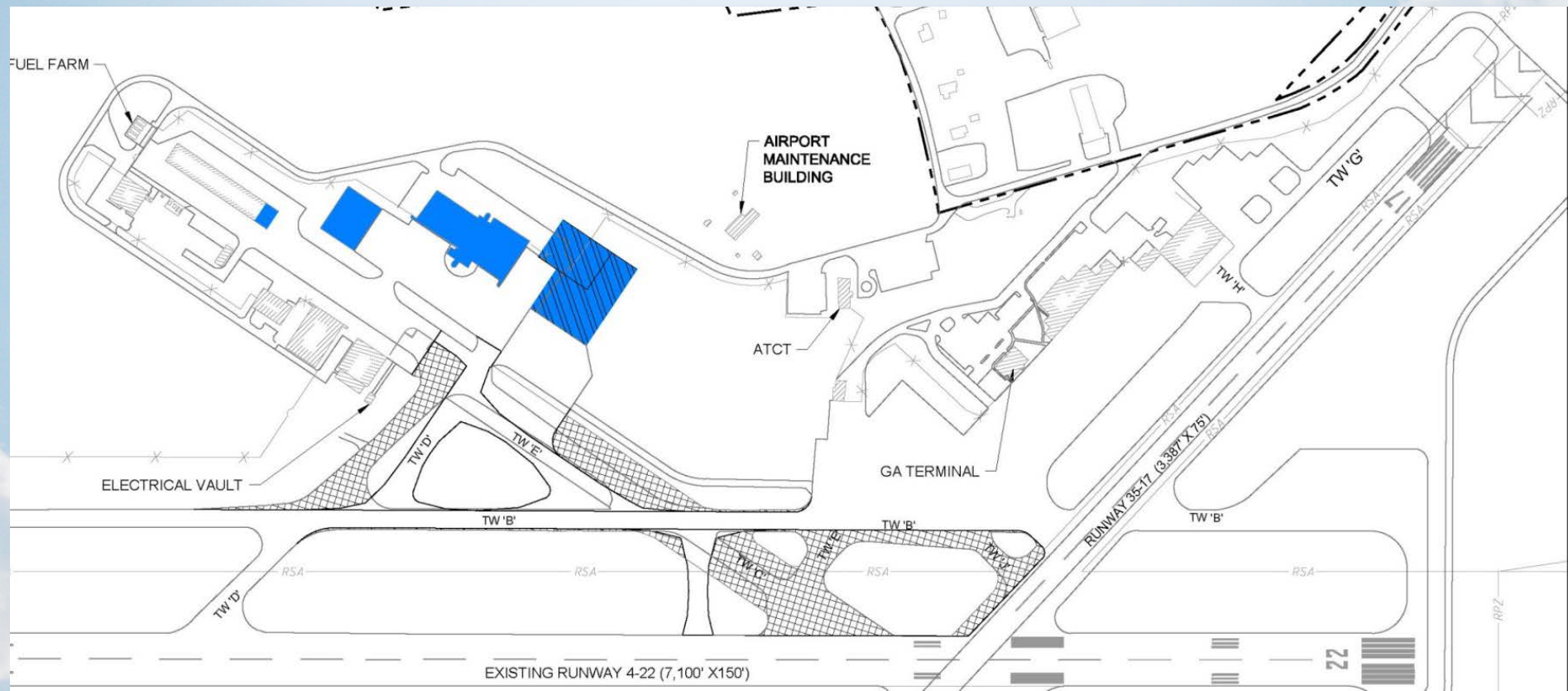
Date	Virginia Aviation Facilities	ACA/Britannia/Falwell/Freedom Facilities
1998/99	Prior lease in place.	Atlantic Coast Airlines (United Express) vacates former Air Virginia airline facility.
July 1999	Through a competitive RFP process, Virginia Aviation (VA) awarded 5-yr FBO lease with 5-yr option by City Council.	
Feb. 2002		Britannia Aviation (SASO) – Awarded lease through competitive bid process; approved by City Council.
Sept. 2003		City Council approved assignment of Britannia lease to Aviation Technical Services.
Feb. 2004		City Council approved assignment of ATS lease to Falwell Aviation.
Jan. 2005		City Council approved lease amendment allowing Falwell Aviation to operate as an FBO, with restrictions (per Dec. 6, 2004 letter, limiting airline and <u>all</u> retail fuel sales).
April 2007		Falwell awarded 2 nd 5-yr option.
July 2007		Falwell awarded 20-yr franchise (Based on Falwell constructing new 13,000 SF hangar).
July 2008	New 5-yr/5-yr option lease awarded to VA by City Council without competitive bid process (approved concurrent with 3-party fuel farm agreement below).	
July 2008	Unique 3-party lease agreement among Airport/VA/Freedom for sharing of the fuel farm approved by City Council. Specifically designed to maintain a competitive FBO environment at LYH.	
Jan. 2010		Falwell Aviation acquired by Liberty University as a subsidiary; d/b/a Freedom Aviation.
Feb. 2010	VA's Jim Lampman died; Steve Cuppy named interim president of VA; pursues sale.	
Feb. 2011	Virginia Aviation sold to Jim Walker.	
July 2013	Virginia Aviation 5-yr option exercised. i. To ensure that a competitive FBO environment would continue at LYH, previous assignment language was removed and two new provisions are inserted into the 5-year option lease language and agreed to by Jim Walker: a. <i>...the Lessee shall not at any time assign, sell or transfer this Lease Agreement or any part thereof during the term of the Agreement;</i> b. <i>Further, in the event that Virginia Aviation is sold, consolidated, merges or is acquired by another entity, this Lease Agreement shall automatically terminate.</i>	

	ii. Council approves VA 5-yr option (despite unsolicited offer from Freedom Aviation to take over VA lease for more than twice what VA was paying).	
Oct. 2013		Freedom requests City Council to amend prohibition on airline fueling in its Franchise Agreement. Council tables pending further staff review.
Fall 2013 – Present		Freedom and Airport officials enter into formal negotiations for 73,041 SF land lease to allow Freedom to build new 14,250 SF hangar & adjoining apron.
Various/Ongoing	Airport/VA/Freedom negotiate to secure ability of Freedom to operate as a branded fuel dealer at LYH.	
April 2014		City Manager receives letter from attorney for Jim Walker notifying City that VA and Freedom Aviation have entered into a Stock Purchase Agreement and asking that VA lease be assigned to Freedom.

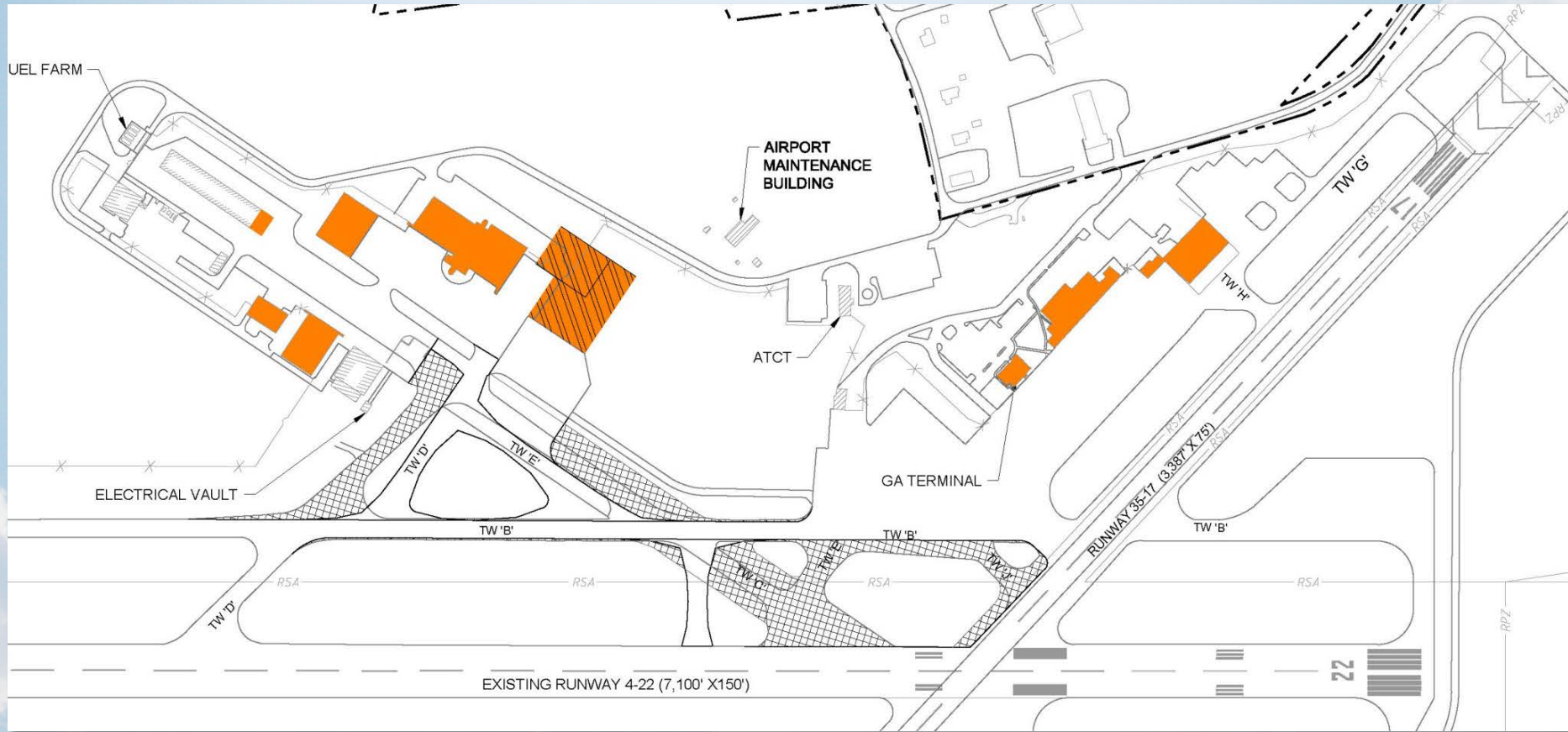
Virginia Aviation



Freedom Aviation



Combined





THE CITY OF LYNCHBURG, VIRGINIA

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FAX: 434-847-1536

OFFICE OF THE
CITY MANAGER

May 29, 2013

RECEIVED

MAY 30 2013

LYNCHBURG
REGIONAL AIRPORT

Mr. David Young, President
Freedom Aviation, Inc.
310 Hangar Road
Lynchburg, VA 24502

Dear Mr. ~~Young~~ *Dave*:

This is in response to your April 16, 2013 letter in which Freedom Aviation proposed two separate offers to lease certain properties at Lynchburg Regional Airport currently under lease to Virginia Aviation. As you will recall, I followed-up by indicating that City staff would meet with City Council in closed session in order to consider your proposal and obtain further guidance on the various issues involved. We had that discussion with City Council on May 14th. I apologize for not reporting the results of that conversation to you sooner; unfortunately, other business intervened.

City Council has reaffirmed its previous position to support and encourage, to the greatest extent possible, a competitive business environment among aeronautical service providers at Lynchburg Regional Airport. This is in keeping not only with a generally pro-competition airport philosophy that is clearly in the aviation consumer and public interest, but also to ensure compliance with certain sponsor assurances and Federal Aviation Administration (FAA) guidelines governing exclusive rights at federally-obligated airports.

Based on the consensus of City Council at that meeting, therefore, the City has agreed to exercise the five-year option with Virginia Aviation as provided for in the original lease agreement dated July 1, 2008. Under the terms of that agreement, the five-year option will become effective on July 1, 2013.

Concurrently, it is also the airport's intention to initiate the process of assuming the management and control of the fuel farm. This decision was based on a recent Aviation Fuel Farm Program Review conducted by C.E. Strock Consulting on behalf of Lynchburg Regional Airport. The study concluded that the airport should "assume the management of the fuel farm in order to provide a level playing field for two FBOs." By assuming control of the fuel farm in this manner, the airport will be better able to ensure that both FBOs will have access to avgas and jet fuel supplies on a fair and equitable basis. This will include the ability of both FBOs to be designated as branded dealers through a national dealer or jobber on terms to be determined based on the competitive selection of a wholesale fuel provider.

Mr. David Young, President
May 29, 2013
Page 2

Regarding your alternative proposal to assume management of the tie-down area known as the "North Ramp," it was always the intention of the airport at the outset of the initial agreement with Virginia Aviation that that ramp area would revert to control of the airport at the conclusion of the first five-year term. Consequently, with that tie-down area soon to be directly managed by the airport for the purpose of based aircraft parking, airport management would be glad to consider renting available tie-down spaces to Liberty School of Aeronautics aircraft.

Please keep in mind that under the airport's FAA approved Master Plan there are several developable sites on the airport for aeronautical development that could accommodate Freedom Aviation's and Liberty's expansion needs. In the meantime, the new \$1.1 million general aviation ramp expansion project adjacent to the existing public ramp serving Freedom Aviation will soon be available for additional hangar space and/or FBO facilities. My understanding is that preliminary plans and drawings are now being prepared by Liberty as part of the approval process with the airport for such construction in the future.

Finally, considering the intricate steps and time involved in determining a viable resolution to the various issues surrounding the Virginia Aviation and fuel farm leases among the parties, it is apparent that the final transfer of the control and management of the fuel farm will not be possible by the June 30, 2013 expiration of the fuel farm lease. Consequently, it will also be necessary to carry over the existing fuel farm lease on a month-to-month basis as provided for under Virginia statutes in order to provide time to proceed through the various steps necessary to obtain a fuel supplier under the state procurement process. In order to facilitate this transition, we would like to meet with Virginia Aviation and Freedom Aviation together to discuss a mutually beneficial process.

Sincerely,



L. Kimball Payne, III
City Manager

cc: Mark Courtney, Airport Director
Walter Erwin, City Attorney

**MINUTES OF
THE
LYNCHBURG REGIONAL AIRPORT COMMISSION
SPECIAL MEETING
May 19, 2014
4:00 p.m.**

PRESENT:

Robert Day	Bert Dodson
Stewart Hobbs	Debra Allen
Mike Davidson	Lynch Christian
Don Brown	Charles Nowlin
Kimball Payne	

ABSENT:

None

STAFF PRESENT:

Mark Courtney, Airport Director
Rick Stein, Deputy Airport Director
Wes Campbell, Airport Finance Director
Jewel Williams, Supervisor Airport Administration

(1) CALL TO ORDER:

The meeting was called to order at 4:00 p.m.

(2) Consideration of a request by Virginia Aviation and Freedom Aviation to approve the assignment of Virginia Aviation's property lease to Freedom Aviation pursuant to certain required terms of a Stock Purchase Agreement for the acquisition of Virginia Aviation.

Mr. Stewart Hobbs I am going to ask Mr. Mark Courtney to start off and he would be at some point going for public comment and anyone who is going to make a public comment please state who you are and who you represent just so we will have it recorded

Mr. Kimball Payne Before the meeting gets started, I just wanted to tell the rest of the Commission that I did not intend to vote on any recommendation. Mr. Courtney and I need to be on the same page on this, so I will participate as a staff person but not as a Commission Member.

A. Staff Presentation

Mr. Mark Courtney As the agenda indicates, I have a staff presentation. I think that I will just go through some of the history. In 1986, Virginia Aviation had a prior lease that had been extended in 1991 for the original facilities that were owned or operated by Air Virginia. In 1999, Virginia Aviation was awarded a new 5-year lease with a 5-year option. In 1998/1999, Atlantic Coast Airlines, operating as United Express, had a maintenance operation/facility at the former Air Virginia airline facility [current Freedom leasehold] and they subsequently moved their operation to Dulles, and from that time we went through a process of renovating and basically cleaning up the airline maintenance facility and making it available and showable for leasing out.

In February 2002, Britannia Aviation, through part of a competitive bid process, was awarded a 5-year lease with a 5-year option through a competitive bid process that was subsequently approved by City Council. Those who were here at the time will remember that was not without a certain amount of controversy.

In September of 2003, City Council approved the assignment of the Britannia Aviation lease to Aviation Technical Services [same ownership].

In February of 2004, City Council approved the assignment of the ATS lease to Falwell Aviation. In January 2005, City Council approved a lease amendment allowing Falwell Aviation to operate as an FBO, with restrictions (per December 6, 2004 letter, limiting airline and all retail fuel sales). In April 2007, Falwell Aviation was awarded a 2nd 5-year option. In July 2007, Falwell Aviation was awarded a 20-year franchise (Based on Falwell Aviation's investment in a new 13,000 SF hangar).

In July of 2008, Virginia Aviation was awarded a new 5-year option lease by City Council, without a competitive bid process, and it was approved concurrent with the unique 3-party lease agreement among the airport, Virginia Aviation

and Falwell Aviation for the sharing of the fuel farm. That was specifically designed to allow two FBOs to operate and share those facilities equally.

In January 2010, Falwell Aviation was acquired by Liberty University as a subsidiary, d/b/a Freedom Aviation.

In February 2010, Virginia Aviation experienced the loss of their president, Mr. Jim Lampman, and Steve Cuppy was not only named interim president of Virginia Aviation, but he was also the executor of Mr. Lampman's will. Mr. Cuppy proceeded over time to pursue the sale of Virginia Aviation, and in February 2011 Virginia Aviation was sold to Mr. Jim Walker, the current owner.

In July of 2013, Virginia Aviation exercised its 5-year option following negotiations with the airport. City Council approved, but in order to ensure the competitive FBO environment would continue previous assignment language was removed, and two new provisions were inserted into the 5-year lease option [generally as follows]: (1) Previous assignment language was replaced with a prohibition on any assignment; and (2) The lease would automatically terminate in the event of a sale.

In October of 2013, Freedom Aviation requested City Council to amend their franchise agreement to remove the prohibition on airline fueling (at this time that request is still tabled pending further progress on other issues). In the Fall of 2013, Freedom Aviation and Airport officials entered into formal negotiations for a 73,041 SF land lease to allow Freedom Aviation to build a new 14,250 square-foot hangar and adjoining apron that is primarily for the storage of aircraft (their additional apron area also is adjacent and adjoins with the new concrete ramp that was recently installed). Currently, there are [also] various and ongoing negotiations to secure the ability of Freedom to operate as a branded fuel dealer at Lynchburg Regional Airport. That has made quite a bit of progress, and it is in the hands of Freedom Aviation as far as final details with Philips, the selected [fuel] dealer/provider.

April 14, 2014 — We go back to last month and it brings us up-to-date as far as the request for the assignment. In essence, on behalf of their respective clients (both Virginia Aviation and Freedom Aviation), legal counsel requested that the City of Lynchburg approve the assignment of the lease from Virginia Aviation to Freedom Aviation according to the terms and conditions of the Stock Purchase Agreement they both entered into. I will show a slide of the current leaseholds of both Virginia Aviation and Freedom Aviation. If this were to go through, that [would be] the combined leasehold of both Virginia Aviation and Freedom Aviation.

The guiding principle that the airport has operated under, certainly since Britannia, but more specifically since the time that Falwell Aviation started into the FBO business, is to preserve and maintain an existing balanced FBO competition model that was established back when Falwell Aviation was in their limited FBO status.

Certainly the goal is to maximize airport revenues -- and a certain part of our mission of the airport, and goal for the airport, is to eliminate the airport subsidy. We are actually down to under \$200,000 now in our airport operating subsidy, and we are projecting Fiscal Year 2015 [to be] \$152,000 in subsidy, and we anticipate break even in the following Fiscal Year (2016).

To adhere to the Lynchburg Regional Airport Mission - and this is a key element - the airport shall endeavor to provide a full range of quality aeronautical services (and we certainly provide them to a wide range of aviation users). We shall be customer service focused, emphasize safety continuously, be financially responsible, and maintain a competitive airport business environment while at all times operating in the public interest. That was established in November 2012 by the Commission.

There is some FAA exclusive rights guidance from the Advisory Circular dealing with our Sponsor Assurances and the prohibition on exclusive rights. This is not directly applicable in this specific case; however, it does give guidance to the sponsor being the owner of the airport, that a sponsor refusing to permit a single FBO to expand based on the sponsor's desire to open the airport to competition is not violation of any grant assurances. Also, an airport sponsor may exclude an incumbent FBO from participating under competitive solicitation in order to bring a second FBO onto the airport to create a more competitive environment (and that is essentially because of the fact that the FAA does default to a pro-competition bias).

The guiding principles in a proposal like this are: what is the public benefit; what is the airport benefit; and change in the FBO rent valuation from a competitive to a monopoly model? Some of the consumer concerns that we have heard, and also some other relevant issues, are that it would clearly establish a monopoly without the possibility for FBO competition, and would increase prices, (something you definitely hear from aviation users, airport users, based customers, etc.). It would create impenetrable barriers to entry for future FBO competition, and would basically lockout any future potential for another FBO to come in because of the extraordinarily high cost of being able to build new facilities.

It could force existing based customers off the airport under certain circumstances, could force existing subtenants of Virginia Aviation off the airport, specifically some of the SASOs, (for example, Virginia Aviation's Part 141 flight school operator that allows them [Virginia Aviation] to meet their minimum operating standards), and would eliminate competitive maintenance services. And all of this also brings into question the status and the future of the fuel farm

that was originally established with a 5-year/5-year option on a sharing basis (and that is continuing now as a month-to-month pending and awaiting other resolution).

I will stop at this point. I have some other slides if there are some other questions that come up that are relevant, but we can move on now to the next speaker.

B. Virginia Aviation and Freedom Aviation presentations

Mr. Hobbs

Is there someone to speak for either or both?

Mr. Jimmy Walker

I am the owner of Virginia Aviation, a short-term owner but a long-term aviation customer of the field. I bought a bankrupt business and got it on its feet, but it had been about Mr. Jim Lampman, the former owner of Virginia Aviation and Mr. Jimmy Falwell recognizing that it was a small field and there was a delicate balance for an FBO to make it work here. They came to an agreement, and the agreement was that really it was a monopoly: there was to be no retail fueling of transient aircraft other than at Virginia Aviation, there was to be no commercial airline fueling other than at Virginia Aviation, and Mr. Falwell was just going to operate his charter business out of there and do a couple of other little odds and ends that were not on a competitive basis.

When Mr. Falwell sold the business to Liberty, that changed and there have been little things that have changed over time. The fuel farm is one of them, the retail transient fueling (I do not know that that ever actually existed, that is in the lease and it is actually prohibited but it was happening). As we have seen, there was a proposal for competitive airline fueling. The long and the short of it is, it's a small market, it's a small field and there is room for one FBO, and one FBO it has been under the Falwell Aviation/Virginia Aviation model.

That has changed and it is difficult to compete under these circumstances. If the two businesses become one you have one stronger business with an owner that is willing to invest. There is only so much that I can invest in the business when I only have a 4-year lease. I asked for a 5-year lease with a 5-year extension and it was denied, so how much can I do? I could spend \$250,000 and maybe get a 10-year franchise or a 15-year franchise, but a guy that is 65-years old is reluctant to do things like that so this is a chance for me to ensure that my people are taken care of, that's part of the deal and that the business can continue for them.

It is not a lucrative deal for me, but I do not want the business to just end in 4 years when my lease is up, and I do not have any assurance that the lease would be renewed. This is a chance for me to do the right thing for what I believe is best for the community, because Freedom is a partner that could invest, and [is] best for my employees and my customers. I understand that there is a difference of opinion on that, and I respect that, but at the end of the day if, little by little, it goes away at the end of 4 years there is nothing left. This is a chance for me to have something to share before it goes away entirely.

Just to counter Mr. Courtney's points, I do not recall the title but it was preserved balance competition, the balanced competition really never existed under the Falwell Aviation/Virginia Aviation model, there was no balanced competition because Mr. Falwell was prohibited from commercial airline fueling and he was prohibited from retail transient fueling. A monopoly on a government sponsored entity is very controllable. I do not see that we had \$15 Jet A here because there is one provider, and I would assume that the City could control that in a number of different ways. The idea that customers would be concerned that there would be no place to shop is a legitimate concern, but Mr. Courtney has explained to me that they had ways of controlling how fuel is sold and what it is sold for.

The forcing of SML off the field I think is a concern, and it is a concern for me, and I have spoken with the owner of SML about that, and his sense in discussing it with Mr. Young is that [it] is not part of their plan, and he would not be surprised if they were not willing to give a long-term lease to SML. Competitive maintenance services: Mr. Jason Moorefield would probably be better to speak to this than I am. They do not do a lot of bidding one against the other for maintenance service -- they have their customers and Mr. Moorefield has had them for years and they love him, and if Mr. Moorefield moved from here to Rustburg, I think they would go with him. As to the status of the fuel farm, I really do not know what the status of the fuel farm is; it is kind of up in the air. I know that from the beginning of Virginia Aviation, we controlled the fuel farm, but we do not anymore and that is just another one of those things that makes me wonder if at the end of 4 years I would have anything left.

Mr. Dave Young

I am currently the president of Freedom Aviation and the Dean of the School of Aeronautics at Liberty University. I have been in aviation almost 50 years, 29 years in the military, and since I came here to Lynchburg I have been flying out of this airport, Falwell Airport and many airports around this area. In addition to that I am very pro-general aviation. I serve on the Virginia Aviation Board as a regional representative for this area, I am the vice president of the Virginia Aviation Business Association, and I am a Board Member of the Virginia Aviation Historical Society. I only mention that, not to brag or boost my image, but perhaps to demonstrate that I have a vital interest in aviation, not only in the local area but in the Commonwealth.

I would like to just echo to a certain extent what Mr. Walker said, but perhaps come at it from a little different perspective which is my own. I will solidly endorse that there is not enough business on this airport for two FBOs, and regardless of any feelings or thoughts about that I think that there are models all over this country that would

substantiate that. For example, if you just go up the road to Charlottesville or go a little west to Roanoke, or even down a little southwest to Charlotte, none of those airports have two FBOs, they have one FBO.

It is very easy to say that they are different airports, which they are. For example, there are over a half million operations every year out of there and the majority of those are commercial operations, about 62%. The remainder are general aviation operations. If you go to Roanoke you are going to find a different mix, if you go to Charlottesville you are going to find a different mix, but it has been proven there and many other locations that two FBOs operating on the same airport, it is a tough row to hoe and that is what Mr. Walker mentioned a few minutes ago.

Not only has it been a difficult challenge for both FBOs here, we have literally lost business to this airport because of the existing arrangement. There are customers who would like to do business with Virginia Aviation, we have customers who would like to do business with Freedom Aviation, but they want a one-stop shop. Virginia Aviation has one of the best, if not the best, avionics shops in this state and probably this part of the country, but when someone has a \$4 or \$5 million aircraft and they bring it to them, and they want aircraft maintenance done on it, and they want avionics maintenance done on it, they generally do not like to deal with one FBO and so literally both of us have lost business as a result of that.

Going forward we are asking today that the Stock Purchase Agreement between Freedom and Virginia Aviation..., the point on the table is will the lease be assigned or not assigned with a purchase. That is absolutely critical to us at Freedom Aviation, without that it does not make sense, without that it would not make sense to any FBO that were to come in here.

Now, what will we do going forward. My heart is in general aviation and it has been for almost 20 years, and my heart is in developing this airport and developing aviation in the Commonwealth of Virginia. I think the best opportunity for us to do that is the request that we have on the table today. I think our best years are ahead of us here at Lynchburg Airport; I think there are opportunities for growth that do not exist right now; I think there are customers that do not come to Lynchburg Airport because they have the alternative to go somewhere else and they cannot get the service that they want here. So I think growth is definitely an opportunity that we are not realizing to its fullest extent.

When we look at the facilities on the airport, they range from fairly new facilities to facilities that were built in World War II, the old green, what I call Quonset, hangars over there. They need to be razed, they need to be torn down and new facilities be put up, and that is what we bring to the table if we are given the opportunity to expand our operation where we put hangars on the airport [and that] is very critical to us.

It is very congested, if you are familiar with the airport and you saw what Mr. Courtney showed a few moments ago, it is very congested where we operate out of now. Centra Health is flying their helicopter, the State Police are flying their helicopter, we are flying thousands of operations a year with our flight training, we have transient traffic, we have T-hangar traffic down there, and in fact it comes close to being a safety hazard. For us to expand and expand in that area doesn't make sense to me. I think we need to diversify across the airport and that is very hard for us to do under the current arrangement with two FBOs. We would see maximizing the existing facilities, we would see constructing new facilities, and we would see tearing down those facilities that we really don't need on this airport anymore.

I think it is very difficult for the airport administration to deal with two FBOs. One FBO brings one single point of contact, brings one single point of contact to the City, brings one single point of contact for general aviation. Why should we compete internally on this airport when we should be competing regionally? We do not compete regionally, we do not compete regionally with fuel, with services, with transient service, and I think that is an opportunity that we are losing the way we are operating today.

Just this week I had four different discussions on events for this airport. We were asked if we would host the National Collegiate Flying Competition here in 2016. Now what does that mean? It means about 50 – 75 airplanes on the airport for a week; it means over 500 participants and support people here staying in the hotels, eating in the restaurants, buying fuel. I answered 'I did not know,' because under the current arrangement I did not know if we could support that.

The FAA was here Thursday of last week asking if we would host an event, and host it every year, that is now currently being hosted in Richmond because they see a better opportunity and a more successful operation if they were to do it here.

This Saturday -- and for any of you ladies who have young girls or daughters in your families -- we are hosting Women Can Fly which encourages young people, some of you I see in the audience, some of you people fly in support of that, you did last year. When the phone rang, and they asked would we be able to host it in Lynchburg, they called Freedom Aviation and they stepped up. And on the 6th of June, for those of you who are aware of the D-Day Memorial in Bedford, it is going to be the 70th Commemoration of that invasion in Normandy, and they had arranged for airplanes to fly in that ceremony including the Army's Golden Knights. Again, a single point of contact, one FBO, serve them fuel, orchestrate their arrivals and departures, and to coordinate that for them would be very helpful.

Another thing that I think is critical: airports are measured in many ways (and Mr. Courtney knows much more about this than I do), but one way they are measured is the number of operations that they have, and I will tell you that

Lynchburg ranks very high across the Commonwealth and across the nation. One of those reasons is because of the flight training activity here and so this will allow us to grow even more. The more operations you have, the more funding you are eligible for; the more justification you have for keeping Control Towers open and the more justification you have for additional support.

I wanted to talk about some of the trepidations, and I will come back to the items that Mr. Courtney had on the screen a few moments ago. We hear about the loss of jobs if this were to occur. I would very strongly argue in a different mode. If you create more business, and you build more facilities, and you sell more fuel, and you bring more industry to this airport and around this airport, then it goes to say more jobs will be created.

I could tell you that we have had that opportunity since [we] purchased Falwell Aviation a little over 4 years ago. There were possibly 20 employees of the company at that time and they had been able to increase to over 50 employees because of the level of business that they had been able to create.

There are concerns about pricing, there are concerns about fuel prices going up. There is no way we could raise fuel by a dollar or 2 dollars or 3 dollars a gallon, and the reason why was, first of all, we would price ourselves right out of the market. We want to bring business in here, not drive business away. I am an aircraft owner, I have owned aircraft for over 10 or 12 years now. I fly out of this airport, I buy fuel and I buy it at the same price that any based customer here buys it. So it would be not only my own personal interest, but most certainly from a competitive interest, that we are not going to try and sell fuel at prices you pay for it at Dulles, and the reason you don't go to Dulles in a private airplane is because you do not want to have to pay that fuel price unless someone else is paying for it if you are a corporate aircraft.

An item that has not been mentioned, that I solidly endorse, are the efforts that have been made in promoting commercial air service out of this airport. Mr. Courtney briefed the Chamber of Commerce meeting the other day saying that 33% of the customers that fly on US Airways out of here are Liberty University-associated customers and personnel. I wish that we had two more airlines...three more airlines...four more airlines in here, simply because not only do I travel personally by commercial air, but it just makes good business sense.

One of the ways that we can do that is to build up a need for that service. I believe that any time you grow a business you are going to do that. Another thing I am mentioning in conjunction with commercial air service is that we are a one-airline town, and we are one airline away from not having airline service here, we are probably one airline away from having two airlines here but we had two here just a few years ago and due to a last minute sort of thing we are down to one airline. There is nothing that guarantees that we are going to keep airline service here, there is nothing that guarantees we are going to have two airlines here. I had hoped that we had three or four airlines here but what I will say is if we are investing in the future of this airport, it should not just be tailored to airline service. We should do everything that we possibly can to build a total portfolio of what we have on this airport and we see the opportunities to do that.

Now, Jenna throw me my prop [she threw him a small stuffed elephant]. We have a weekly staff meeting at Freedom Aviation School of Aeronautics. This is Eddie, and Eddie is an elephant, and there is an elephant in this room that I do not think anyone really wants to address, and it is simply this: There is this fear, this trepidation, that all Liberty University wants to do is take over this airport. That could not be further from the truth. We are interested in increasing our business at Freedom, we are interested in increasing the growth or [accelerating] growth, getting more students in Liberty University, and by creating an environment where they can offer students more than just flight training, more than just unmanned aerial systems, more than what they are getting right now. And that will only serve to feed their growth and create an aviation center of excellence here at the Lynchburg Airport which does not exist anywhere else in the country.

I would like to address, if I have not already, some of Mr. Courtney's points. Some of the concerns of the public, monopoly, I think that I have already addressed that. There is a monopoly at Charlotte, there is a monopoly at Roanoke, there is a monopoly at Charlottesville if you want to define it that way. But I do not see it that way. I do not see it as a monopoly. I see it as a partnership between an FBO, between a business and the airport and a community to create business, and to provide the service that you need regardless of whether you are a pilot or a passenger.

I have already addressed the fear about rising prices. I just do not see that happening because we could not remain competitive, it would be stupid for us to do that. Future FBO competition, yes, that probably is a concern. But then are we going to get back into the ball game where we have two FBOs and neither one of them will have enough business to really operate?

Force customers off the field? Why in the heck would anyone in their right mind want to force customers off the field if they are bringing money into your business? That is the stupidest thing I have ever heard. I don't know if one of you all said that, but if you did I apologize for calling you stupid, but my point is we are about growing business; we are about building more facilities; we are about having more airplanes on the airfield. Why? We want airplanes, we want to have hangar space for them, we want to charge hangar rent, we want to sell fuel, we want to provide maintenance service - why would we force anybody off the field?

Sub-tenants that Virginia Aviation has -- I am aware of a couple. One is the flight school, and I can tell you right now that Freedom Aviation has its own flight school (and for those who are familiar with FAA nomenclature, it is a Part 141 Certified Flight School, a Cessna Pilot Center). We are maxed out with the number of students and the need for resources...the need for facilities...the need for airplanes to fly that. One of the very first things we would do is entertain a conversation with that existing flight school because we need resources, we need experienced flight instructors.

Eliminate the MRO. Now, some of you may not know exactly what an MRO is: It is maintenance, repair and overhaul facility. Last year, the City commissioned a study asking what we would have to do to create jobs, opportunities for more jobs in the Lynchburg area. Does anybody know what the number one recommendation was? It was to create an MRO. And do you know where that idea came from? That idea came from the fact that Freedom Aviation is already refurbishing aircraft; we have been doing it for several years. Those old Jetstream Aircraft that Mr. Courtney alluded to a few moments ago that used to be down on the South end of the ramp, we are refurbishing those aircraft, it is a business model for us. Do you know where we are limited? We have airplanes across the country that we could bring in here, and do the same thing with, but we do not have the space for it. We do not have the personnel to support it, and we cannot create the space under our existing leasehold.

The status of the fuel farm, I think that, personally, is because if you have one FBO here, that FBO, like Virginia Aviation, does now and will manage and support that fuel farm.

I hope I have addressed the direction in which I see us going if this were to occur, and by us I mean Freedom Aviation. I hope I have addressed the aspect of customer service, and we are committed to general aviation, we are committed to supporting our customers to the very utmost, and I trust that I have addressed the elephant in the room because I think that is something that is probably on some people's minds. So the bottom line in my opinion is simply this: We have someone who wants to sell their business, we have a buyer for that business. I believe the best option is one FBO, as long as the lease assignment accompanies that. Thank you.

C. Public Comment Period

Stewart Hobbs Now we have reached the Public Comment period. Are there members [of the public] here who would like to comment? Just come up here and speak through the microphone so everybody can hear you.

Joe Morales Afternoon. I am an employee with SML Aviation and a Liberty graduate, year 2013 of the School of Aeronautics. I am not an expert on this subject at all, except I love flying airplanes. One of the things that I really wanted to come to this meeting for is competition is always better, free market is always better, and that is what this country is based on. You kept mentioning, hearing over and over, that these nearby airports have fuel prices that are working out great for them. Here at Lynchburg, where we have the two FBOs competing for fuel prices, we are \$1.11 cheaper on fuel than Charlottesville is, \$1.16 per gallon less than what Roanoke is, and we are 4 cents cheaper than Charlotte is. Now those were the three examples that were used showing that one FBO can work, yet I know several people, just from the short time I have worked at the general aviation ramp over here, that have come here and said, yes, fuel prices are better here.

You can get on *Foreflight*, which is on Apple iPad, and it will quote you a fuel price which is what I just did. We have two FBOs, and fuel prices are over a dollar cheaper. Was it a coincidence? I don't know. It might just be because we have a better supplier, but their excuse saying that as a government council we can limit the pricing put on fuel.... I am not one for putting more control into the government's hands. We can look at the federal government and see what that does. Free market is the best way to go, and that is the best way to help the customers and businesses grow.

Another question that I would have is: If Freedom were to purchase everybody, who would their employees be? Would they be Freedom or would they be Liberty employees? Would they have to follow Liberty's rules and guidelines and their discrimination rules? It says right on their HR page that because of the organization that they are, they can ask you about your religion, they can ask you about your belief in homosexuality, they can ask you about all this different stuff and choose not to hire you based on that because it is a religious organization. Great, but if that is a private organization, let them do it. But for the people that are already working for Virginia Aviation, are they going to fall subject to these rules, and are they going to have to go home to their families and say we don't go to church every day so I don't have a job anymore? That would be something else I would want answered as an employee, not necessarily for Virginia Aviation, but for a subsidiary of that aviation company.

Stewart Hobbs Anyone else?

Mark Briers I am a pilot, an owner, a 30-year resident of the area. I have watched Liberty Baptist College grow up to be Liberty University and they have done a great job. My children have attended Liberty University and I have done my flight training there.

I completely respect Dave Young's opinion and his vision, but I would argue that this isn't a typical airport. Anyone that flies general aviation in this area, at this airport, during the time period that Liberty's flight school is active, knows that this is not typical. In comparison to Roanoke and Charlottesville, they don't have a flight school which -- hats off

to Dave -- has generated a very vibrant and growing environment, but it is not the same. This airport is different than others, and I have flown across a lot of places in this country, and this airport is different than others.

I am glad that the Airport Commission has a competitive environment as part of their charter. My concern is mainly priorities. What is Freedom's priority going to be toward general aviation? Their priority, in my opinion should be, and probably is, the flight school. That is what has gotten them where they are, and that is what is paying the bills.

As a general aviation pilot, my concern is how am I going to get fuel...how am I going to get repairs... and where do I sit in the pecking order. We already deal with being different than commercial, now we are going to be below the flight school, and we are going to be at least third on the list, if not somewhere further down, so that is my concern. I wish you guys would look at the consideration; what is the priority and what can we do to keep general aviation to not be third or fourth on the list.

The second thing is about fuel. As other people that have flown around this area know, it [LYH] does not have self-serve fuel. Brookneal does have it. It was cheaper to fly to Brookneal to fill-up, and that is no longer the case. It would help general aviation if we could get self-serve fueling and those are my concerns.

Stewart Hobbs

Is there anyone else with comments?

John Wolfard

I am an aircraft owner and I also live in the City. My concern would be that as Mr. Young [wants to be] able to expand the hangar space to help bring in more planes, and more CFIs and more individuals to be able to bring in more customers. I would ask the question, who are those customers? Are those other customers GA pilots, or are they more Liberty University students? By all means, it is a great program that they have there, but I would ask the question if they are going to tear down the hangar space, where are general aviation planes going to go? How are they going to be able to have those on the ramp...how are they going to be able to facilitate those different _____ that are rampant today...how are they going to have access to the airport if it is a monopoly environment with a tremendous [increase in] Liberty University students?

I went to Liberty University, and I am a proponent for the school, but I think at the same time that we have to make sure that we have clear separation between what the University is doing, and what the City is doing to promote general business. Just not by growing Liberty University as an organization, but by growing the entire entrepreneurial spirit of the area, and that is not going to be a monopoly environment.

Stewart Hobbs

Is there anyone else with comments? If there is nobody else, then I want to offer the chance to rebut, so if there is no-one else then....

Dave Young

I appreciate the comments, and I do not see it as a rebuttal but more of explaining and putting people at ease. In regard to the employee question, obviously we would be in trouble if we discriminated on hiring so we do not do that, and secondly Freedom Aviation is a for-profit, standalone company and we have standards that we set. We measure our employees as much as anything on performance, and the right attitude, and being able to provide the very best customer service, and being the best mechanics, and the best pilots they can possibly be. I would not take that so far as to say that we would tolerate misbehavior, or we were going to tolerate inadequate performance, or we were going to tolerate things that would not be acceptable in any company. I think you could ask any one of our Freedom Aviation employees -- I think there are two or three in the audience -- their position on that.

Some of the points that Mr. Courtney made, I think if I copied them correctly, are the expansion of the flight school and what that does to the traffic pattern. And I would be less than forthright if I did not tell that we have a very busy traffic pattern here, we all know that.

I fly in and out of this airport quite frequently. Now having said that, obviously because of that busyness it brings business...it brings support...it brings funding...it brings things to this airport that we would not have, for example a control tower. Last year, and I think everyone is familiar with the fact that our control tower was at risk due to the sequestration within the federal government, one of the justifying factors for having a control tower is the number of operations.

Having said that, some of you are aware of the fact that we are starting to expand beyond Lynchburg with our flight operations. We already have an operation in Newport News and we are about to open four in Northern Virginia. We are expanding beyond that into other states and the reason for that is probably twofold: one, it is reaching a market that we can't bring to Lynchburg; and, secondly is being able to support that market because we know full well that we can only handle so many students at this airport. Now having said that, if this were to go forward, we have looked at airports in the local area. We have looked at expanding our operations beyond the Lynchburg Airport -- and I think there are some opportunities to do that -- but we are fully aware of the traffic pattern congestion at some times.

My hat is off to our tower control operators here for the great job that they do with it. I fly in and out of airports all over this country as some of you do. I go into uncontrolled fields, I go into class B airfields and experience the extremes of both, and I personally enjoy it when I have a tower that I can work with because of the safety factor that it provides. On top of that, I enjoy the fact that when I do come into an airport, because of the level of business I have, the

support services that I need [are there]. It is an awful feeling when you go into a small airfield and you pump your own gas and one of your engines won't start, and there is nobody there that can help you with that. I think there are some great benefits to being able to have a busy airport to a certain extent, but I am fully aware of the concerns and we are right now monitoring and measuring out _____ simply because of that factor.

As far as priorities -- general aviation and the flight school -- we deal with that on a day-to-day basis and I think they did it quite well, but that is my perspective. I have many general aviation customers that have no association with the flight school...for maintenance...for fuel...for hangar...for a variety of reasons, and so far, we have been able to balance that and that is part of our business model. We would not want to do this if we were not going to increase that business model. We see the support of general aviation, whether it is Citation jets or Cessna 172s, or even less than that as our customer.

I am not sure if it was Mr. Courtney, but someone mentioned the Smith Mountain Lake Flight School. I think I have already addressed that -- that is the one that is operating under a sublease with Virginia Aviation now.

Self-serve fuel, that is an option that I know the airport has looked at. In fact, I think the airport director, several years ago, commissioned a study with members of the Airport Commission. I think that would be something that anyone of them would be open to, but it has to make financial sense. Somebody has got to pay for those tanks, and somebody has got to pay for those credit card readers and things like that, but it is definitely something that we would be open to. I think the Brookneal self-service fuel is supported by Virginia Aviation right now, and that is something that we would definitely look at as we go forward.

As far as hangar space, that is part of our model, we want to build not only to support our current operations but to support our hangar customers, whoever they may be. Right now, I think we are renting about nine or ten spaces from Virginia Aviation to hangar our aircraft; but, the point I want to make is our flight school aircraft quite often spend the night on the ramp because we are putting based customers, transient customers and someone who needs hangar covering in the hangar and our airplanes sit outside so that is the kind of choice we make today.

I hope I have addressed all of the questions that came up.

Stewart Hobbs

We have three parties to this agreement, Virginia Aviation, Freedom Aviation and the City of Lynchburg. Mr. Courtney do you and the City Manager have a position that you want to address before I open it.....

Mark Courtney

If I could address some of the... rebut some of the statements.

Stewart Hobbs

Yes, you may.

Mark Courtney

On the issue that Mr. Young brought up relative to opportunities for [growth] not being fully realized, as the Commission is well aware our Master Plan has identified a number of very excellent sites on this airport for growth. We currently are negotiating with Freedom Aviation for one of those spaces. In fact, we just completed a \$1.2 million concrete ramp project that is in the process of being expanded as part of the relocation and realignment of our taxiways along with an extension of that same apron to the tune of \$4.6 million.

That is all for aeronautical purposes and aviation services, and the infrastructure on this airport to allow for the expansion of Liberty University and their flight training programs, particularly from the standpoint of building additional facilities. You may recall that some years back one of our prime sites that adjoins Runway 17 [is] a 12-acre site on Airport Road. We actually got to the point, based on Liberty University's interest in a flight operations center there and needed that much space, that we ended up actually going forward with a \$30,000 environmental assessment. Before that environmental assessment was done, due to other plans that were made by Liberty for other facilities off airport, that has not gone forward. Dave did acknowledge that Liberty sees this going forward sometime in the future, although it is not known exactly when.

When it comes to the capital investment and opportunities on this airport, in the last dozen or so years nearly \$40 million in capital grant funds, both federal and state, have been invested in infrastructure and airfield improvements at this airport. There has certainly been ample opportunity for Liberty to grow without having to take over existing facilities or existing FBOs.

In terms of special events, again, that may be something in the short-term that is constrained, but clearly from the standpoint of both the new concrete ramp, as well as the \$4.6 million expansion we have underway right now that will be done by the Fall, that will clearly make for tremendous additional infrastructure and capacity for those kind of special events.

I just want to also clarify what Dave [stated earlier] that when I was speaking at the Chamber the other day 30% of our airline customers were Liberty University customers. I was referring to an International Survey that was done back in 2012, and of the total of 6,000 tickets that were analyzed among the three dozen or so companies that participated in that survey to project how much international business they would generate in the future, the result was 33% of Liberty-generated traffic for international purposes on a projected basis. So it was nowhere close to that in terms of actual Liberty students or users of the airport.

As far as only one airline, I am sure you are very well aware we have gone from six or seven major airlines in this country (with the most recent merger being US Airways acquiring American), down to three airlines. Roanoke used to have six, they are down to three; we had three, and we are down to one. It is called consolidation, and one could argue that we actually have two airlines now if you combined US Airways with American. And, the fact that the combined airline is now the largest airline in the world, and commands nearly a 30% market share compared to the 28% or so for United, Continental and Delta (each). So believe me, having the level of service that we do, and the successful service that generates load factors that averaged 78% [during] all of 2013 [while] generating (per 50 seat aircraft) higher revenue per flight than Roanoke and significantly higher than Charlottesville [is encouraging].

US Airways is very happy with us and we are looking for expansion. Yes, we would like to get United, but they are in a bit of disarray still. But nonetheless, we have good, solid air service right now and we have every intention of keeping that. I do not see any threat as far as this airport is concerned to lose all airline service, especially when we have the largest [airline] in the country.

And finally, one of the reasons we focus on commercial airlines is the fact that we operate under a commercial service airport business model. [Some] 85% of our revenues are derived as a result of airline service, whether it is parking lot, rental cars or the airline itself. I just want to show you [refers to slide], this is based on FY 2013 and [represents] the revenues that the airport generated. We have approximately a \$3 million operating budget and, based on revenues, this is how it breaks down and includes the airport operating and capital fund. You can see our largest source of revenue is from FAA [AIP] grant funding, with the Virginia Department of Aviation (in terms of entitlement funds) being next at \$612,000. US Airways, followed by Republic Parking, then followed by our subsidy at \$336,000. Hertz Rental Car alone generates \$288,000 in revenue directly to the airport. Next are Virginia Aviation and Freedom Aviation in terms of their contributions, Avis and Budget fall into place and it goes down from there.

This is no way a criticism of Liberty University's business model...it is an excellent business model. Their flight training program is the envy of many universities around the country, even long established ones. It is growing in leaps and bounds. It's just that it's a part of their FBO and university flight training business model. There is nothing wrong with that, it is just that that business model does not fit very well with a commercial service airport business model from the perspective of generating [airport] revenue. That is why we concentrate so much on commercial air service; we have \$3 million in expenses that we have to pay for around here every year, and believe me, that parking lot right out there and the rental car business is what pays the bills, and that is why we emphasize that so much.

One final minor thing. It is very important the number of operations that we have this year. Last year we finished with 115,000. Through federal fiscal year 2013 it was 125,000, and we are projecting 132,000 operations this year. Those number of operations actually makes Lynchburg Regional Airport the third busiest airport in the State, as a matter of fact.

Among the 515 Contract FAA Towers in the country, we are ranked 128 in terms of [operations], so yes, we [have] a busy...a very busy, traffic pattern. But when it comes to grant funding, all of our grant funding that we receive from the FAA is a direct result of federal entitlement funds as a commercial service airport, [and is] based on airline passengers. And all of our State grant funds are entitlement funds that are generated solely because of being a commercial service airport and, again, that is also based on a formula for enplaned [airline] passengers. So it gives you an idea of how critical...when it comes to our total budget, our total revenues, capital and operating at \$5.4 million...of how important that airline service is.

(3) Commission deliberation and requested action:

Stewart Hobbs	We have come to Commission deliberation and action so I open it up to the Commission Members. Questions, comments?
Lynch Christian	I would like more time to consider the issue. Do we need to decide today? This is a very complicated issue
Stewart Hobbs	I would think everybody would like a decision today; we can certainly defer it, but I'm not sure....
Lynch Christian	I find it very complicated; there are lots of issues being raised here today and I am not sure where I stand. I would sure, from a personal standpoint, like some time to think about it.
Bert Dodson	Mr. Chairman, I totally agree with Mr. Lynch Christian. This is a very difficult decision. You and I were on City Council in 1998 when the City was subsidizing \$750,000 a year [for the airport], and we have gone down. We are the only municipal airport in the State of Virginia that has commercial service that is run by [a] city. All the other locations -- Charlottesville, Richmond, Roanoke, whatever -- are authorities, and that is a whole different animal. Hopefully, one day we will be an authority.

I know that some people want to go on and make a decision, but spending 12 years on Council, I am glad to have the City Attorney here and the City Manager [because] there are a number of questions, [and] we are not the decision making body. We make recommendations to City Council, but I can assure you that City Council Members will really

take the words spoken at this Commission Meeting -- and from the different Commission Members -- to heart when they make the decision in relation to the issue before us.

Stewart Hobbs Is that a motion that we defer action?

Bert Dodson I move to defer action to our next Commission Meeting, which is pretty soon, June 16, 2014.

Bob Day I'll second it.

Stewart Hobbs All in favor...

Kim Payne Can we have some discussion on that motion?

Stewart Hobbs Yes, we can.

Kim Payne I guess if this is going to be delayed, it would be helpful if the staff understood what sort of information you need in order to consider and make a decision. I would like to know what other issues you would like to.....

Bert Dodson Since I made the motion, Mr. City Manager. Mr. Bob Day, in an email April 29, 2014, had a bunch of questions in relation to the issue for our City Attorney. This is the first time the City Attorney is here. The other issues that we have, it is a lot of different information given here over the last hour. Mark says one thing, Mr. Young says another thing, so we can find out what is common ground here. We are the members of this Commission, appointed by City Council, we are the _____ of the City taxpayer dollars. And the County representatives, with all due respect, although Campbell County gets the Personal Property tax from [the airport], [City] taxpayers have been supporting this for many years and the decision we make today is going to impact this airport for many years to come, so that is my answer to you Mr. City Manager.

Stewart Hobbs I did not hear any specific direction for you, Mr. Payne

Kim Payne I heard that you would like the questions that Mr. Day asked addressed by either staff or the City Attorney. [We should present this] information to this group, so this group can deliberate and come to a decision. I don't know what you would gain by putting this off for 2 or 3 weeks unless you want more information. That is really my question.

Don Brown What I would like to see are some comments that would be directed to the Commission from the users on the airport today. There are a lot of customers at Freedom, there are a lot of customers at Virginia Aviation. I would like to get their opinions on what they see so that we can forward that information to Kimball and the Commission so that maybe a decision can be made.

The other thing is that I think we need to come to grips with who is going to manage the day-to-day operation of this airport now, five years from now, ten years from now. Is it going to be an entity that is leasing all of the facilities, or is it going to be the municipality? I think that is something that we need to think about as we move along. I think that decision has to be thought about.

Bob Day One of the things that I have not heard about this afternoon is what are the benefits to the City? I have heard about the benefits to Freedom Aviation...I have heard about the benefits to Virginia Aviation...but, this is a City Airport and there hasn't been any that I have picked up in the arguments that have been given as to how this is going to benefit the City. I need to think some more about that because this is going to be a very critical decision for the City to make, to give up all of its facilities to Freedom. It basically only has two parts to play, as the facilities and the fuel farm.

Stewart Hobbs The fuel farm is not included, and I don't know where the fuel farm status is other than a day-to-day basis, month-to-month, but it is not included in the lease with Virginia Aviation.

Bob Day I would like to think about the Mission of the airport, and how it goes forward and how this airport is going to grow. We have heard a lot about how Freedom is going to grow, but I would like to know how this airport is going to grow and the benefits to the taxpayer in this particular proposal that is on the table. And I have not heard that yet, and I need to do some more thinking about this before I reach a decision.

Stewart Hobbs Is there anybody else?

Debby Allen One question that I have and I don't know that there is an _____ answer but _____ to all the different people of the airport... this flight school is very successful. It is growing. What assurances would the City have of a balance between general aviation and the flight school?

Dave Young Stewart, I will be happy if you want me to, I will be more than happy to address the financial _____ to the Commission.

Stewart Hobbs I think, Dave, probably we can do that later, and do it in writing and put down formally on paper so that everybody can see it and maybe analyze it a little better. Mr. Payne, do you have your direction or do you need a little more?

Judy Bristow I am Council for Freedom Aviation. I was involved in the stock [purchase].... There are a lot of questions...we may be able to answer better once there is a deal formulated, but...one thing might affect another, and it is going to be a domino process. We have been very careful to try to be resourceful for our client.... Our job today was to come and to try to bring to you a mutual front to demonstrate that finally, after a number of years, will there always be animosity or There are a lot of questions that you all as City representatives need answered; however, I am not sure that -- I might be putting my foot in my mouth here -- I am not sure that...in trying to follow the legalities of what they need, a document to work out.... I do not know whether this is...and whether assurances...to benefit from this, the change because you just don't know how _____ it would be.

We put together the sheet that we handed out to you all at the beginning, and it is a mutual understanding of the various _____ that concerns the City.... I just wanted to make sure that we were not losing track. I know that we still have a lot of work to do _____...perhaps we will continue to battle this out then, we will be in more of a trial situation then but I really came today as part of the process we would hold _____....

I respect the fact that you all need more time, but nothing is going to get better for either side if you stall this. We have employees who are uncertain as to what is going to happen, so ever since we made the [proposal], there has been a lot of rumors and we have really tried to tell our folks not to _____ a whole lot, but that is pretty difficult to control. So I just ask that you keep that in mind when determining whether or not you want to defer this decision because City Council is still going to be the one to enforce it and I am sure that....

Bert Dodson Ma'am, you are from the William Mullens Law firm from Roanoke or from Richmond?

Judy Bristow From Richmond.

Bert Dodson We are appointed by City Council, and they defer a lot of decisions to us. This is a very important decision for our City and for our City taxpayers; it is three or four weeks now from the 16th. I regret that you find it uncomfortable for us to go through a process, but I think that we are going to go through that process hopefully for the vote of the Commission and we welcome you back on June 16th.

Stewart Hobbs Are there any other comments? ...
I have a comment, having been in this business for most of my adult life, and I see the problems from both sides. I appreciate, Bob, what you said. I see no benefit to the City that satisfies me to push this forward, but we are here to make a decision, and I am willing to make it today based on what I have heard. There is a motion to defer it, there is a motion and a second and I am willing to hold a vote if there is no more discussion.

_____ I thought we did vote.

Stewart Hobbs No, we did not vote. The motion is to defer, that is what I have.

Bert Dodson We had a voice vote, but...

Stewart Hobbs Well, the City Manager asked for discussion before the vote and we discussed, so at this point, the motion is on the floor to defer it to our next meeting, and hopefully there is additional information that will satisfy all of you. I am satisfied as it is, so I will request a show of hands. All in favor of deferring.

Bert Dodson Mr. Chairman, before that, does the City Manager have a vote since he has abstained?

Stewart Hobbs He said he was not going to vote.

Kim Payne I don't intend to vote on the final recommendation, but I do have an opinion about delaying it and that will be not to. But I will not vote, and defer it to the rest of you.

Stewart Hobbs The City Manager will not vote; he would prefer to go forward. A show of hands for all those in favor of the motion to defer this to our next meeting. The vote was tied at 4 to 4, with Kim Payne not voting.

<u>In Favor</u>	<u>Against</u>	<u>Not Voting</u>
1. Bert Dodson	1. Stewart Hobbs	1. Kim Payne
2. Don Brown	2. Debby Allen	
3. Lynch Christian	3. Bob Day	
4. Charles Nowlin	4. Mike Davidson	

The motion does not carry, by my recollection of Roberts Rules of Order. So we are then on the floor, as I understand it, to not recommending to City Council. Can someone -- Walter help me out here.

Walter Erwin The motion to defer does not carry, so then the next step would be: Are you ready to send it to City Council without a recommendation?

Stewart Hobbs With or without a recommendation.

Walter Erwin You could send it to them saying we discussed it further, or if you reach a majority or a decision on the issue, you can make that. If not, you could say the Commission is unable to come to a decision, so we are sending it to City Council without a recommendation from the Commission.

Stewart Hobbs So, having heard from legal counsel, is there a motion to some effect as to whether we proceed with a recommendation to council to approve it, or a motion to not approve it, one way or the other? We need to do something. We can do either or, we can have a vote to say we do not approve...or we can have a vote to say we don't have a recommendation...or we can vote to approve, either way. We voted to delay and that was not passed, that failed so....

Bert Dodson Mr. Chairman, since four of us decided to delay and four of us decided to go ahead, I have a lot of questions that won't be answered, so I will not do my service to the City. I have a ton of questions to ask in open meeting, closed meeting, so I will just make a motion that we make no recommendation to council since I think the cart is before the horse, and people have already made up their minds even though a lot of questions have [not] been answered.

Stewart Hobbs Your motion, Bert, is to make no recommendation to council, is there a second?

Lynch Christian I will second that, I don't feel like I understand enough about the situation to make a recommendation to City Council. I would like to know more about what is in the cart not just who the horse is.

Stewart Hobbs We have a motion and a second, is there discussion?

Bert Dodson We are here today, we will make the decision, we want to go to City Council, we want to ignore you and continue on, no other discussion, so give them what they want.

Stewart Hobbs The motion on the floor is to make no recommendation to City Council and send it to them as it is.

Don Brown I have a question. If we do that, does that mean that the Commission at this point is out of the picture?

Bob Day We were appointed by the Council; they are interested in our opinion. We try to give them our best judgment. Four of us thought that we needed a little bit more time and a little bit more information. That did not carry. We now have to make the decision based upon the information that we have and what we have heard, and we should make that decision and send that to the Council. That is why we were appointed.

Stewart Hobbs So, the motion is that we forward it without any endorsement or recommendation. I do not agree with that motion, I don't agree with that position. As you said, I think we need to vote up or down, one way or the other, but not abdicate and give away our position.

Don Brown It seems to me that if you vote it down, now you can discuss and go in the meeting on the 16th and discuss it some more, and then maybe open it up for another solicitation from the entity.

Stewart Hobbs No, no, no. We vote it up or down. It goes to Council up or down...we are through.

Lynch Christian I don't feel qualified at this point, I don't feel that I have enough facts in my mind to make a vote, to make a recommendation, one way or another.

Debby Allen I have one question that has not been asked. According to the contract that is in existence right now, if Virginia Aviation is sold, then the lease is terminated. If that were to occur, then Freedom would negotiate with the City or they are not interested in buying Virginia Aviation. By looking at the contract -- and I was not on the Commission when that was developed -- it was set up that way and Virginia Aviation agreed to it. So, I am just trying to determine why we don't go through the way the contract is, and then if that were the case, then we would be negotiating with Freedom Aviation.

Judy Bristow Without that, it is not happening.

Walter Erwin The reason that provision was put in the contract was to deal with this specific situation. We are not completely surprised that Virginia Aviation and Freedom Aviation have worked out a deal. That was in our minds that might happen. So the City wanted to have the option at that time if it did occur, should the City take control of some of these facilities and try to run it itself.

If the contract is going to get signed, should the City try to negotiate a better deal? Certainly giving Freedom control of all the facilities gives them the chance to enhance its revenues, so should the City try to get a better deal at this time?

Saying we want more rent...what's best by the current lease agreement? Or, should the City simply say we think signing the lease is a good deal as sent to it. But, the City wanted to have the opportunity to do what is being done today.

By having the Commission look at this situation and answer the question, does the assignment of the existing lease best serve the City's interest and the interest of the public for which the airport exists? In the public's interest, does assigning the existing lease best serve that interest or does something else happen should the City take over] the operation as the Airport Manager has suggested and run some of these facilities itself?

The City thinks it could enhance the revenue, and the City believes it will still give customers some element of choice, or should the City say, 'Look, we agree to the assignment but we want a better deal than we currently have' or, should the City go with the third option of simply approving the assignment of the current agreement as Virginia Aviation and Freedom Aviation have both requested?

Mike Davidson I know my place on the Commission is that I represent the County, not the citizens of Lynchburg, but as a representative on this Commission representing Campbell County with this airport being in Campbell County, I do have a great deal of interest and concern and value that I place on this airport. I think the one thing that was said here tonight that confirmed my opinion on the decision that needs to be made was made by Mark Courtney.

Mark talked about the merging and consolidation of the airlines and how that made them better and stronger and more competitive. That is what these people are trying to do, they are trying to merge and consolidate to get stronger and better. I think we have two independent businesses that have negotiated and reached a deal and have come to an understanding of how they can serve this area better. And for that, for the purpose of discussion, I would like to offer a substitute motion that we recommend to City Council to approve the lease agreement with renegotiated terms so if the City wants to negotiate and raise the rent term, so be it. But I really am steadfast and believe that approval of the reassignment of the lease should be something that we should consider.

Stewart Hobbs Walter, help me out. We have a motion on the floor, moved and seconded to go to Council with no recommendation. We have a substitute motion, can that be addressed?

Walter Erwin If the substitute motion is made and seconded, then technically, if you want to follow Roberts Rules of Order, the next step would be for the Commission to vote on whether or not the substitute motion replaces the main motion. If the substitute motion passes, then it becomes the main motion and you vote on it. If the substitute motion is not passed, then you go back and vote on the original motion.

Charles Nowlin Walter, I have a question. The issue before us is not one of the assignment of the lease per se, is it?

Walter Erwin This is the request that has come to the City: That Virginia Aviation and Freedom Aviation have requested that City Council approve the assignment of Virginia Aviation's lease to Freedom Aviation as part of Freedom Aviation's purchase of Virginia Aviation.

Charles Nowlin Well, the way that I read it is, the provision that you spoke to a minute ago is the provision that precludes the assignment because the lease cancels itself at the sale.

Walter Erwin But like any other contract, that provision can be changed.

Charles Nowlin So the request is to change the provisions of the existing lease.

Walter Erwin It is that the City not enforce that provision, that instead of terminating the lease that the City overlook that provision and approve the assignment of the existing lease to Freedom Aviation.

Bob Day The lease will come up for renegotiation in four years?

Walter Erwin Right, the lease will come up the end of June of 2018. A little over four years from now this will be up for negotiation again

Jimmy Walker Walter, my memory of that, which might not be right, is that if Council approves it, it doesn't terminate, if the lease is transferred without Council's approval it terminates.

Walter Erwin Well, the lease cannot be transferred without Council's approval. If the stock sale or purchase --whatever the agreement is between Freedom and Virginia Aviation -- proceeds without Council approval then the lease automatically terminates. What you are asking is that Council not impose that provision, that Council waive that provision in the lease, and allow the lease to go to Freedom Aviation along with the other assets of Virginia Aviation

Bert Dodson I would like to respond to Mr. Day's comment. I don't know about the other people who voted to extend this conversation to June 16th, but from what I am hearing I am not voting for or against it, we just need more information. If you are convinced it is a great thing, then fine. If you have had the opportunity to ask a lot of questions and get all of your answers, fine. But like some of us who have served on City Council, and we had public hearings, we find a lot of information about _____. You get a lot of information from people, and then you make a decision. But, there again, some of us don't feel we got enough information and that is why we won't make the decision.

Stewart Hobbs We are stretching my limited abilities here, but we have a motion and a second to send it to City Council with no recommendation, we then had a substitute motion which does not have a second. Is there a second to the substitute motion? Let's hear the substitute motion.

Mike Davidson To recommend to City Council the reassignment of the lease but also offer to renegotiate the terms so that the City could benefit by higher income realizing more revenue. I think what that does is it accomplishes the merger but also gives the City the benefit of being able to benefit more by the lease.

Stewart Hobbs Is there a second to that substitute motion?

Don Brown I have a comment. Aren't you going to do that anyway? You are going to look at the lease; if we recommend to do what the gentleman says, we are going to be looking at the lease and making a decision whether you are going to continue it or change it.

Walter Erwin That would be up to City Council. Certainly, that would be an option for City Council. You can make a recommendation to Council and try to predict what Council might and might not do once the matter comes to them, even if you recommended that vote to Council with the recommendation that they simply approve the assignment of the lease. When it gets to Council, Council could say, 'Well, we would be willing to approve the assignment, but only if we renegotiate some of the terms.' That would certainly be an option that is available to Council, just as the same option is available to the Commission when the Commission makes its recommendation. Do you want to recommend straight approval...do you want to recommend approval with renegotiation possible...do you want to recommend not approving...or do you want to send it with no recommendation at all?

Stewart Hobbs So, from what I hear, the substitute motion does not have a second. Last chance. So the substitute motion fails.

We go back to Mr. Dodson's previous motion of sending it to City Council with no recommendation from this body, which I think is wrong, but that is on the floor, moved and seconded, discussed. So I will ask for a show of hands: All in favor of that motion, 1, 2, 3 motion fails (I am assuming everybody else votes no).

So we are back to a motion to Council. Someone needs to make [a motion] that says we recommend this proceed as petitioned; that we recommend that it not proceed as petitioned without our recommendation; or we can make a recommendation with certain questions as to what we want to be looked at, I don't know. I need a motion.

Don Brown I am going to make a motion that the parties come back on the 16th with the same information, and in the meantime, since we know what is involved right now, we can do our study and still come back on the 16th of June and reconsider it. That is the motion.

Mark Courtney Would you restate the motion Don.

Don Brown Since we can't get it _____ today, let's come back.

Stewart Hobbs Well, I think we just voted not to delay it.

Bob Day I am going to move that the Commission recommend to the City Council that it not accept the request of Freedom Aviation to assign the lease.

Stewart Hobbs That is pretty simple and clean. Is there a second.

Charles Nowlin I second it.

Stewart Hobbs There is a second from Mr. Nowlin. Is there discussion?

Bob Day _____ and the question for the Commission is we have to make a recommendation to them concerning the health, welfare and future growth of this airport. What we have heard today is a proposal that makes them [Freedom] very healthy and they [Freedom] are going to grow very nicely. But the question is the airport itself, and how is it going to grow in the future?

We have not heard any benefits today at all how this is going to benefit the airport. I don't believe that I can recommend supporting something that doesn't have any benefit to the airport. I know that is really what I am voting for.

Stewart Hobbs I must say, having been in this business, that I agree.

Lynch Christian You have made it clear how you feel.

Stewart Hobbs Yes.

Bob Day [They have] put together a proposal that was somewhat of a long shot because they hooked this thing in there of 'please pull that phrase out.' They [Freedom] could have made a nice, clean acquisition; a stock purchase agreement without anything having to do with the lease. They could have done that, and then they could have negotiated with the City for the facility.

Lynch Christian I am not sure that I agree with that, because with the purchase the lease would automatically terminate. I have heard some comments today that suggest that it would highly beneficial to the City, and highly beneficial to general aviation, and I find it very difficult to make a decision on a motion without some further understanding of the facts. I feel like we are sitting in Council's shoes here. Council has asked us to give a recommendation, and I don't feel comfortable making a decision one way or the other, without further understanding what the circumstances are.

Stewart Hobbs I disagree with that. I feel comfortable, but that is my background.

Bert Dodson We are no different than the Planning Commission or other Commissions that have been established by City Council. They do not have the resources that we have being Airport Commission Members for a number of years. I don't have the knowledge that you have being in general aviation for many years, but they will listen to what the Commission says. And they might overrule what we say -- it happens all the time.

Stewart Hobbs Well, they haven't done anything on the last recommendation [on airline fueling] that we made.

Bert Dodson Point: This is very crucial right here and I totally agree with Mr. Christian. We are not aviation people, Mr. Christian and I and several others. We are not trying to put the decision off forever, we are just asking for a few weeks to ask for more information to make the proper decision.

Stewart Hobbs That motion was made and failed.

Bert Dodson We could always make it again.

Stewart Hobbs I have a current motion and a second that we send it to Council recommending disapproval, is there additional discussion?

Debby Allen If we vote to disapprove it would still give us the option of negotiating.

Stewart Hobbs No, we don't tie their hands at all.

Debby Allen We are just voting to honor the contract and then they will still be negotiating.

Don Brown Then it goes to Council.

Charles Nowlin But it is Council's decision.

Stewart Hobbs It is always Council's decision, but it is our recommendation; we, as their appointed Commission Members.

Debby Allen Yes, but I am just clarifying the obvious, that it doesn't preclude Freedom Aviation to become a single FBO.

Stewart Hobbs No, they will go straight to Council but without our recommendation [to approve]. So is everybody happy with what we have said? We all happy or not? Are we ready to vote? All in favor of this motion...

Bob Day Please restate the motion.

Stewart Hobbs It is your motion, I will let you restate it.

Bob Day The motion is to not recommend approval of the request

Stewart Hobbs All in favor, a show of hands. 1, 2, 3, 4, 5. Opposed 1, 2 and Mr. Lynch Christian abstained and Mr. Payne is not voting.

In Favor

1. Debby Allen
2. Bob Day
3. Charles Nowlin
4. Don Brown
5. Stewart Hobbs

Opposed

1. Mike Davidson
2. Bert Dodson

Abstained/Not Voting

1. Lynch Christian
2. Kimball Payne

Bert Dodson So, point of order: Does this mean the Commission has decided to not make a recommendation?

Stewart Hobbs The Commission decided to turn down the request [as] recommended.

(4) ADJOURNMENT

Stewart Hobbs

And with that, if there is no further business, we stand adjourned.

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **June 24, 2014**

AGENDA ITEM NO.: 11

CONSENT: REGULAR: **X**

WORK SESSION:

CLOSED SESSION:
(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Shelter Plus Care Program (Permanent Supportive Housing Program) Grant Renewal**

RECOMMENDATION: Adopt a resolution to amend the FY 2015 City/Federal/State Aid Fund budget and appropriate \$98,298 with resources of \$88,298 from the U.S. Department of Housing and Urban Development (HUD) and \$10,000 transferred from the FY 2015 General Fund Division of Social Services budget to provide at least 10 units of tenant-based rental assistance and associated case management services.

SUMMARY: The Central Virginia Continuum of Care (CoC), on behalf of the City, submitted the renewal grant application for the Shelter Plus Care Program (also known as Permanent Supportive Housing Program). The City has received this renewal grant award in the amount of \$88,298 from the U.S. Department of Housing and Urban Development (HUD). The overall goal of this grant is to identify homeless persons, ready for permanent housing, and offer additional time, financial assistance and services to supplement their own resources, skills and motivation to live independently and achieve self-sufficiency.

With the annual renewal grants issued since Fiscal Year 2010 the City, as grant recipient, in conjunction with Lynchburg Neighborhood Development Foundation (LNDF) has been coordinating this program to provide rental assistance to eligible homeless persons and/or households who are prepared to enter into permanent housing.

Beginning with this renewal grant LNDF has advised City staff that they no longer wish to administer this grant for the City. With the housing partnership and knowing the similar nature of housing services provided by Lynchburg Redevelopment and Housing Authority (LRHA), City staff contacted LRHA regarding the possibility of LRHA administering this grant for the City. This matter was presented to the Board of Commissioners at LRHA's meeting on June 18, 2014; the Commissioners accepted grant administration responsibilities for the Shelter Plus Care Program. LRHA will provide the supportive services and case management needed, and continue to engage local property owners to work with the program so that appropriate housing is available to the current and eligible new participants in the Program.

The Division of Social Services, through contractual services within their FY 2015 General Fund budget, will be providing \$10,000 for the case management services component of this grant.

PRIOR ACTION(S): June 24, 2014: Finance Committee

FISCAL IMPACT: Funding of \$10,000 is available from the FY 2015 General Fund Division of Social Services budget for case management; no additional local funding is needed.

CONTACT(S): Bonnie Svrcek, Deputy City Manager, 455-3987
Melva Walker, Grants Manager, 455-3916

ATTACHMENT(S): Resolution
Shelter Plus Care Grant Award Letter
LNDF Letter
LRHA Resolution

REVIEWED BY: bms

RESOLUTION:

BE IT RESOLVED that the FY 2015 City/Federal/State Aid Fund budget is amended and \$98,298 is appropriated with resources of \$88,298 from the U.S. Department of Housing and Urban Development (HUD) and \$10,000 transferred from the FY 2015 General Fund Division of Social Services budget to provide at least 10 units of tenant-based rental assistance and associated case management services.

Introduced:

Adopted:

Certified:

Clerk of Council

087K



U. S. Department of Housing and Urban Development
Community Planning and Development Division

Richmond Field Office
600 E. Broad Street, Floor 3
Richmond, VA 23219-1800
1-800-842-2610

JUN - 3 2014

RECEIVED
JUN - 5 2014
Council/Manager
Offices

Mr. L. Kimball Payne
City Manager
City of Lynchburg
900 Church Street
LYNCHBURG, VA 24504

SUBJECT: Processing Your FY2013 Continuum of Care (CoC) Grant Agreement
Shelter Plus Care—City of Lynchburg
Grant Number: VA0139L3F081305

Dear Mr. Payne:

Congratulations on the final selection of the City of Lynchburg for renewal grant funding under the FY2013 Continuum of Care (CoC) program. All conditions attached to your award for this project have been met or are in process of being met. This one year award will continue to support your program previously funded by HUD in FY 2012, further contributing to our national effort to end homelessness.

The operating start date of the renewal grant is 1 June 2014 (eligible expenses incurred on or after this date through 31 May 2015 may be reimbursed through the grant).

Upon execution of the renewal grant agreement by you and HUD, HUD will obligate the total funds for this project in the amount of \$88,298.00 allocated as follows:

- | | |
|--------------------------------|-------------|
| 1. Grant for rental assistance | \$79,468.00 |
| 2. Grant for administration | \$8,830.00 |

I enclose three copies of the grant agreement that constitute the agreement between the City of Lynchburg and HUD. Please sign all three copies and return them to this office within two weeks of receipt of this letter. When they are received, HUD will sign and execute them and return one to you.

Please note that your grant cannot begin and HUD cannot disburse any funds to you for this project until the grant agreement is fully executed.

If you have any questions, please call me at (804) 822-4831. Staff requiring technical assistance should contact Dr. P. Anthony Brinkman at (804) 822-4827. We look forward to working with you toward the successful continuation of your Continuum of Care (CoC) project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ronnie J. Legette". The signature is stylized with a large initial "R" and a long horizontal stroke.

Ronnie J. Legette
Director

Enclosures

LYNCHBURG NEIGHBORHOOD DEVELOPMENT FOUNDATION

927 Church Street
Lynchburg, VA 24504

Phone: (434) 846-6964
FAX: (434) 846-6966

Cindy Sommers
Interim Executive Director

March 19, 2014

Melva Walker
Grants Administrator
900 Church Street
Lynchburg, Virginia 24504

RE: Permanent Supportive Housing Program (Formerly Shelter Plus Care)

Dear Melva,

This is to confirm Lynchburg Neighborhood Development Foundation (LNDF) supports the City of Lynchburg's search for an organization other than LNDF to manage the City's Supportive Housing Program. As discussed, it would be helpful to allow a period of time for a smooth transition from one operator to another. LNDF would be pleased to continue managing the program in this interim period.

If you have questions regarding this matter or need any additional information, please do not hesitate to let us know. As always, we appreciate your support and the opportunity to work with you.

With warm regards,



Cindy Sommers

Resolution Authorizing the Lynchburg Redevelopment & Housing Authority to Assume Management of the Lynchburg Permanent Supportive Housing – Continuum of Care Program Pursuant to §§ 36-19 & 26 of the Code of Virginia (1950, as amended).

W I T N E S S E T H :

WHEREAS, the United States Department of Housing and Urban Development (“HUD”) currently provides \$88,298.00 in grant funding (the “HUD Funding”) under Grant Number VA0139L3F081305 to the City of Lynchburg (the “City”), as recipient, to fund and oversee a HUD Continuum of Care program, currently named by the City as the Permanent Supportive Housing Program (the “Program”); and

WHEREAS, in addition to the HUD Funding, the City of Lynchburg provides an additional \$10,000.00 in funding (the “City Funding”) for the operation of the Program; and

WHEREAS, the Program is designed to (i) promote communitywide commitment to the goal of ending homelessness, (ii) provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness, (iii) promote access to and effect utilization of mainstream programs by homeless individuals and families, and (iv) optimize self-sufficiency among individuals and families experiencing homelessness; and

WHEREAS, the Program has been operated by the Lynchburg Neighborhood Development Foundation (“LNDF”), as sub-recipient of the HUD Funding and recipient of the City Funding; and

WHEREAS, LNDF recently informed the City it would no longer be able to operate the Program; and

WHEREAS, the City has requested the Authority to accept the HUD Funding and the City Funding, and to operate the Program; and

WHEREAS, the Authority is authorized by §§ 36-19 & 26 of the Code of Virginia (1950, as amended) to operate programs such as the Program; and

WHEREAS, the Authority is willing to accept the HUD Funding and the City Funding, and to operate the Program; and

WHEREAS, the Authority believes it will cost slightly more than the combined amount of the HUD Funding and the City Funding to operate the Program;

THEREFORE, BE IT RESOLVED, by the Commissioners of the Authority that the Executive Director of the Authority is hereby authorized to negotiate with and to enter into an agreement with

the City under which the Authority would operate the Program, on the condition the combined amount of the HUD Funding and the City Funding is not less than \$98,298.00 and is sufficient in the opinion of the Executive Director for the Authority to operate the Program and meet its obligations under such agreement.

R. Dawn Logan Attest
Secretary of the Lynchburg Redevelopment
& Housing Authority

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **June 24, 2014**

AGENDA ITEM NO.: 12

CONSENT:

REGULAR: **X**

WORK SESSION:

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Approval of Amendments to the Charter Agreement of the Central Virginia Criminal Justice Academy**

RECOMMENDATION: Adopt a resolution approving amendments to the charter agreement of the Central Virginia Criminal Justice Academy.

SUMMARY: The attached letter explains that the Board of the Central Virginia Criminal Justice Academy wishes to update the academy's charter to reflect greater consistency with that authority granted by the State Code for such organizations. Staff has reviewed the proposed changes and has no concerns.

PRIOR ACTION(S): As noted in the letter, the City of Lynchburg is one of the original members of the criminal justice academy and approved both the original charter in 1975 and its amendment in 1990

FISCAL IMPACT: None

CONTACT(S): Kimball Payne, 455-3990

ATTACHMENT(S): Resolution; Letter of Explanation; Clean and black-lined copies of the charter

REVIEWED BY: lkp

A RESOLUTION APPROVING THE AMENDED CHARTER AGREEMENT
OF THE CENTRAL VIRGINIA CRIMINAL JUSTICE ACADEMY

WHEREAS, the Central Virginia Criminal Justice Academy ("Academy") Board of Directors has recommended amendments to the Academy's Charter Agreement that was adopted in 1990; and

WHEREAS, approval of the amendments by participating governmental units of the Academy is required by the Academy's existing Charter Agreement;

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LYNCHBURG THAT the amendments to the Academy's Charter Agreement recommended by the Academy's Board of Directors, dated May 5, 2014, are hereby approved, and the CITY hereby enters into the Charter Agreement attached hereto.

Adopted:

Certified:

Clerk of Council

085K



CENTRAL VIRGINIA CRIMINAL JUSTICE ACADEMY

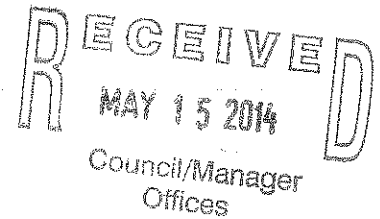
P. O. Box 287
1200 Church St.
Lynchburg, VA 24505-0287
(434) 455-6190
Fax (434) 847-1478
Website www.cvcja.org

BOARD OF DIRECTORS

Chief Norman J. Hudson, Chairman
Chief Parks H. Snead, Vice-Chairman
Sheriff Thomas D. Jones
Sheriff Ronald L. Gillispie
Sheriff Steve A. Hutcherson
Sheriff Brian K. Roberts
Sheriff Darrell L. Hodges
Chief C. Doug Bradley, Ex-officio
Administrator Timothy E. Trent, Ex-officio
Director Shawn P. Walker, Ex-officio

May 14, 2014

Mr. L. Kimball Payne, III
City Manager
P.O. Box 60
Lynchburg, VA 24505



MEMBER AGENCIES

Alberta Police Department
Altavista Police Department
Amherst County Sheriff's Office
Amherst County Emergency Operations Center
Amherst Police Department
Appomattox County Sheriff's Office
Appomattox County E-911
B&W Police Department
Bedford County Sheriff's Office
Bedford County 911
Blackstone Police Department
Blue Ridge Regional Jail Authority
Brodnax Police Department
Brookneal Police Department
Brunswick County Sheriff's Office
Buckingham County Sheriff's Office
Buena Vista Police Department
Burkeville Police Department
Campbell County Sheriff's Office
Campbell County 911
CVCC Police Department
Charlotte County Sheriff's Office
Chase City Police Department
Clarksville Police Department
Crewe Police Department
Cumberland County Sheriff's Office
Dillwyn Police Department
Drakes Branch Police Department
Farmville Emergency Communications Center
Farmville Police Department
Halifax County Sheriff's Office
Halifax County 911 Communications Center
Halifax Police Department
Hampden-Sydney College Police Department
Hurt Police Department
Kenbridge Police Department
LaCrosse Police Department
Lawrenceville Police Department
Liberty University Police Department
Longwood University Police Department
Louisa Police Department
Lunenburg County Sheriff's Office
Lynchburg City Sheriff's Office
Lynchburg Department of Emergency Communications
Lynchburg Police Department
Lynchburg Regional Airport Police Department
Mecklenburg County Sheriff's Office
Mecklenburg County 911
Meherrin River Regional Jail
Nelson County Department of Emergency Services
Nelson County Sheriff's Office
Nottoway County Sheriff's Office
Piedmont Regional Jail
Piedmont Geriatric Hospital Police Department
Prince Edward County Sheriff's Office
South Boston Police Department
South Hill Police Department
Victoria Police Department
Virginia ABC Board
Wintergreen Police Department

Dear Mr. Payne:

The Board of Directors of the Central Virginia Criminal Justice Academy (CVCJA) submits herewith recommended amendments to the Charter Agreement for the Academy. All members of the Board of Directors, including the representatives from your planning district, have approved the recommended amendments as presented.

Provisions of the current Charter Agreement require approval of such amendments by three-fourths of the participating jurisdictional governing bodies.

Accordingly, the Board of Directors respectfully request consideration and action on the included resolution by the governing body of your political entity.

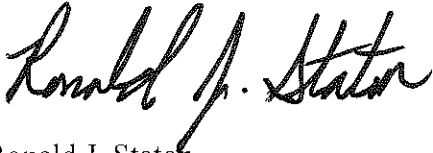
The Charter Agreement is a document required by the Code of Virginia setting forth the aims, policies, rules and procedures agreed upon by the participating localities and criminal justice agencies joining to create a regional training academy. The current agreement dates from the creation of the Academy in 1975 and amended in 1990. The Board of Directors is of the opinion that the current Charter Agreement no longer adequately addresses the operational and management needs of the Academy.

The recommended amendments are designed to more accurately define the policies, rules and procedures in keeping with present and future needs of the Academy. The purpose

*A State Certified Academy
Established 1975*

for the Charter revisions is to make clear that the Academy has all the powers, authority, attributes and immunities as specified in the Title 15.2, chapter 17, Article 5 of the Code of Virginia (Va. Code § 15.2-1747 et seq.), which is part of the Virginia Code that created the regional criminal justice academies in 1993. The CVCJA was originally formed pursuant to the authority of former Va. Code § 15.1-21 (now § 15.2-1300, which allowed political subdivisions to exercise their powers jointly and form regional association. In view of the need for the Board of Directors to meet certain specified deadlines, please return your adopted resolution by August 1, 2014.

Sincerely,

A handwritten signature in black ink, reading "Ronald J. Staton". The signature is written in a cursive, flowing style.

Ronald J. Staton
Executive Director

cc: Chief Parks H. Snead
Sheriff Ronald L. Gillespie
Director William Aldrich
Captain C.T. Carter

Enc.

Please return adopted resolution to:

Ronald J. Staton
Executive Director
Central Virginia Criminal Justice Academy
P O Box 287
Lynchburg, VA 24505

**A RESOLUTION APPROVING THE AMENDED CHARTER AGREEMENT
OF THE CENTRAL VIRGINIA CRIMINAL JUSTICE ACADEMY**

WHEREAS, the Central Virginia Criminal Justice Academy ("Academy") Board of Directors has recommended amendments to the Academy's Charter Agreement that was adopted in 1990; and

WHEREAS, approval of the amendments by participating governmental units of the Academy is required by the Academy's existing Charter Agreement;

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LYNCHBURG THAT THE AMENDMENTS TO THE Academy's Charter Agreement recommended by the Academy's Board of Directors, dated May 5, 2014, are hereby approved, and the CITY hereby enters into the Charter Agreement attached hereto.

ADOPTED: this _____ day of _____, 2014.

CERTIFIED: _____

BY: _____

CENTRAL VIRGINIA CRIMINAL JUSTICE ACADEMY
CHARTER AGREEMENT
(amended May 5, 2014)

SECTION 1. CREATION/ACADEMY NAME

Pursuant to Va. Code § 15.2-1747, the governmental units specified in the attached Resolutions hereby create the Central Virginia Criminal Justice Academy (hereinafter called the "Academy") which shall have all the powers, authority, attributes and immunities as specified in Title 15.2, Chapter 17, Article 5 of the Code of Virginia (Va. Code § 15.2-1747 et seq.) as amended from time to time. The Academy exists under and is subject to the terms and conditions of this Charter Agreement, which shall be deemed to constitute the agreement required by § 15.2-1747. The Academy was originally formed by agreement dated October 20, 1975, as amended in 1990, pursuant to the authority of former Va. Code § 15.1-21 (now § 15.2-1300), and was originally known as the Central Virginia Criminal Justice Training Center. The Academy being created hereunder is a continuation of the original Academy; accordingly, the effective date of the organization of the Academy is October 20, 1975. The actions taken by the Academy and its predecessor entities since its inception in 1975 are hereby ratified.

Other criminal justice agencies as defined and regulated by the Virginia Department of Criminal Justice Services may join the Academy by two-thirds vote of the Academy's board of directors. The principal office of the Academy shall be located in the City of Lynchburg, Virginia. All participating jurisdictions and agencies shall be assigned to one of three Planning Districts as established by the Board. If an agency joins that is not within the geographical boundaries of the three established Planning Districts, such agency will be assigned to the closest Planning District.

SECTION 2. PURPOSE

The purpose of the Academy is to establish and conduct training for law enforcement and correctional officers, those being trained to be law enforcement and correctional officers, and other personnel who assist or support such officers.

SECTION 3. DURATION

This agreement shall exist in perpetuity unless amended or terminated by two-thirds vote of the Academy's board of directors. A governmental unit and other criminal justice agencies as defined and regulated by the Virginia Department of Criminal Justice Services may withdraw from the Academy only in accordance with the procedure specified in Va. Code § 15.2-1747D.

SECTION 4. BOARD OF DIRECTORS

A. Selection and Composition

There is hereby created a Board of Directors (hereinafter called the "Board") which shall be the governing body of the Academy. The Board will be composed of no more than seven members, with each member having one vote. There shall be two elected representatives from each of the participating planning districts. Members of the Board shall be elected from each of the planning districts by the heads of the law enforcement agencies in that particular district, each agency having one vote. If a head of a law enforcement agency cannot be present for a scheduled election, he may be represented by a proxy of his choosing. The head of the law enforcement agency of the jurisdiction that serves as fiscal agent shall hold a non-elective standing position on the Board. The majority of the Board of the Academy shall be composed of heads of law enforcement agencies of member departments and chief executives of local political subdivisions. Each planning district shall have at least one Board member who is the elected head of a law enforcement agency. Additional members shall come from the Criminal Justice System. Ex-officio member positions may be appointed by the Board as deemed necessary by the Board. Such appointments are for a period of one year, from July 1 through June 30. Selections shall be made during the Spring meeting for the coming year. These ex-officio members shall be voting positions.

B. Terms

Each Board member's term will be three years and will begin on January 1. Election of new Board members will occur in the fall of the year in which the incumbents' terms expire. A Board member may serve successive terms if duly elected. The Board members in place in 2014 will remain the same and will continue with the remainder of their terms of office. If a Board member cannot fulfil the obligation of office for the full term for any reason, the heads of the law

enforcement agencies of that particular planning district shall at their earliest convenience elect a new member to complete that term. If any Board member misses three consecutive Board meetings, the heads of the law enforcement agencies of his/her planning district shall be notified. Upon petition by the majority of the heads of law enforcement agencies of a planning district, the Academy's Executive Director shall schedule a special election for the purpose of refilling such Board member's position for the remainder of the term.

C. Meetings

The Board shall meet in the Spring of each year to adopt a proposed operating budget for the Academy for the ensuing fiscal year. The Board shall fix such other meeting times as it deems necessary. Written minutes of meetings shall be kept.

D. Officers

The Board shall elect a chairman and vice-chairman for the following calendar year during their fall meeting. The chairman and vice-chairman shall be from different planning districts. The Chairman's duties are as follows:

1. To preside over all meetings of the Board.
2. To provide guidance to the Director.
3. To appoint special committees to consider matters of special interest to the Board.
4. To represent the Board in public and private matters.

The Vice-Chairman's duties are as follows:

1. To preside at meetings in the absence of the Chairman.
2. To perform other duties as assigned by the Chairman or as directed by the Board.

E. Powers

The Board shall have the following powers and duties:

1. To develop and approve the Academy's curriculum in cooperation with, and subject to review by the Department of Criminal Justice Services.
2. To approve the operating policy including the expenditure of such funds as may be available in any year's appropriation, in such manner as the Board deems most appropriate.
3. To oversee and be responsible for the operation of the Academy, giving due consideration to the needs of the participating jurisdictions for recruiting and in-service training, for fixing length and frequency of training, and to service demand in fixing operations and staffing levels of the Academy.

4. To appoint a Director who shall serve at the will and pleasure of the Board. The Board shall approve such other positions as necessary and fix the compensation, powers and responsibilities of the Director and the staff members. Also, the Board will evaluate the Director on an annual basis.

5. To contract with participating jurisdictions for necessary administrative and maintenance services.

6. To promulgate a schedule in each year of fixed costs for maintenance of the Academy, equipment, basic staff and of the costs of operation depending on student population; and to promulgate an annual fee per authorized officer and other non-sworn personnel requiring training per department.

7. To provide for the training of students not employed by a participating jurisdiction, based upon a pre-arranged fee between the student's department head and the Academy Director.

8. To render decisions on referred student disciplinary matters that cannot be resolved between the Academy Director and the head of the student's agency. If acceptable disposition cannot be reached, the Director shall refer the matter to the Board for resolution.

9. Such additional powers as are permitted by Title 15.2, Chapter 17, Article 5 of the Code of Virginia (Va. Code § 15.2-1747 et seq.) as amended from time to time.

SECTION 5. DIRECTOR OF THE ACADEMY

The duties of the Director shall include:

1. Act as the Academy's fiscal officer.
2. Prepare the Academy's annual budget.
3. Act as the Academy's purchasing agent.
4. Advertise, hire, and train support staff.
5. Evaluate, discipline, terminate support staff.
6. Establish support staff work schedules.
7. Prepare Academy governing body meeting agenda in cooperation with the Academy Board chairperson.
8. Advertise Academy governing body meetings.
9. Provide liaison to Academy governing body members and other officials.
10. Develop and continually review Academy curriculum.
11. Schedule Academy courses and programs.
12. Review instructor lesson plans and tests.

13. Ensure that faculty and students comply with Academy bylaws.
14. Review Academy bylaws.
15. Monitor Academy courses and programs.
16. Select and evaluate faculty performance.
17. Prepare and submit Annual Report to the Academy governing body.
18. Prepare and distribute Academy training calendar.
19. Instruct as needed.
20. Enter into contracts as needed.
21. Assure satellite training as authorized by the Academy governing body.
22. Ensure compliance with applicable laws and regulations governing Academy operations and programs.
23. To be responsible for the supervision and discipline of the students, and to ensure their compliance with the rules and regulations of the Academy during their attendance at the Academy.
24. Schedule Board elections and notify the heads of the law enforcement agencies of the planning district.
25. Such additional duties as are given to the Director from time to time by the Board.

SECTION 6. FINANCING AND BUDGET

A. Capital Assets and Expenditures

To accomplish the Academy's purpose, the Board shall have the authority to incur debt, to acquire and own real estate, to secure obligations by placing deeds of trust upon its property, to contract for its location needs and to execute all necessary instruments and documents. Any indebtedness so incurred shall not be indebtedness of any participating local jurisdiction or agency.

B. Operating Expenses

The total operating expense of the Academy will be funded by the state and participating jurisdictions and agencies. The local share of expenditures shall be determined by the total number of authorized sworn personnel. Each participant shall contribute annually the cost per officer times its number of employees requiring training, as determined by the guidelines of the Department of Criminal Justice Services. The Board shall determine when the appropriation of each participant is to be made to the Academy. Any new participant, after being approved by the Board, shall be assessed the standard fee per authorized officer based on a prorated quarterly basis.

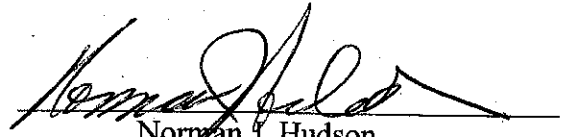
SECTION 7. TERMINATION

In the event this Agreement is terminated in its entirety, all property of the Academy shall be scheduled and valued by or at the direction of the Board and distributed in kind to the participants as nearly as is feasible in the same proportion as they contributed to acquiring the property. The word "termination" in this section applies only to the complete dissolution of the Academy in accordance with Section 3 of this Charter Agreement, and does not include those situations in which a participating jurisdiction or agency withdraws its membership.

SECTION 8. AMENDMENTS

The Board may recommend amendments to this Charter. Such amendments shall become effective upon approval by any two of the participating governmental units.

This Charter Agreement is approved by the Board this 5th day of May, 2014:


Norman J. Hudson,
Chairman, Board of Directors

CENTRAL VIRGINIA CRIMINAL JUSTICE ACADEMY
CHARTER AGREEMENT

(amended effective March ???, _____ 2014)

SECTION 1. CREATION/ACADEMY NAME

~~There is hereby created by~~ Pursuant to Va. Code § 15.2-1747, the undersigned Counties, Cities and Towns, governmental units hereby create the Central Virginia Criminal Justice Academy (hereinafter called the "Academy") which shall have all the powers, authority, attributes and immunities as specified in Title 15.2, Chapter 17, Article 5 of the Code of Virginia (Va. Code § 15.2-1747 et seq.) as amended from time to time. The Academy exists under and ~~be is~~ subject to the terms and conditions of this Charter Agreement, which shall be deemed to constitute the agreement required by §15.2-1747. The Academy was originally formed by agreement dated October 20, 1975, as amended in 1990, pursuant to the authority of former Va. Code § 15.1-21 (now § 15.2-1300), and was originally known as the Central Virginia Criminal Justice Training Center. The Academy being created hereunder is a continuation of the original Academy; accordingly, the effective date of the organization of the Academy is October 20, 1975. The actions taken by the Academy and its predecessor entities since its inception in 1975 are hereby ratified. ~~Section 15.1-21(15.2-1747), Code of Virginia 1950, as amended and promulgated through the Department of Criminal Justice Services for the joint exercise of powers of participating political subdivisions.~~

Other criminal justice agencies as defined and regulated by the Virginia Department of Criminal Justice Services may join ~~this agreement~~ the Academy by two-thirds vote of the Academy's board of directors. The principal office of the Academy shall be 1200 Church Street, located in the City of Lynchburg, Virginia 24504. ~~However, the Board has the power to move the principal office after a formal vote for the betterment of the Academy's operation.~~ All participating jurisdictions and agencies shall be assigned to one of three Planning Districts as established by the Board. If an agency joins that is not within the geographical boundaries of the three established Planning Districts, such agency will be assigned to the closest Planning District.

~~With all the powers, authority, attributes and immunities as specified in Title 15.2, Chapter 17, Article 5 of the Virginia Code (Va. Code § 15.2-1747 et seq.) as amended from time to time.~~

SECTION 2. PURPOSE

The purpose of the Academy is to establish and conduct training for law enforcement and correctional officers, those being trained to be law enforcement and correctional officers, and other personnel who assist or support such officers. ~~provide the participating jurisdictions and agencies with the highest achievable level of criminal justice training through the development and operation of training programs, both as mandated by the Commonwealth of Virginia and as authorized by the Board of Directors of the Central Virginia Criminal Justice Academy.~~

SECTION 3. DURATION

~~The Academy and t~~This agreement shall exist in perpetuity unless amended or terminated by two-thirds vote of the Academy's board of directors.~~dissolved by the Virginia Legislature or the Board of Directors of the Academy. If a~~Any participating jurisdiction ~~desires to withdraw from the Academy must follow the process as outlined~~ A governmental unit and other criminal justice agencies as defined and regulated by the Virginia Department of Criminal Justice Services may withdraw from the Academy only by two-thirds vote of the Academy's board of directors in accordance with the procedure specified in Va. Code § 15.2-1747,~~Code of Virginia,~~ they must notify the Board in writing by September 1 of the fiscal year immediately ~~preceding the fiscal year in which the department intends to withdraw. Other criminal justice agencies as defined and regulated by the Virginia Department of Criminal Justice Services may withdraw from the Academy following the process as outlined in 15.2-1747, Code of Virginia 1950 as amended.~~

SECTION 4. BOARD OF DIRECTORS

A. Selection and Composition

There is hereby created ~~the Academy~~ a Board of Directors, (hereinafter called the "Board") which shall be the governing body of the Academy. The Board will be composed of no more than seven members, with each member having one vote. There shall be two elected representatives from each of the participating planning districts. ~~Members of the Board shall be elected from each of the planning districts.~~ Members of the Board shall be elected from each of

the planning districts by the heads of the law enforcement agencies in that particular district, each agency having one vote. If a head of a law enforcement agency cannot be present for a scheduled election, he may be represented by a proxy of his choosing. The head of the law enforcement agency of the jurisdiction that serves as fiscal agent shall hold a non-elective standing position on the Board. The majority of the Board of the Academy shall be composed of heads of law enforcement agencies of member departments and chief executives of local political subdivisions. Each planning district shall ~~maintain~~ have at least one Board member ~~who is elected to that position and who is the head of a law enforcement agency.~~ Additional members shall come from the Criminal Justice System. ~~Additional members shall come from the Criminal Justice System.~~ Each board member shall have one vote.

B. Terms

Each Board member's term will be three years and will begin on January 1. [are the terms staggered according to planning district??] Election of new Board members will occur in November of the year in which the incumbents' terms expire. A Board member may serve successive terms if duly elected. The Board members in place in 2014 will remain the same and will continue with the remainder of their terms of office. If a Board member cannot fulfil the obligation of office for the full term for any reason, the heads of the law enforcement agencies of that particular planning district shall at their earliest convenience elect a new member to complete that term. If any Board member misses three consecutive Board meetings, the heads of the law enforcement agencies of his/her planning district shall be notified. Upon petition by the majority of the heads of law enforcement agencies of a planning district, the Academy's Executive Director shall schedule a special election for the purpose of refilling such Board member's position for the remainder of the term.

~~The current P positions and their terms of office on the Board shall remain the same. rotate as follows: In November 1990 and 1991 the heads of the law enforcement agencies of each of the three planning districts shall convene and elect one member who will assume duties on January 1 of the following year, with a tenure of three successive years.~~

~~Succeeding elections shall occur in each planning district in November, preceding the end of incumbent's three-year term. A Board member may serve successive terms if duly elected by a~~

planning district.

If a Board member cannot fulfil the obligation of office for the full term for any reason, the heads of the law enforcement agencies of that particular planning district shall at their earliest convenience elect a new member to complete that term.

If any Board member misses three consecutive Board meetings, the heads of the law enforcement agencies of his/her planning district shall be notified. Upon petition by the majority of the heads of law enforcement agencies of a planning district, the Director shall schedule a special election for the purpose of refilling such Board member's position for the remainder of the term.

C. Meetings

The Board shall meet in the Spring of each year to adopt a proposed operating budget for the Academy for the ensuing fiscal year. The Board shall fix such other meeting times as it deems necessary. Written minutes of meetings shall be kept.

D. Officers

In November of each year the Board shall elect a chairman and vice-chairman for the following calendar year (during their fall meeting.) The chairman and vice-chairman shall be from different planning districts.

Ex-officio member positions may be appointed by the Board as deemed feasible necessary by the Board of Directors. Such appointments are for a period of one year, July 1 through June 30. Selections shall be made during the April budget S(spring) meeting for the coming year. These ex-officio members shall be non-voting positions.

The Chairman's duties are as follows:

1. To preside over all meetings of the Board.
2. To provide guidance to the Director.
3. To appoint special committees to consider matters of special interest to the Board.
4. To represent the Board in public and private matters.

The Vice-Chairman's duties are as follows:

1. To preside at meetings in the absence of the Chairman.

2. To perform other duties as assigned by the Chairman or as directed by the Board.

~~The Board shall meet in April (spring) of each year to adopt a proposed operating budget for the Academy for the ensuing fiscal year. The Board shall fix such other meeting times as it deems necessary. Written minutes of meetings shall be kept.~~

E. Powers

A. Powers of the Board

The Board shall have the following powers and duties:

1. 1. To develop and approve the Academy's curriculum in cooperation with, and subject to review by the Department of Criminal Justice Services.
2. ~~2.~~ 2. ~~The Board shall also~~ To approve the operating policy including the ~~which it may~~ expenditure of such funds as may be available in any year's appropriation, in such manner as the Board ~~it~~ deems most appropriate.
3. 3. To oversee and be responsible for the operation of the Academy, giving due consideration to the needs of the participating jurisdictions for recruiting and in-service training, for fixing length and frequency of training, and to service demand in fixing operations and staffing levels of the Academy, ~~in connection with which it shall have the power to expend appropriate funds.~~
4. 4. To appoint a Director who shall serve at the will and pleasure of the Board. The Board shall approve such other positions as necessary and fix the compensation, powers and responsibilities of the Director and the staff members. Also, the Board will evaluate the Director on an annual basis.
5. 5. To contract with participating jurisdictions for necessary administrative and maintenance services.
6. 6. To promulgate a schedule in each year of fixed costs for maintenance of the Academy, equipment, basic staff and of the costs of operation depending on student population; and to promulgate an annual fee per authorized officer and other non-sworn personnel requiring training per department.
7. 7. To provide for the training of students not employed by a participating jurisdiction, based upon a pre-arranged fee between the student's department head and the

Academy Director.

8. To render decisions on referred student disciplinary matters that cannot be resolved between the Academy Director and the head of the student's agency. ~~Such matters shall be considered by a panel of three members of the Board to be appointed by the Chairman.~~ If acceptable disposition cannot be reached, the Director shall refer the matter to the Board for resolution.

9. Such additional powers as are permitted by Title 15.2, Chapter 17, Article 5 of the Code of Virginia (Va. Code § 15.2-1747 et seq.) as amended from time to time.

SECTION 5. DIRECTOR OF THE ACADEMY

The duties of the Director shall include:

- 9.1. Act as the Academy's fiscal officer.
- 10.2. Prepare the Academy's annual budget.
- 11.3. Act as the Academy's purchasing agent.
- 12.4. Advertise, hire, and train support staff.
- 13.5. Evaluate, discipline, terminate support staff.
- 14.6. Establish support staff work schedules.
- 15.7. Prepare Academy governing body meeting agenda in cooperation with the Academy Board chairperson.
- 16.8. Advertise Academy governing body meetings.
- 17.9. Provide liaison to Academy governing body members and other officials.
- 18.10. Develop and continually review Academy curriculum.
- 19.11. Schedule Academy courses and programs.
- 20.12. Review instructor lesson plans and tests.
- 21.13. Ensure that faculty and students comply with Academy bylaws.
- 22.14. Review Academy bylaws.
- 23.15. Monitor Academy courses and programs.
- 24.16. Select and evaluate faculty performance.
- 25.17. Prepare and submit Annual Report to the Academy governing body.
- 26.18. Prepare and distribute Academy training calendar.
- 27.19. Instruct as needed.
- 28.20. Enter into contracts as needed.
- 29.21. Assure satellite training as authorized by the Academy governing body.
- 30.22. Ensure compliance with applicable laws and regulations governing Academy operations and programs.
- 31.23. To be responsible for the supervision of the students, and to insure their compliance with the rules and regulations of the Academy during their attendance at the Academy.

~~32.24.~~ To refer students to the appropriate agency head for discipline and/or other action for violation of Academy rules and regulations. If acceptable disposition cannot be reached, the Director shall refer the matter to the Board for resolution.

~~25.~~ Schedule Board elections and notify the heads of the law enforcement agencies of the planning district.

~~33.26.~~ Such additional duties as are given to the Director from time to time by the Board.

SECTION 6. OFFICERS OF THE BOARD

A. Duties of the Chairman of the Board

- ~~1. To preside over all meetings of the Board.~~
- ~~2. To provide guidance to the Director.~~
- ~~3. To appoint special committees to consider matters of special interest to the Board.~~
- ~~4. To represent the Board in public and private matters.~~

B. Duties of the Vice Chairman of the Board

- ~~1. To preside at meetings in the absence of the Chairman.~~
- ~~2. To perform other duties as assigned by the Chairman or as directed by the Board.~~

SECTION 67. FINANCING AND BUDGET

A. Capital Assets and Expenditures

To accomplish the Academy's purpose, the Board shall have the authority to incur debt, to acquire and own real estate, to secure obligations by placing deeds of trust upon its property, to contract for its location needs and to execute all necessary instruments and documents. Any indebtedness so incurred shall not be indebtedness of any participating local jurisdiction or agency.

B. Operating Expenses

The total operating expense of the Academy will be funded by the state and participating jurisdictions and agencies. The local share of expenditures shall be determined by the total number of authorized sworn personnel. Each participant shall contribute annually the cost per officer times its number of employees requiring training, as determined by the guidelines of the Department of Criminal Justice

Services. The Board shall determine when the appropriation of each participant is to be made to the Academy. Any new participant, after being approved by the Board, shall be assessed the standard fee per authorized officer based on a prorated quarterly basis.

~~The Board shall determine when the appropriation of each participant is to be made to the Academy.~~

~~1. Any new participant, being approved by the Board, shall be assessed the standard fee per authorized officer based on a prorated quarterly basis.~~

SECTION 78. TERMINATION

~~Termination of this cooperative endeavor shall occur as provided for under Section 3 of the Charter Agreement. In the event this Agreement is terminated in its entirety, all property of the Academy shall be scheduled and valued by or at the direction of the Board and distributed in kind to the participants as nearly as is feasible in the same proportion as they contributed to acquiring the same property. The word "termination " in this section applies only to the complete dissolution of the Academy as set forth under in accordance with Section 3 of this Charter Agreement, and does not include those situations where in which a participating jurisdiction or agency may withdraws its membership.~~

SECTION 89. AMENDMENTS

The Board may recommend amendments to this Charter. Such amendments shall become effective immediately, or at another specified date, upon approval by three-quarters any two of the participating jurisdictional bodies.

~~THESE REVISIONS TO THE CHARTER ARE ADOPTED BY THE BOARD OF
DIRECTORS OF THE CENTRAL VIRGINIA CRIMINAL JUSTICE ACADEMY ON
THE _____ DAY OF~~

~~_____, 2014. ON THIS DATE THE BOARD IS
COMPOSED OF THE FOLLOWING:~~ This Charter Agreement is approved, adopted and
entered into by the following governmental units by ordinance or resolution, effective the
_____ day of _____, 2014:

I. CENTRAL VIRGINIA PLANNING DISTRICT

NAME _____ TITLE _____

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

II. PIEDMONT PLANNING DISTRICT

NAME _____ TITLE _____

III. SOUTHSIDE PLANNING DISTRICT

NAME _____ TITLE _____

ADDENDUM I

Important dates to note:

September 1 -- Jurisdictions desiring to withdraw from Academy

November — Planning districts convene to elect new member

January 1 — New Members term becomes effective

April — Adopt proposed budget

April — Appointment of Ex-officio members to the Board

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APPENDIX A

CENTRAL VIRGINIA TRAINING REGION

<u>CITIES</u>	<u>COUNTIES</u>	<u>TOWNS</u>	<u>OTHER</u>
Lynchburg	Amherst	Altavista	Babcock & Wilcox
South Boston	Appomattox	Amherst	Central Virginia Community College
Bedford	Brunswick	Blackstone	Central Virginia Training Center
	Buckingham	Boydton	Longwood College
	Campbell	Brodnax	Piedmont Geriatric Hospital
	Charlotte	Burkeville	Piedmont Regional Jail
	Cumberland	Brookneal	Wintergreen
	Halifax	Chase City	
	Lunenburg	Clarksville	
	Mecklenburg	Crewe	
	Nelson	Drakes Branch	
	Nottoway	Dillwyn	
	Prince Edward	Farmville	
		Halifax	
		Hurt	
		Kenbridge	
		Lacrosse	
		Lawrenceville	
		South Hill	
		Victoria	

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APPENDIX B

PARTICIPATING JURISDICTIONS BY DISTRICT

PLANNING DISTRICT 11 PLANNING DISTRICT 13 PLANNING DISTRICT 14

ALTAVISTA P.D. BOYDTON P.D. BLACKSTONE P.D.
AMHERST CO. S.D. BRODNAX P.D. BUCKINGHAM CO S.D.
AMHERST P.D. BRUNSWICK CO. S.D. BURKEVILLE P.D.
APPOMATTOX CO. S.D. CHASE CITY P.D. CHARLOTTE CO. S.D.
BEDFORD CITY P.D. CLARKSVILLE P.D. CUMBERLAND CO. S.D.
BROOKNEAL P.D. HALIFAX CO. S.D. CREWE P.D.
CAMPBELL CO. S.D. HALIFAX P.D. DILLWYN P.D.
CENTRAL VIRGINIA
TRAINING CENTER LACROSSE P.D. DRAKES BRANCH P.D.
CENTRAL VIRGINIA
COMMUNITY COLLEGE LAWRENCEVILLE P.D. FARMVILLE P.D.
LYNCHBURG P.D. MECKLENBURG CO. S.D. KENBRIDGE P.D.
LYNCHBURG CITY S.D. SOUTH BOSTON P.D. LONGWOOD COLLEGE P.D.
NELSON CO. S.D. SOUTH HILL P.D. LUNENBURG CO. S.D.
HURT P.D. NOTTOWAY CO. S.D.
PIEDMONT REGIONAL JAIL

PRINCE EDWARD CO. S.D.

PIEDMONT GERIATRIC

HOSPITAL

VICTORIA P.D.

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LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **June 24, 2014**

AGENDA ITEM NO.: 13

CONSENT: REGULAR: **X**

WORK SESSION:

CLOSED SESSION:
(Confidential)

ACTION: X

INFORMATION:

ITEM TITLE: **FY15-16 Virginia Retirement System (VRS) Contribution Rate For City Schools**

RECOMMENDATION: Adopt the attached Resolution to concur with the School Board's election of an 8.86% VRS contribution rate for the FY2015-2016 biennium, as included in the proposed FY2015 City budget.

SUMMARY: The 2014-16 Appropriations Act, Item 467 (I), requires localities and school divisions to formally elect Virginia Retirement System (VRS) contribution rates effective July 1, 2014. In addition, the act requires that local governments indicate their concurrence with the rate elected by the local school boards. The Schools' VRS rate of 8.86% is the rate that was certified by the VRS Board.

The resolution must be passed prior to July 1, 2014 and received by VRS no later than July 10, 2014.

PRIOR ACTION(S): City Council selected the City VRS rate on June 10, 2014.

FISCAL IMPACT: No impact. The FY 2015 Budget was based on schools rate of 8.86%.

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

ATTACHMENT(S): Resolution; Schools Resolution

REVIEWED BY: lkp

**Local Governing Body Concurrence with School Division
Electing to Pay the VRS Board-Certified Rate**

(In accordance with the 2014 Appropriation Act Item 467(I))

Resolution

BE IT RESOLVED, that the City of Lynchburg, 5-5210, does hereby acknowledge that the Lynchburg City Schools has made the election for its contribution rate to be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(I) resulting from the June 30, 2013 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED, that the City of Lynchburg, 5-5210, does hereby certify to the Virginia Retirement System Board of Trustees that it concurs with the election of the Lynchburg City Schools to pay the Certified Rate, as required by Item 467(I) of the 2014 Appropriation Act; and

NOW, THEREFORE, the officers of City of Lynchburg, 5-5210, are hereby authorized and directed in the name of the City of Lynchburg to execute any required contract to carry out the provisions of this resolution. In execution of any such contract which may be required, the seal of the City of Lynchburg as appropriate, shall be affixed and attested by the Clerk.

Mayor, City of Lynchburg

CERTIFICATE

I, Valeria P. Chambers, Clerk of the City Council of the City of Lynchburg, certify that the foregoing is a true and correct copy of a resolution passed by the Lynchburg City Council and ratified by the City of Lynchburg at a lawfully organized meeting of the City of Lynchburg held at Lynchburg, Virginia at 7:30 p.m. o'clock on June 24, 2014. Given under my hand and seal of the City of Lynchburg this ____ day of _____, 2014.

Clerk

**This resolution must be passed prior to July 1, 2014 and
received by VRS no later than July 10, 2014.**

Employer Contribution Rates for Counties, Cities,
Towns, School Divisions and Other Political Subdivisions
(In accordance with the 2014 Appropriation Act Item 468(H))

Resolution

BE IT RESOLVED, that the Lynchburg City Schools 40210/55610 does hereby acknowledge that its contribution rates effective July 1, 2014, shall be based on the higher of a) the contribution rate in effect for FY 2014, or b) eighty percent of the results of the June 30, 2013 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2014-16 biennium (the "Alternate Rate") provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(I) resulting from the June 30, 2013 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED, that the Lynchburg City Schools 40210/55610 does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2014:

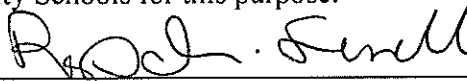
(Check only one box)

☒ The Certified Rate of 8.86%

☐ The Alternate Rate of _____%; and

BE IT ALSO RESOLVED, that the Lynchburg City Schools 40210/55610 does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this resolution; and

NOW, THEREFORE, the officers of the Lynchburg City Schools 40210/55610 are hereby authorized and directed in the name of the Lynchburg City Schools to carry out the provisions of this resolution, and said officers of the Lynchburg City Schools are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Lynchburg City Schools for this purpose.



Governing Body/School Division Chairman

CERTIFICATE

I, Wendie L. Sullivan, Clerk of the Lynchburg City School Board, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the Lynchburg City School Board held at Lynchburg, Virginia at 5:30 p.m. o'clock on June 17, 2014. Given under my hand and seal of the Lynchburg City Schools this 17th day of June 2014.



Clerk

**This resolution must be passed prior to July 1, 2014 and
received by VRS no later than July 10, 2014.**



Freedom Aviation
310 Hangar Road
Lynchburg, VA 24502
June 23, 2014

Via Hand Delivery and Email

L. Kimball Payne, III, City Manager
City of Lynchburg
900 Church Street, 3rd Floor
Lynchburg, VA 24504
kpayne@lynchburgva.gov

Michael A. Gillette, Mayor
City of Lynchburg
900 Church Street, 3rd Floor
Lynchburg, VA 24504
michael.gillette@lynchburgva.gov

Re: Assignment of Lease of Property – Aircraft Hangars, Offices and General Aviation Terminal dated July 1, 2013 by and between City of Lynchburg and Aviation Resources, Inc. dba Virginia Aviation (the “Lease”) from Virginia Aviation to Freedom Aviation

Dear Kim and Mike:

Reference is made to the letter dated April 11, 2014, pursuant to which counsel for each of Virginia Aviation and its owner, James R. Walker, and Freedom Aviation submitted a joint request of the City of Lynchburg to approve an assignment of the above-referenced Lease (the “Assignment”) in connection with Mr. Walker’s sale of Virginia Aviation (aka Aviation Resources, Inc.) to Freedom Aviation (fka Falwell Aviation) (the “Transaction”). The parties intend to close on the Transaction by the end of this week.

In furtherance of the request made by the parties that will come before the City Council on June 24, 2014, Freedom Aviation proffers the following as additional consideration under the Lease for the City to approve the Assignment:

- (1) Virginia Aviation (under its new ownership by Freedom Aviation) will agree to pay \$16,000 per month in rent to the City beginning on July 1, 2014. Currently, the Lease requires Virginia Aviation to pay \$11,044 per month in rent. As a result, the City will receive an additional \$59,472 in rent each year, for a total of \$237,888 in additional rent for the remaining four (4) years of the term of the Lease.
- (2) Virginia Aviation (under its new ownership by Freedom Aviation) will reserve and limit usage of the General Aviation Terminal Building exclusively for general aviation services to benefit the general aviation community and general public. In other words, neither Virginia



Aviation nor Freedom Aviation will conduct any of its flight school training operations out of the General Aviation Terminal Building.¹

- (3) Virginia Aviation (under its ownership by Freedom Aviation) will invest at least \$100,000 each year to enhance the current General Aviation facilities and/or amenities which in turn will improve the economic value to the City and incentivize the general aviation community to increase its business in the Lynchburg area. In other words, Virginia Aviation will invest a total of at least \$400,000, over the remaining four (4) years of the term of the Lease, towards capital improvement projects that will benefit General Aviation.
- (4) Virginia Aviation (under its ownership by Freedom Aviation) and Freedom Aviation will significantly upgrade the service levels and professional appearance of staff serving General Aviation, including uniforms for both indoor and ramp employees, to achieve a first class level of greeting and service to business travelers coming to the Lynchburg area through the Airport's General Aviation facilities.
- (5) Virginia Aviation (under its ownership by Freedom Aviation) and Freedom Aviation will work together with the City with the goal of establishing a Maintenance Repair and Overhaul (MRO) facility at the Lynchburg Airport to further support the general aviation community and enhance the economic value of the Airport to the City.

In summary, we offer the following benefits to the City: (i) an additional \$237,888 in rent payments over the next four (4) years, (ii) a commitment to continue supporting general aviation exclusively at the General Aviation Terminal Building, (iii) an investment of at least \$400,000 to improve and enhance the Airport's general aviation facilities, (iv) a commitment to create a first-class general aviation facility and operation at the Airport, and (v) enhancement of the economic value of the Airport to the City with a Maintenance Repair and Overhaul (MRO) facility that will further support general aviation.

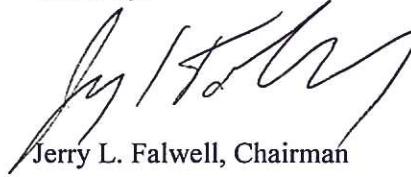
We look forward to continued opportunities to extend and expand Freedom Aviation's relationship with the Lynchburg Regional Airport and believe that we move closer to accomplishing such as well as enhancing the economic value of the Airport to the Lynchburg community by closing on the Transaction.

Should you have any questions or concerns regarding any of the above, please contact me directly before the City Council's meeting.

¹There is limited capacity at the Lynchburg Regional Airport for expansion of flight training programs. Freedom Aviation and the Liberty University School of Aeronautics have already expanded and established satellite flight training facilities with regional airport partners in Newport News, Manassas, Warrenton, Leesburg and Stafford. This should alleviate any concern that the City may have that the Transaction is being pursued by Freedom Aviation for the sole purpose of expanding flight training programs. Liberty University's model for expansion of flight training is to expand through the satellite airport locations and to only accommodate growth at the Lynchburg Airport as the airport facilities, air traffic control and local flight training areas will adequately support.



Sincerely,



Jerry L. Falwell, Chairman

cc: *Via Email*
Walter C. Erwin, III City Attorney
James R. Walker, Virginia Aviation
David L. Young, Freedom Aviation
Robert C. Wood, III, Esq., Edmunds & Williams
David L. Young, Freedom Aviation
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