FINANCE COMMITTEE AGENDA
Tuesday, May 26, 2015
11:30 a.m.

GENERAL BUSINESS

11:30 a.m.

1. Report on the General Fund Reserve for Contingencies

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

11:35 a.m.

2. Review highlights of attached quarterly financial reports for the Greater Lynchburg Transit Company (GLTC) as well as the Regional Airport, Lynchburg Regional Juvenile Detention Center, Comprehensive Services Act, Water Operating, Sewer Operating, Stormwater Operating, and General Funds the for the quarter ending March 31, 2015.

Fund	Preparer
GLTC	Josh Baker, General Manager of GLTC
Regional Airport Fund	Mark Courtney, Airport Manager
Lynchburg Regional Juvenile Detention Center	Tamara Rosser, Director of Human Services
Comprehensive Services Act Fund	Tamara Rosser, Director of Human Services
Water Operating Fund	Tim Mitchell, Director of Water Resources
Sewer Operating Fund	Tim Mitchell, Director of Water Resources
Stormwater Operating Fund	Tim Mitchell, Director of Water Resources
General Fund	Donna Witt, Director of Financial Services

12:15 p.m.

3. Consider a request to adopt a resolution to amend the FY 2015 General Fund budget and appropriate $17,758 with resources from the Reserve for Fire Equipment Assigned Fund Balance to purchase radio equipment for two replacement Battalion Chief vehicles in the Fire Department.

   Contact: Fire Chief Brad Ferguson 455-6340

12:20 p.m.

4. Approve the submittal of an application for 2015 Department of Justice Bureau of Justice Assistance (BJA) Body-Worn Camera Pilot Implementation Program Grant funds of $500,000 ($250,000 Federal Award) with a 50% local match of $250,000 to purchase 175 body-worn camera systems, which includes related data storage, training, and equipment.

   Contact: Police Chief Parks Snead 455-6104

12:30 p.m.

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

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

12:35 p.m.

6. Roll Call

The next Finance Committee meeting is Tuesday, June 23, 2015, at 11:30 a.m.

AGENDA ITEM NO.: 1

FY 2015 GENERAL FUND RESERVE FOR CONTINGENCIES

	Reserve for Contingencies	City Manager's Discretionary Funding
BEGINNING BALANCE, JULY 1, 2014	$550,000	$50,000
Carryforward to FY 2015 Reserve for Contingencies - 05/13/14 Council Meeting	600,000	
BALANCE	**$1,150,000**	**$50,000**
APPROPRIATIONS (Second Reading)		
Police Department Tasers - 06/24/14 Council Meeting	($115,713)	
School Resource Officer Grant local match and additional costs - 06/24/14 Council Meeting	(83,765)	
Two Community Centers - 09/09/14 Council Meeting	(139,720)	
State reimbursement of Reverse 911 Grant matching funds - 10/28/14 Council Meeting/1st Quarter Adjustments	17,095	
Insurance settlement for damages to the Holiday Inn Parking Deck - 10/28/14 Council Meeting/1st Quarter Adjustments	100,000	
Use of FY 2014 fund balance for the Two Community Centers - 10/28/14 Council Meeting/1st Quarter Adjustments	139,720	
Third Quarter Adjustments - 04/28/15 Council Meeting	(82,889)	
Community Market Parking Deck Repairs - 01/13/15 Physical Development Committee		(50,000)
TOTAL APPROPRIATIONS	**($165,272)**	**($50,000)**
REMAINING BALANCE	**$984,728**	**$0**
ITEMS INTRODUCED		
TOTAL INTRODUCED ITEMS	**$0**	**$0**
REMAINING BALANCE	**$984,728**	**$0**
PENDING ITEMS		
Anticipated carryforward to FY 2016 Reserve for Contingencies - Proposed FY 2016 Budget	($584,083)	
TOTAL PENDING ITEMS	**($584,083)**	**$0**
PROJECTED BALANCE	**$400,645**	**$0**

May 2015

Greater Lynchburg Transit Company

1301 Kemper Street
PO Box 797
Lynchburg, VA 24505
434.455.5080
434.847.8621 (Fax)
gberkley@gltconline.com
www.GLTConline.com

April 29th, 2015

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

RE: March 31, 2014 (3rd Quarter) Financial Report – Greater Lynchburg Transit Company

The attached Greater Lynchburg Transit Company Comparative Income Statement summarizes the financial activities for the third quarter of FY15 and YTD data for the fiscal year.

REVENUE

Revenue remains over projection during the 3rd quarter of FY 15 with a 5% increase over the budget. Liberty and CVCC university partners contributed more than what was originally projected due to increased service, advertising revenue is up, as well as State and Federal Operating Assistance. YTD Farebox revenue is down and coming in at 85% of target, believe the cause of this to be reduced ridership on the City side of service resulting from route changes. We are working to resolve this and have formed a committee to work on making sure our routes go where people need them. Overall YTD revenue is up and performing at 105% of budget.

EXPENDITURES

We have experienced increased overtime costs due to service spikes, issues with driver recruitment, and some internal attendance issues. We are implementing some new policies around this to help mitigate the problem however we don’t anticipate there being an impact until next FY. Total expenses this quarter are up 4% over budget primarily due to these labor issues.

SUMMARY

With increases in services, additional operational miles for City routes, and cost of living increases for salaries GLTC has experienced increased costs. Due to increased revenues to offset these expenses GLTC’s operational status remains well balanced and on track to show us in the black YTD.

Respectfully submitted,

Joshua Baker, CCTM
General Manager

Cc: L. Kimball Payne III, City Manager
Bonnie Svrcek, Deputy City Manager
Donna Witt, Director of Financial Services

CENTRAL VIRGINIA TRANSIT MANAGEMENT CO INC.
QUARTERLY INCOME STATEMENT
AS OF MARCH 31, 2015

	QTR TO DATE FY2015 QTD ACTUAL	FY2015 QTD BUDGET	% VAR	FY2015 YTD ACTUAL	FY2015 YTD BUDGET	% of Budget
REVENUE						
FRT Passenger Revenue	$ 222,597	$ 254,168	-12%	$ 648,726	$ 762,503	85%
DRT Passenger Revenue	18,135	24,500	-26%	62,626	73,500	85%
Contracts (LC Access)	5,721	6,190	-8%	15,256	18,570	82%
Contracts (CVCC Access)	12,500	6,190	50%	37,500	18,570	202%
Liberty University Revenue	402,485	303,271	33%	1,073,294	808,722	133%
Other Contract Revenue	2,516	9,950	-75%	11,234	29,850	38%
Non-Operating Revenue	1,174	-		22,460	-	
Advertising Revenue	16,707	13,750	22%	55,125	41,250	134%
City Operating Assistance	348,509	348,510	0%	1,045,529	1,045,529	100%
County Operating Assistance	14,373	14,373	0%	43,119	43,119	100%
State Operating Assistance	365,476	347,500	5%	1,096,428	1,042,500	105%
Federal Operating Assistance	509,884	494,930	3%	1,529,652	1,484,790	103%
TOTAL REVENUE	**$ 1,920,079**	**$ 1,823,331**	**5%**	**$ 5,640,949**	**$ 5,368,902**	**105%**
EXPENSES						
FIXED ROUTE						
Operator Labor	$ 415,937	$ 425,060	-2%	$ 1,236,710	$ 1,275,179	97%
Operator-Overtime	48,000	16,721	187%	223,488	50,162	446%
Other Salaries & Wages	69,745	48,995	42%	163,364	146,984	111%
Supervisors-Overtime	3,448	5,454	-37%	20,439	16,362	125%
Fringe Benefits	339,864	294,003	16%	868,378	882,010	98%
TOTAL FIXED ROUTE	**$ 876,993**	**$ 790,232**	**11%**	**$ 2,512,380**	**$ 2,370,696**	**106%**
DEMAND RESPONSE						
Operator Labor	$ 55,700	$ 61,676	-10%	$ 180,847	$ 185,027	98%
Operator-Overtime-PTS	2,717	3,155	-14%	7,159	9,464	76%
Other Salaries & Wages	20,916	22,286	-6%	73,295	66,857	110%
Fringe Benefits	51,135	26,405	94%	138,022	79,215	174%
TOTAL DEMAND RESPONSE	**$ 130,468**	**$ 113,521**	**15%**	**$ 399,324**	**$ 340,562**	**117%**
MAINTENANCE						
Other Salaries & Wages	$ 142,713	$ 143,290	0%	$ 436,758	$ 429,869	102%
Inspection&Maint,Srvc-Overtim	5,429	4,776	14%	28,382	14,328	198%
Fringe Benefits	94,330	80,670	17%	245,692	242,011	102%
Fuel & Lubricants	139,748	218,165	-36%	518,589	654,495	79%
Tires & Tubes	3,891	14,472	-73%	51,329	43,416	118%
Other Materials & Supplies	86,963	81,182	7%	288,544	243,545	118%
TOTAL MAINTENANCE	**$ 473,074**	**$ 542,555**	**-13%**	**$ 1,569,293**	**$ 1,627,664**	**96%**
ADMINISTRATION						
Other Salaries & Wages	$ 57,997	$ 47,280	23%	$ 191,817	$ 141,839	135%
Fringe Benefits	37,423	19,712	90%	101,319	59,137	171%
Services	142,800	98,412	45%	362,654	295,235	123%
Utilities	36,985	40,666	-9%	88,939	121,999	73%
Casualty & Liability Expenses	64,085	79,040	-19%	163,621	237,120	69%
Other Materials & Supplies	6,417	20,244	-68%	26,432	60,731	44%
Miscellaneous	12,622	21,125	-40%	50,601	63,375	80%
TOTAL ADMINISTRATION	**$ 358,329**	**$ 326,478**	**10%**	**$ 985,384**	**$ 979,435**	**101%**
TOTAL EXPENSES	**$ 1,838,864**	**$ 1,772,786**	**4%**	**$ 5,466,381**	**$ 5,318,357**	**103%**
NET INCOME/(LOSS)	**$ 81,214**	**$ 50,545**	**61%**	**$ 174,568**	**$ 50,545**	**345%**

Lynchburg Regional Airport
350 Terminal Drive, Lynchburg, Virginia 24502 • (434) 455-6090 • Fax (434) 239-9027

THE CITY OF LYNCHBURG

May 11, 2015

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: March 31, 2015 – Quarterly Financial Summary - Lynchburg Regional Airport

REGIONAL AIRPORT FUND

The attached Lynchburg Regional Airport Operating Fund Financial Summary reflects the financial activity for this Fund for the FY 2015 third quarter ending March 31, 2015. I am pleased to report that while revenues in general are projected to be relatively flat, they are somewhat higher than budgeted. The subsidy from the General Fund to the airport for FY 2015 is projected to be $97,443 which is $55,000 less than budgeted. Permanently eliminating the operating subsidy from the City remains on track starting with next year's requested FY 2016 operating budget.

REVENUE HIGHLIGHTS

- Terminal Revenue: Revenue is projected to be $65,500 more than budget due primarily to continued strength in parking lot and rental car concession revenue.

- General Aviation: Revenue is projected to be $46,000 more than budget due to new revenue from aircraft parking fees.

- Other Leased Property: Revenue is projected to be $16,700 more than budget due to a new leases with Verizon and Liberty University for use of airport property.

- State Airport Aid: Revenue is projected to be $280,000 more than budget due to having more state-supported maintenance and small projects than anticipated.

- General Fund Subsidy: As previously mentioned, the projected operating subsidy from the City is $97,443 which is $55,000 less than budget.

EXPENSE HIGHLIGHTS

- Snow Removal: Projected $23,250 more than budget due to having more snow and ice events than anticipated.

- Non-Recurring Airport Expenses: Projected $350,000 more than budget due to having more state-supported non-recurring maintenance and small projects than anticipated. This was increased in our recently approved third-quarter budget adjustments.

SUMMARY

Non-recurring maintenance expenses will exceed our budget significantly (but are largely reimbursed by state aviation entitlement funds) and were addressed in the third-quarter budget review. Based on consistent air service levels, competitive airfares, and projected passenger demand combined with decreasing debt service, the airport's subsidy from the City is expected to be reduced to less than $100,000 this fiscal year and permanently eliminated beginning next fiscal year.

Respectfully submitted,

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

cc: L. Kimball Payne III, City Manager
Bonnie Svrcek, Deputy City Manager
Donna Witt, Director of Financial Services
Wesley Campbell, Airport Finance Manager

LYNCHBURG REGIONAL AIRPORT
OPERATING FUND FINANCIAL SUMMARY
March 31, 2015

	FY 2014 Amended Budget	FY 2014 Actual (thru 3/31/14)	FY 2014 % of Budget	*	FY 2015 Amended Budget	FY 2015 Actual (thru 3/31/15)	FY 2015 % of Budget	*	FY 2015 Amended Budget	FY 2015 Revised Estimates	FY 2015 $ Variance Revised vs. Amended Budget
BEGINNING NET ASSETS		$ 31,042,521		*	$ 355,771	$ 33,493,201 **(1)**		*	$ 355,771	$ 33,493,201 **(1)**	
Less: Invested in Capital Assets, net of related debt		30,210,365		*		32,479,365		*		32,479,365	
BEGINNING UNRESTRICTED NET ASSETS	$ 583,331	$ 832,156		*	$ 355,771	$ 1,013,836		*	$ 355,771	$ 1,013,836	$ -
BOND REFUNDING PROCEEDS	$ -	$ -		*	$ 1,827	$ -		*	$ 1,827	$ -	
USE OF RESERVES - DEBT SERVICE	$ -	$ -		*	$ 46,075	$ -		*	$ 46,075	$ -	
REVENUES				*				*			
Airfield	95,000	75,683	80%	*	97,000	80,974	83%	*	97,000	97,000	0
Terminal	1,307,327	1,062,412	81%	*	1,312,327	1,090,846	83%	*	1,312,327	1,377,827	65,500
General Aviation	383,000	313,027	82%	*	399,000	338,205	85%	*	399,000	445,000	46,000
Other Leased Property	214,400	181,531	85%	*	204,400	170,720	84%	*	204,400	221,100	16,700
State Airport Aid	290,000	91,413	32%	*	95,000	13,407	14%	*	95,000	375,000	280,000
Federal Security Aid	110,000	27,070	25%	*	107,500	26,020	24%	*	107,500	107,500	0
General Fund Subsidy	218,809	216,000	99%	*	152,443	77,100	51%	*	152,443	97,443	(55,000)
Interest & Other	19,000	25,618	135%	*	19,500	22,224	114%	*	19,500	22,000	2,500
	$ 2,637,536	$ 1,992,752		*	$ 2,387,170	$ 1,819,495		*	$ 2,387,170	$ 2,742,870	$ 355,700
EXPENSES				*				*			
Airfield Operations	301,041	244,393	81%	*	304,898	223,243	73%	*	304,898	304,898	0
Terminal Operations	553,864	352,136	64%	*	555,459	403,769	73%	*	555,459	555,459	(0)
General Aviation	125,008	87,227	70%	*	119,267	103,506	87%	*	119,267	119,267	0
Administration	660,966	461,491	70%	*	683,049	497,196	73%	*	683,049	683,049	0
Safety (ARFF & LEO)	407,345	297,434	73%	*	406,659	311,641	77%	*	406,659	406,659	0
Snow Removal	20,468	28,812	141%	*	18,930	31,470	166%	*	18,930	42,180	(23,250)
Debt Service	205,865	148,780	72%	*	181,256	97,074	54%	*	181,256	181,256	0
Non-Recurring Airport Expenses	512,721	408,831	80%	*	237,169	338,260	143%	*	237,169	587,169	(350,000)
Transfers to Other Airport Funds	20,000	1,640	8%	*	14,024	0	0%	*	14,024	14,024	0
Other Airport Expenses	57,819	22,372	39%	*	70,131	22,977	33%	*	70,131	70,131	0
	$ 2,865,096	$ 2,053,116		*	$ 2,590,843	$ 2,029,137		*	$ 2,590,843	$ 2,964,093	$ (373,250)
ENDING UNRESTRICTED NET ASSETS	$ 355,771	$ 771,792		*	$ 200,000	$ 804,194		*	$ 200,000	$ 792,613 **(2)**	

FOOTNOTES:

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

Total Net Assets per CAFR 6/30/14	$ 36,954,889
Less: Net Assets in Capital & PFC Funds	$ (3,461,688)
Total Beginning Net Assets	$ 33,493,201

2) FY 2015 Ending Unrestricted Net Assets (Estimates) is comprised of the following:

Des. for Debt Service (Rental Car Facility)	$ 112,418	($158,293.79 + $200 est interest - $46,075 reserve = $112,418 est)
Des. for Maintenance (Rental Car Facility)	$ 75,767	($75,767 + or - year-end adjustment)
Reserve for Encumbrances		(estimated encumbrances carried forward to FY16)
Undesignated Retained Earnings	$ 604,428	
	$ 792,613	

May 26, 2015

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

RE: March 31, 2015 Quarterly Financial Report - Lynchburg Regional Juvenile Detention Center

Lynchburg Regional Juvenile Detention Center

The attached Lynchburg Regional Juvenile Detention Center (Detention Center) financial report summarizes the financial activities through March 31, 2015 for FY 2015. The financial spreadsheet provides comparative year to date data for the same period of FY 2014.

REVENUES

Charges for Services

Revenue in this category for the third quarter of FY 2015 is $965,078 or 56.8% of the budget, which is consistent with previous years.

Department of Juvenile Justice Block Grant

This revenue category represents allocations from the Virginia Department of Juvenile Justice (DJJ) for operational expenses of the Detention Center. Revenues received from the DJJ for the third quarter of FY 2015 are $841,671 or 76.9% of the budget.

United States Department of Agriculture (USDA)

This revenue category consists of reimbursements for meals served to juveniles at the Detention Center. Year-to-date revenues from USDA for FY 2015 are $25,230 or 56.1% of the budget.

EXPENDITURES

Overall expenditures for the third quarter of FY 2015 were $1,859,564 and are within budget. Allocated costs for the contracting localities through the third quarter of FY 2015 were approximately 75%; Lynchburg's allocated share is approximately 25%.

Juvenile Population

The average number of juveniles being served per day through the third quarter of FY 2015 is 19.49 as compared to 18.36 in FY 2014. The percentage of Lynchburg City's juveniles through the third quarter is 54% of the total juvenile population.

SUMMARY

The third quarter report reflects a deviation from the continuing downward trend in the juvenile population at the Lynchburg Regional Detention Home and other facilities in the State of Virginia. The Lynchburg Regional Detention Home is an outstanding facility recognized by the juvenile judicial system for providing educational services, mental health services, physical health services, and partnerships with local area businesses.

Respectfully submitted,

Tamara V. Rosser

Tamara Rosser
Director, Department of Human Services

c: L. Kimball Payne, III, City Manager
Bonnie Svrcek, Deputy City Manager
Donna Witt, Director, Financial Services
Robin Mamola, Accounting Supervisor, Human Services
Kathy Collins, Accountant, Juvenile Services

Lynchburg Regional Juvenile Detention Center
Special Revenue Fund
Financial Summary
Second Quarter: As of March 31, 2015

	FY 2014 Amended Budget	FY 2014 Actual 3 QTR YTD	FY 2014 % of Budget	FY 2015 Amended Budget	FY 2015 Actual 3 QTR YTD	FY 2015 % of Budget	FY 2015 Actual to Amended
Beginning Funds at July 1							
Revenues:							
Charges for Services	1,676,322	933,487	55.7%	1,698,058	965,078	56.8%	732,980
Intergovernmental- Department of Juvenile Justice Block Grant	1,095,120	805,848	73.6%	1,095,120	841,671	76.9%	253,449
Intergovernmental- USDA	45,000	23,577	52.4%	45,000	25,230	56.1%	19,770
Miscellaneous	0	32	0.0%	0	87	0.0%	(87)
Budget Designations	100,842	0	0.0%	115,641	0	0.0%	115,641
Total Revenues	2,917,284	1,762,944	60.4%	2,953,819	1,832,066	62.0%	1,121,753
Expenditures:							
Salaries	1,412,955	1,052,860	74.5%	1,449,991	999,263	68.9%	450,728
Employee Benefits	582,715	431,113	74.0%	595,783	411,494	69.1%	184,289
Contractual Services	53,836	33,202	61.7%	50,585	35,718	70.6%	14,867
Internal Services	11,900	8,512	71.5%	12,043	8,435	70.0%	3,608
Supplies and Materials	130,170	62,356	47.9%	130,170	73,606	56.5%	56,564
Utilities	85,800	54,177	63.1%	85,800	58,957	68.7%	26,843
Training and Conferences	3,050	951	31.2%	3,050	3,040	99.7%	10
Telecommunications	4,500	2,199	48.9%	4,500	1,959	43.5%	2,541
Postage and Mailing	850	533	62.7%	850	329	38.7%	521
Indirect Costs	237,218	177,914	75.0%	250,435	187,826	75.0%	62,609
Self Insurance	15,752	11,814	75.0%	15,752	11,814	75.0%	3,938
Dues and Memberships	500	355	71.0%	500	435	87.0%	65
Rentals and Leases	2,492	1,470	59.0%	4,373	1,501	34.3%	2,872
Site Improvements	0	0	0.0%	0	0	0.0%	-
Health and Dental Benefits for Retirees	28,144	21,565	76.6%	28,215	22,399	79.4%	5,816
Professional Services	6,721	3,537	52.6%	6,796	3,595	52.9%	3,201
SpecialUseEquipment	0	0	0.0%	0	0	0.0%	-
Debt Service	183,681	17,191	9.4%	178,407	13,963	7.8%	164,444
USDA Grant	45,000	23,577	52.4%	45,000	25,230	56.1%	19,770
Capital Outlay	2,000	0	0.0%	2,000	0	0.0%	2,000
Budget Designations	100,000	0	0.0%	79,569	0	0.0%	79,569
Contingency	10,000	0	0.0%	10,000	0	0.0%	10,000
Total Expenditures	2,917,284	1,903,326	65.2%	2,953,819	1,859,564	63.0%	1,094,255
TOTAL FUND BALANCE	0	(140,382)		0	(27,498)		
TOTAL ASSIGNED FUND BALANCE Maint./Equipment	100,000	100,000		100,000	100,000		

May 26, 2015

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: Comprehensive Services Act (CSA) Fund Financial Report for the period ending March 31, 2015.

The attached CSA Fund Financial Summary summarizes the financial activity for this Fund through March 31, 2015. Under the State guidelines, CSA prior year obligations are paid through September 30th of each year. However, the annual budget is prepared on a fiscal year (July-June). Because of the State guidelines, expenditures for this fund are unique due to the overlap of grants each fiscal year. Accordingly, this report reflects only the current grant year financial activity for FY 2015.

REVENUES

- Public Assistance – Welfare and Administration

  The Public Assistance revenue source is the reimbursement received from the State for local expenses incurred under CSA for providing services to troubled youth and their families. The current rate of reimbursement for community-based services is 86.32%, residential services is 65.8%, and for all other services, 72.64%. State funds to assist in administering the grant, ($29,730 for FY 2015) are provided by the State each year, and have been received in full. A local match is required for all state funds received. Reimbursements received for expenditures incurred through the third quarter of FY 2015 are $1,552,730. An additional $320,043 in revenues for this quarter have been requested but not yet received.

- CSA Contribution – General Fund and Schools

  These revenue sources are comprised of the required local match for all State funds received for the Comprehensive Services Act. For FY 2015 the budgeted School contribution is $196,541 and the year-to-date budgeted General Fund contribution is $1,238,852. For the third quarter of FY 2015, local matching funds for programs in the amount of $929,139 or 75% of the budget for the General Fund and $147,406 or 75% of the budget for Schools have been received.

- Miscellaneous Revenue

  Miscellaneous revenues in the amount of $32,773 or 29.8% of the budget were collected for the third quarter of 2015. These revenues are mainly comprised of recoupments from children’s social security payments for expenditures incurred on their behalf, and registered billings for CSA parental co-payments. Recoupments are below budget estimates due to the utilization of IV-E funding when possible.

EXPENSES

- Administrative expenses

  CSA Administrative funds are used for salaries, supplies, and materials. Budgeted funds for FY 2015 are $64,564. Actual YTD administrative expenditures for FY 2015 were $43,713 or 67.7% of the budget.

- Mandated – Foster Care

  Foster care expenses include funds for residential facilities, day care, maintenance payments to foster parents, enhanced maintenance payments to foster parents and foster care prevention. The Virginia Enhanced Maintenance Assessment Tool (VEMAT) was introduced as the required, state-wide tool to be used when assessing a child's need for additional supervision and support and, thus, an enhanced maintenance payment for the foster or adoptive parent. In February 2013, all VEMAT rates were automatically reduced statewide. Year-to-date foster care expenditures for the third quarter of FY 2015 totaled $1,593,101 or 56.8% of the budget. Expenditures are slightly below budget due to decreased VEMAT payments and transferring some of this population to 100% reimbursable IV-E funding.

- Mandated – Special Education

  Special Education expenses include services for Special Education students from the Lynchburg City Schools. Expenditures for FY 2015 YTD total $1,113,093 or 71.1% of the budget. It is anticipated that this budget line will be fully expended.

- Non-Mandated Services

  Non-mandated expenditures are for services such as counseling, mentoring, crisis intervention, and foster care prevention services. Non-mandated expenditures for FY 2015 were $187,438 or 49.9% of the budget. Expenditures in this category are below budget due to an increase in the mandated population.

- Community Based Services

  This category includes services to children while they are living at home, in the home of an extended family, in a regular foster family home, or in an independent living arrangement. Community services may include assessment, crisis stabilization, therapy, or intervention services provided in the child's home. Community Based Services for the third quarter of FY 2015 were $219,810 or 87% of the budget. Expenditures are slightly above budget estimates due to increased utilization of these services.

SUMMARY

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

While the number of children currently in foster care fluctuates during the year, the number of children receiving CSA services has increased for FY 2015. Other factors continue to impact this budget. These factors include an increased number of children receiving more intensive services for longer periods of time, increased vendor rates as well as an increase in the number of services provided by the vendors, parental agreements, and an increase in special educational services.

The Community Policy and Management Team, in collaboration with the professional community, continues to work hard and is diligent and deliberate in efforts to reduce costs associated with CSA. We continue to work with the professional community to develop services in an effort to reduce cost.

Respectfully submitted,

Tamara T. Rosser

Tamara T. Rosser
Director of Human Services

c: L. Kimball Payne, III, City Manager
Bonnie Svrcek, Deputy City Manager
Donna Witt, Director of Financial Services
Rhonda Allbeck, Assistant Director of Financial Services
Robin Mamola, Financial Professional IV
Courtney Blankenstein, Financial Professional III

Comprehensive Services Act
Special Revenue Fund
Financial Summary
March 31, 2015

	FY 2014 Amended Budget	FY 2014 Actual 3rd QTR YTD	FY 2014 % of Budget	FY 2015 Amended Budget	FY 2015 Actual 3rd QTR YTD	FY 2015 % of Budget
Beginning Fund Balance	329,544	466,552		466,552	423,104	
Revenues:						
Public Assistance - Welfare and Administration	3,517,467	1,189,877	33.8%	3,517,404	1,552,730	44.1%
Transfer from Lynchburg City Schools	196,541	147,406	75.0%	196,541	147,406	75.0%
Transfer from General Fund	1,238,852	929,139	75.0%	1,238,852	929,139	75.0%
Miscellaneous	110,000	44,936	40.9%	110,000	32,773	29.8%
Total Revenues	5,062,860	2,311,358	45.7%	5,062,797	2,662,047	52.6%
Expenses:						
Administrative Expenses	62,977	45,673	72.5%	64,564	43,713	67.7%
Mandated - Foster Care	2,723,805	1,271,027	46.7%	2,803,655	1,593,101	56.8%
Mandated - Special Education	1,650,000	974,704	59.1%	1,566,000	1,113,093	71.1%
Non-Mandated Services	375,836	162,556	43.3%	375,836	187,438	49.9%
Community Based	250,242	173,356	69.3%	252,742	219,810	87.0%
Total Expenditures	5,062,860	2,627,316	51.9%	5,062,797	3,157,155	62.4%
ENDING FUND BALANCE	329,544	150,594		466,552	(72,004)	

May 26, 2015

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: March 31, 2015 Quarterly Financial Report – Water Operating Fund

The attached Water Operating Fund Financial Summary summarizes the financial activity for this fund through March 31, 2015. This quarterly report provides comparative financial information for the same period of the prior fiscal year. Projected variances between the FY 2015 Budget and the Department's year end projections are described below.

REVENUES

Following the completion of the third quarter, overall revenues for FY 2015 are projected to exceed the FY 2015 budget by $174,443 (1.19%). Explanations follow:

- **Charges for Services:**

  Revenue in this category is expected to be $159,800 (1.37%) over budget mostly due to slightly higher than anticipated revenue in account charges, water connections and availability fees.

- **Water Contracts:**

  This revenue account reflects billing activity to counties of Amherst, Bedford, and Campbell, and the industries of Rock-Tenn and Frito-Lay. The net revenue in this category is projected to be $36,643 (1.38%) higher than budget mostly due to a slight increase in water consumption in Campbell County and Frito-Lay.

- **Interest and Other:**

  Interest and other earnings are projected to be $22,000 (7.52%) less than budget mostly due to lower than expected earnings on investments.

EXPENSES

Overall expenses for FY 2015 are projected to be $91,378 (.64%) more than budget. Explanations of this variance follow:

- **Departmental Operation and Maintenance Expenses:**

  This category includes the Water Treatment Plant, Meter Operations, Water Line Maintenance and Administration. Expenses in this category are expected to be $462,298 (4.94%) less than the FY 2015 budget (Water Treatment - $298,013 savings, Meter Operations - $63,772 savings, Water Line Maintenance - $24,251 savings, Administration - $76,262 savings). This variance is broken down as follows:

➢ Personnel Services and Benefits	$174,251
➢ Chemicals	$173,618
➢ Communication and Utilities	$110,837
➢ Contractual Services	($67,956)
➢ Supplies and Materials	$ 62,004
➢ All Other	$ 9,544
Total	**$462,298**

  The most significant variance is savings from Personnel Services and Benefits related to several unfilled positions at the end of the quarter. Additionally, chemicals and electricity savings occur when James River water does not need to be pumped and treated. Due to wet weather conditions our water source has been exclusively on the Pedlar Reservoir. Outside any unusual events we anticipate using solely the Pedlar Reservoir through this fiscal year. Contractual Services is expected to go over budget mostly due to contracted services for Water Resources Department's portion of .Net implementation which was not fully completed in FY 2014.

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

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

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

  Purchases and transfers in this category are expected to be $19,290 (2.20%) over budget mostly due to one water line repair that resulted in meeting accounting criteria as a capital outlay due to costs and increasing estimated useful life of that line section.

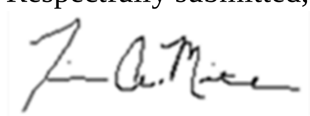
- **Debt Service:**

  Expenditures in debt service are expected to be $534,385 (13.92%) over budget. This is mainly attributed to the July 10, 2014 bond issue which included an additional principal and interest payment for FY 2015 which was not included in the original budget projections. Determination was made that the fund could meet both debt coverage and fund balance ratios due to anticipated net income and cash position in the fund.

SUMMARY

This third quarter report reflects a stable FY 2015 financial position for this fund. Under the Council adopted financial policies, the two important financial ratios, debt coverage and fund balance are above policy targets. The debt coverage ratio projected for the end of the fiscal year is 1.33 compared to a target of 1.20. The fund balance ratio projected for the end of the fiscal year is 65% compared to a target range of 25% - 40%.

Respectfully submitted,



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

c: L. Kimball Payne, III, City Manager
Bonnie Svrcek, Deputy City Manager
Donna Witt, Director of Financial Services

WATER OPERATING FUND
FINANCIAL SUMMARY
Quarter Ending March 31, 2015

	FY 2014 Adopted Budget	FY 2014 Actual Q3 YTD	FY 2014 % of Budget	FY 2015 Adopted Budget	FY 2015 Actual Q3 YTD	FY 2015 % of Budget	FY 2015 Adopted Budget	FY 2015 Revised Estimate	FY 2015 $ Variance Adopted Budget vs. Projected
BEGINNING NET ASSETS	$27,631,979	$27,631,979		$33,038,746	$33,038,746		$33,038,746	$33,038,746	
Less: Invested in Capital Assets, net of related debt	(20,961,222)	($20,961,222)		(25,346,980)	(25,346,980)		(25,346,980)	(25,346,980)	
BEGINNING UNRESTRICTED NET ASSETS	**6,670,757**	**$6,670,757**		**$7,691,766**	**$7,691,766**		**$7,691,766**	**$7,691,766**	
REVENUES:									
Charges for services	$10,599,129	$7,577,150	71%	$11,652,558	$8,383,007	72%	$11,652,558	$11,812,358	$159,800
Water contracts	2,744,836	1,711,989	62%	2,654,950	$1,830,060	69%	2,654,950	$2,691,593	36,643
Interest and other	282,211	283,424	100%	292,482	$279,422	96%	292,482	$270,482	(22,000)
	$13,626,176	**9,572,563**		**$14,599,990**	**10,492,489**		**$14,599,990**	**$14,774,433**	**$174,443**
EXPENSES									
Departmental O&M	$8,912,287	$5,911,886	66%	$9,349,210	6,034,198	65%	$9,349,210	$8,886,912	$462,298
Non-departmental O&M	202,713	71,774	35%	229,600	75,373	33%	229,600	$229,600	$0
Capital Outlay/Purchases	110,072	12,307	11%	75,000	94,290	126%	75,000	$94,290	($19,290)
Transfers - Capital	800,000	600,000	75%	800,000	600,000	75%	800,000	$800,000	$0
Debt service	3,685,632	-	0%	3,839,779	2,850,435	74%	3,839,779	4,374,164	($534,385)
	$13,710,704	**$9,263,817**		**$14,293,589**	**$9,654,296**		**$14,293,589**	**$14,384,966**	**($91,377)**
Adjustment for expenses from capital projects		**$0**			**$0**			**$0**	
ENDING NET ASSETS	**$6,586,229**	**$6,979,503**		**$7,998,167**	**$8,529,959**		**$7,998,167**	**$8,081,233**	

KEY RATIOS:

Unrestricted cash target as a % of operating expenses & debt service:	40%	
Unrestricted cash as a % of operating expenses & debt service:	65%	
Financial Policy targeted debt coverage ratio minimum:	1.20	
Ending debt coverage ratio:	1.33	(1)

Note (1) Calculation of debt coverage includes $160,000 of capitalizable costs for internal labor charges applicable to time spent on capital project activities.

May 26, 2015

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: March 31, 2015 Quarterly Financial Report – Sewer Operating Fund

The attached Sewer Operating Fund Financial Summary summarizes the financial activity for this fund through March 31, 2015. This quarterly report provides comparative financial information for the same period of the prior fiscal year. Projected variances between the FY 2015 Budget and the Department's year end projections are described below.

<u>REVENUES</u>

Following the completion of the third quarter, overall revenues for FY 2015 are projected to exceed the FY 2015 budget by $774,502 (3.76%). Explanations follow:

- **Charges for Services:**

  Revenue in this category is expected to be $341,000 (1.99%) over budget mostly due to higher than anticipated Sewer Sales – Inside City of $467,500 and Account Charges of $47,000 which is offset by lower than expected sales for Industrial Surcharges of $207,000. Lower sales in Industrial Surcharges are primarily attributable to one industry having significantly less waste strength in their tested sewer collections.

- **Sewer Contracts:**

  Revenue in this category reflects the billing activity in counties of Amherst, Bedford, and Campbell and industries of Rock-Tenn and Frito-Lay. Revenue from this source is projected to be $430,725 (12.94%) more than budget primarily due to one county making a large prepayment of their long-term debt for city financed Wastewater Treatment Plant Projects and higher than anticipated sewer sales from Rock-Tenn and Frito-Lay.

- **Interest and Other:**

  Revenue is this category is projected to be $2,777 (3.69%) higher than budget mostly attributable to higher than expected Collection and Tax Lien Fees.

<u>EXPENSES</u>

Overall expenses for FY 2015 are projected to be $12,238 (.06%) more than budget. Explanations of this variance follow:

- **Departmental Operation and Maintenance Expenses:**

  This category includes the Wastewater Treatment Plant and Sewer Line Maintenance. Expenses in this category are expected to be $58,866 (.60%) less than the FY 2015 budget (due to combination of Wastewater Treatment Plant savings of $106,154 offset by Sewer Line Maintenance over its projected budget by $47,288). This variance is broken down as follows:

➢ Personnel Services and Benefits	$ 60,206
➢ Chemicals	$ 52,815
➢ Utilities	($ 77,000)
➢ Sludge Disposal	$ 60,000
➢ Contractual Services	($154,351)
➢ Supplies and Materials	($ 42,420)
➢ All Other	$ 159,616
Total	**$58,866**

  The most significant savings was in the All Other category. A savings of $65,305 is from Virginia Nutrient Credit Exchange Association. An additional $97,310 savings derives from Internal Service Charges due to lower fuel costs and vehicle leasing when vehicles are repaired for an extended period of time. Other savings include Personnel Services and Benefits related to several unfilled positions. Increases to Contractual Services are primarily related to the following factors: 1) $43,750 for additional sanitary sewer system maintenance and preventative programs necessary to minimize sanitary sewer overflows 2) Increased costs of $35,000 for line protection services, and 3) $25,000 for engineering and legal services. Additional costs of Utilities are mostly attributable to increased wet-weather flows to Wastewater Treatment Plant. Supplies and Materials are expected to exceed budget due to significantly higher than average annual repairs.

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

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

- **Debt/LOC Service Payments**

  Expenditures in debt service are expected to be $261,330 over budget. This is attributable to the July 10, 2014 bond issuance which included an additional principal and interest payment for FY 2015 which was not included in the original budget projections. Determination was made that the fund could meet both debt service and fund balance ratios due to anticipated net income and cash position in the fund.

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

  Capital Outlay and Transfers to Other Funds are anticipated to be $190,226 (8.20%) under budget. This is mostly due to allowing the costs of one of the plant centrifuges to be incurred in the Sewer Capital Fund to insure proper capitalization for accounting purposes. Transfers to Other Funds are expected to be at budget.

SUMMARY

This third quarter report reflects a stable FY 2015 financial position for this fund. Under the Council adopted financial policies, the two important financial ratios, debt coverage and fund balance, are within or above policy targets. The debt coverage ratio projected for the end of the fiscal year is 1.25 compared to a target range of 1.20 to 1.50. The fund balance ratio projected for the end of the fiscal year is 39% compared to a target range 15% to 25%.

Respectfully submitted,

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

c: L. Kimball Payne, III, City Manager
Bonnie Svrcek, Deputy City Manager
Donna Witt, Director of Financial Services

SEWER OPERATING FUND
FINANCIAL SUMMARY
Quarter Ending March 31, 2015

	FY 2014 Adopted Budget	FY 2014 Actual Q3 YTD	FY 2014 % of Budget	FY 2015 Adopted Budget	FY 2015 Actual Q3 YTD	FY 2015 % of Budget	FY 2015 Adopted Budget	FY 2015 Revised Estimate	FY 2015 $ Variance Adopted Budget vs. Projected
BEGINNING NET ASSETS (1)	$118,680,799	$118,680,799		$136,833,798	$136,833,798		$136,833,798	$136,833,798	
Less: Invested in Capital Assets, net of related debt	(107,598,364)	(107,598,364)		(129,047,540)	(129,047,540)		(129,047,540)	(129,047,540)	
BEGINNING UNRESTRICTED NET ASSETS	**$11,082,435**	**$11,082,435**		**$7,786,258**	**$7,786,258**		**7,786,258**	**$7,786,258**	
REVENUES:									
Charges for services	$16,721,214	$11,887,548	71%	$17,170,636	11,946,467	70%	$17,170,636	$17,511,636	$341,000
Sewer contracts	2,916,305	1,706,712	59%	3,327,630	2,433,119	73%	3,327,630	3,758,355	430,725
Interest and other	91,953	83,082	90%	75,344	70,001	93%	75,344	78,121	2,777
	$19,729,472	**$13,677,342**		**$20,573,610**	**14,449,587**		**$20,573,610**	**$21,348,112**	**$774,502**
EXPENSES:									
Departmental O&M	$9,087,931	$6,603,086	73%	$9,792,683	6,999,499	71%	$9,792,683	$9,733,817	$58,866
Non-departmental O&M	200,062	85,407	43%	238,200	90,820	38%	$238,200	238,200	0
Equipment Purchases	175,209	21,638	12%	320,000	-	0%	$320,000	129,774	190,226
Transfers - Capital	2,250,000	1,875,000	83%	2,000,000	1,500,000	75%	$2,000,000	2,000,000	0
Debt service	8,616,567	5,041,133	59%	8,961,298	5,423,199	61%	8,961,298	9,222,628	(261,330)
	$20,329,769	**$13,626,264**		**$21,312,181**	**14,013,519**		**$21,312,181**	**$21,324,419**	**($12,238)**
Adjustment for expenses from capital projects		**$0**			**$0**			**($36,140)**	
ENDING NET ASSETS	**$10,482,138**	**$11,133,513**		**$7,047,687**	**$8,222,326**		**$7,047,687**	**$7,773,811**	

KEY RATIOS:

Unrestricted cash target as a % of operating expenses & debt service:	25%	
Unrestricted cash as a % of operating expenses & debt service:	39%	
Financial Policy targeted debt coverage minimum:	1.20	
Ending debt coverage:	1.25	(1)

Note (1) Calculation of debt coverage includes $145,000 of capitalizable costs for internal labor charges applicable to time spent on capital project activities.

May 26, 2015

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: March 31, 2015 Quarterly Financial Report – Stormwater Operating Fund

The attached Stormwater Operating Fund Financial Summary summarizes the financial activity for this fund through March 31, 2015. This quarterly report provides comparative financial information for the same period of the prior fiscal year. Projected variances between the FY 2015 Budget and the Department's year end projections are described below.

REVENUES

Following the completion of the third quarter, the overall revenues for FY 2015 are projected to be $40,150 (1.15%) over budget. Explanations follow:

- **Charges for Services:**

  Revenue in this category reflects billing activity for all known impervious areas, Virginia Stormwater Management Program (VSMP) permits and delinquent charges on past due accounts. Charges for services are expected to increase $40,150 (1.25%) primarily due to higher than anticipated fees collected by Department of Environmental Quality (DEQ) for the renewal of Virginia Stormwater Management Program (VSMP) permits for active projects before July 1, 2014. All 2009 VSMP Permits expired June, 30 2014 thus requiring renewal through DEQ for coverage under the new VSMP Permit effective July 1, 2014. This was required for existing projects to maintain permit coverage under the prior stormwater management technical criteria.

- **Transfers, Interest and Other**

  The transfer from the General Fund, interest and other revenues are expected to be at budget.

EXPENSES

Overall expenses for FY 2015 are projected to be $212,216 (5.66%) less than budget. A breakdown and explanations of this variance follow:

- **Departmental Operation and Maintenance Expenses:**

  Departmental Operation and Maintenance expenses are projected to be $185,893 (8.17%) less than budget. Explanations of this variance as follows:

➢ Contractual Services	$198,379
➢ Internal Service Charges and Fuel	($ 7,090)
➢ Public Works and Community Development	($18,486)
➢ All Other	$13,090
Total	**$185,893**

The most significant savings is for Contractual Services due to a projected decrease in maintenance and repair services and legal and engineering services. The original budget was established to accommodate new and unknown stormwater requirements that would be announced after the FY 2015 budget submission. The increased expenses for Internal Service Charges and Fuel were mostly attributable to higher than expected repair costs to a 2011 Vac-con truck. Public Works and Community Development anticipated costs are higher than budget mostly due to increased labor used for leaf collection.

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

  Non-departmental expenses are projected to be at budget.

- **Debt/LOC Service Payments**

  Currently, there is no debt for the Stormwater Fund.

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

  Capital Outlay and Transfers to Other Funds are expected to be $26,323 (1.82%) under budget. A new Vac-con Truck budgeted for $400,000 was $373,677. Transfers to Other Funds are expected to be at budget.

SUMMARY

This first quarter report reflects a stable FY 2015 financial position for the fund at this time. The fund balance ratio projected for the end of the fiscal year is 30%.

Respectfully submitted,

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

c: L. Kimball Payne, III, City Manager
Bonnie Svrcek, Deputy City Manager
Donna Witt, Director of Financial Services

STORMWATER OPERATING FUND
FINANCIAL SUMMARY
Quarter Ending March 31, 2015

	FY 2014 Adopted Budget	FY 2014 Actual Q3 YTD	FY 2014 % of Budget	FY 2015 Adopted Budget	FY 2015 Actual Q3 YTD	FY 2015 % of Budget	FY 2015 Adopted Budget	FY 2015 Revised Estimate	FY 2015 $ Variance Adopted Budget vs. Projected
BEGINNING NET ASSETS	$1,607,940	$1,607,940		$1,300,413	$1,300,413		$1,300,413	$1,300,413	
Less: Invested in Capital Assets, net of related debt	0	0		0	0		0	0	
BEGINNING UNRESTRICTED NET ASSETS	**$1,607,940**	**$1,607,940**		**$1,300,413**	**$1,300,413**		**$1,300,413**	**$1,300,413**	
REVENUES:									
Charges for services	$3,132,000	$2,156,779	69%	$3,218,850	$2,255,873	70%	$3,218,850	$3,259,000	$40,150
Interest and other	0	0		5,000	299	6%	5,000	5,000	0
Transfers	650,000	325,000	50%	275,000	137,500	50%	275,000	275,000	0
	$3,782,000	**$2,481,779**		**$3,498,850**	**2,393,672**		**$3,498,850**	**$3,539,000**	**$40,150**
EXPENSES:									
Departmental O&M	$3,047,172	$1,861,091	61%	$2,275,230	$1,527,253	67%	$2,275,230	$2,089,337	$185,893
Non-departmental O&M	71,900	3,838	5%	25,800	4,730	18%	25,800	25,800	0
Equipment Purchases	0	0		400,000	373,677	93%	400,000	373,677	26,323
Transfers - Capital	1,350,000	1,162,500	86%	1,050,000	787,500	75%	1,050,000	1,050,000	0
Transfers - Sewer Operating	0	0		0	0		0	0	0
Debt service	0	0		0	0		0	0	0
	$4,469,072	**$3,027,429**		**$3,751,030**	**$2,693,160**		**$3,751,030**	**$3,538,814**	**$212,216**
Adjustment for expenses from capital projects		$0			$0			$0	
ENDING NET ASSETS	**$920,868**	**$1,062,290**		**$1,048,233**	**$1,000,925**		**$1,048,233**	**$1,300,599**	

KEY RATIOS:

Projected unrestricted cash as a % of operating expenses at year end 30%

May 26, 2015

Finance Committee
City Council
City of Lynchburg
Lynchburg, Virginia

Re: March 31, 2015 Quarterly Report - General Fund

Attached is the Financial Summary for the General Fund (Fund) for the period ending March 31, 2015.

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

NON-DEDICATED REVENUES

- Real Estate Taxes:

  Real Estate taxes are due in four quarterly installments on November 15, January 15, March 15, and May 15. As of the date of this report, there have been three installments for FY 2015 billed, and revenue of $42,474,149 collected. This revenue is 79.6% of the FY 2015 amended budget of $53,357,839.

- Personal Property Taxes:

  Personal Property tax revenue for FY 2015 is $119,736 less than the amount collected through the third quarter of FY 2014, but remains on track with 53.4% collected. Personal property taxes are payable in two equal installments on June 5 and December 5. Additional billings for personal property acquisitions are due March 5 and September 5.

  In 1998, the Virginia General Assembly enacted the Personal Property Tax Relief Act (PPTRA) to reimburse citizens for a portion of the local personal property tax. In the 2004 Virginia General Assembly, the State capped the amount reimbursed to localities at $950 million; Lynchburg's share of this reimbursement is $5,543,584. During the third quarter of FY 2015, the State reimbursed the City $831,538 (15%), as scheduled. The final payment will be received in May 2015 (5%).

- Consumer Utility Taxes – Electric:

  The third quarter FY 2015 revenue is slightly ahead of adopted budget projections by $77,846 based on collections for nine months. Staff is monitoring this revenue and providing the Finance Committee with monthly updates related to Consumer Utility Taxes.

- Communications Sales and Use Taxes:

  Communications Sales and Use tax revenue collected is on pace with the FY 2015 revised budget projection based on collections for nine months.

- Local Sales Tax:

  Sales tax revenue is ahead of the FY 2015 adopted budget projection by $1,017,285 through nine months of collections. Midway through the year revenues are evaluated to determine if projections should be revised up or down; based on staff analysis Sales tax revenue projections were increased by $1.0 million. With one quarter left in the fiscal year, this revenue should finish the year on par with the revised projection.

- Business License Tax:

  Business License tax revenue collected through the third quarter of FY 2015 is $1,582,240. Since this tax is due May 1, the collection percentage is currently only a small part of the annual budget. The majority of the tax will be collected from March to May. Collections remain on pace with FY 2014.

- Meals Tax:

  Through nine months of collections, Meals tax revenue is ahead of the FY 2015 adopted budget projection by $960,775. Midway through the year revenues are evaluated to determine if projections should be revised up or down; based on staff analysis Meals tax revenue projections were increased by $1.1 million. With one quarter left in the fiscal year, this revenue should finish the year on par with the revised projection.

- Lodging Tax:

  Lodging tax revenue is ahead of the FY 2015 adopted budget projection by $161,329 through nine months of collections. Midway through the year revenues are evaluated to determine if projections should be revised up or down; based on staff analysis Lodging tax revenue projections were increased by $200,000. With one quarter left in the fiscal year, this revenue should finish the year on par with the revised projection.

- Permit, Fees, and Licenses:

  Permit, Fees, and Licenses is slightly behind the FY 2015 budget projection by 0.6%, or $4,148.

- Fines and Forfeitures:

  Fines and Forfeitures revenue is slightly behind the budget projection for FY 2015 by 4.7%, or $20,634.

- Interest on Investments:

  Investment income is ahead of the budget projection for FY 2015 by $15,225 due to cautious budgeting and investment performance better than expected.

- Charges for Services:

  Charges for Services revenue is 8.6%, or $358,386, ahead of the budget projection for FY 2015, primarily due to sales of the new trash bags, trash decals, and police off duty income.

DEDICATED REVENUES

Intergovernmental Revenues are 7.0%, or $1,493,077, ahead of the FY 2015 budget projection. The timing of reimbursements from the State causes this revenue source to be slightly ahead, or slightly behind, the yearly projection. At present, this includes funding for constitutional officers, human services, and highway maintenance.

EXPENDITURES

- Operating Expenditures:

  The percentage of operating expenditures spent through the third quarter of FY 2015, 73.3%, is on target with budget projections.

- Debt Service:

  Debt Service expenditures are on pace with FY 2015 budget projections.

SUMMARY

This report represents nine months of fiscal activity. As the year progresses, revised estimates for revenues and expenditures will be presented to reflect the impact of changes.

Respectfully submitted,

D. S. Witt

Donna S. Witt
Director of Financial Services

c: L. Kimball Payne, III, City Manager
Bonnie Svrcek, Deputy City Manager
Rhonda Allbeck, Assistant Director of Financial Services

GENERAL FUND
FINANCIAL SUMMARY
As of March 31,2015

	FY 2014 Adopted Budget	FY 2014 Amended Budget	FY 2014 Actual 3rd Qtr As of 3/31/14	FY 2014 % of Budget	FY 2015 Adopted Budget	FY 2015 Amended Budget	FY 2015 Actual 3rd Qtr As of 3/31/15	FY 2015 % of Budget	FY 2015 Amnd Budget vs. Actual
BEGINNING BALANCE									
UNASSIGNED	$ 22,744,259	$ 22,744,259	$ 31,673,717		$ 24,439,822	$ 24,439,822	$ 33,878,500		
REVENUES:									
Non-Dedicated Revenues									
Real Property	52,518,784	52,518,784	41,922,987	79.8%	53,357,839	53,357,839	42,474,149	79.6%	10,883,690
Personal Property -Local	15,805,000	15,805,000	8,558,296	54.1%	15,805,000	15,805,000	8,438,560	53.4%	7,366,440
Public Service Corp	2,330,000	2,330,000	2,313,631	99.3%	2,300,000	2,300,000	2,268,797	98.6%	31,203
Consumer Utility Taxes	4,185,000	4,185,000	3,048,740	72.8%	4,250,000	4,250,000	3,019,300	71.0%	1,230,700
Communication Sales and Use Taxes	3,462,621	3,462,621	1,983,631	57.3%	3,450,000	3,450,000	1,973,985	57.2%	1,476,015
Local Sales Tax	13,440,973	13,440,973	7,994,644	59.5%	13,600,000	13,600,000	8,806,137	64.8%	4,793,863
Business License	7,199,604	7,199,604	1,587,372	22.0%	7,542,720	7,542,720	1,582,240	21.0%	5,960,480
Meals Tax	11,785,000	11,785,000	8,224,361	69.8%	12,100,000	12,100,000	8,747,639	72.3%	3,352,361
Delinquent Taxes/Penalties	2,978,500	2,978,500	2,933,211	98.5%	3,576,000	3,576,000	2,911,844	81.4%	664,156
Other Local Taxes	2,578,947	2,578,947	1,910,664	74.1%	2,638,947	2,638,947	1,801,722	68.3%	837,225
Motor Vehicle License	1,413,142	1,413,142	184,534	13.1%	1,475,000	1,475,000	181,720	12.3%	1,293,280
Bank Stock Tax	650,000	650,000	262	0.0%	650,000	576,288	(73,712)	-12.8%	650,000
Lodging Tax	1,700,000	1,700,000	1,338,257	78.7%	1,800,000	1,800,000	1,256,080	69.8%	543,920
Permit, Fees & Licenses	783,900	783,900	670,305	85.5%	931,150	931,150	694,214	74.6%	236,936
Fines and Forfeitures	591,000	591,000	425,569	72.0%	586,000	586,000	418,866	71.5%	167,134
Interest on Investments	120,762	120,762	173,304	143.5%	146,600	146,600	125,175	85.4%	21,425
Use of Property	361,064	361,064	317,517	87.9%	369,264	369,264	334,286	90.5%	34,978
Charges for Services	6,226,657	6,226,657	4,416,808	70.9%	5,532,529	5,532,529	4,507,783	81.5%	1,024,746
Misc. Revenue	229,500	229,500	457,370	199.3%	226,900	226,900	456,626	201.2%	(229,726)
Revenue from Lynchburg City Schools	-	-	-	0.0%	-	-	-	0.0%	-
Intergovernmental Revenues									
Personal Property -State	5,543,584	5,543,584	5,266,405	95.0%	5,543,584	5,543,584	5,266,405	95.0%	277,179
Other	505,000	505,000	466,329	92.3%	604,000	604,000	438,336	72.6%	165,664
Total Non-Dedicated Revenues	134,409,038	134,409,038	94,194,197	70.1%	136,485,533	136,411,821	95,630,152	70.1%	$ 40,781,669
Dedicated Revenues									
Local									
Indirect Costs and Services from Enterprise Funds	1,992,237	1,992,237	1,494,178	75.0%	2,702,138	2,702,138	2,025,096	74.9%	677,042
Other	1,224,196	1,224,196	713,858	58.3%	931,200	927,950	768,760	82.8%	159,190
Intergovernmental Revenues									
Constitutional Officers	2,975,787	3,026,590	1,966,778	65.0%	3,047,794	3,047,794	1,974,895	64.8%	1,072,899
Human Services	14,277,317	14,277,317	9,807,949	68.7%	14,498,237	14,498,237	10,087,105	69.6%	4,411,132
House Bill 599	2,930,790	2,930,790	2,198,094	75.0%	3,054,362	3,054,362	2,059,597	67.4%	994,765
Aid to the Commonwealth of Virginia	-	-		0.0%	-	-		0.0%	-
Highway Maintenance	7,192,968	7,192,968	4,871,074	67.7%	7,114,754	7,114,754	7,982,953	112.2%	(868,199)
Other	705,326	705,326	676,503	95.9%	687,233	768,531	751,285	97.8%	17,246
Total Intergovernmental Revenues	28,082,188	28,132,991	19,520,398	69.4%	28,402,380	28,483,678	22,855,835	80.2%	5,627,843
Interfund Transfers	-	-	-	-	-	249,861	250,036	-	250,036
Total Dedicated Revenues	31,298,621	31,349,424	21,728,434	69.3%	32,035,718	32,363,627	25,899,727	80.0%	$ 6,463,900
Total Revenues	$ 165,707,659	$ 165,758,462	$ 115,922,631	69.9%	$ 168,521,251	$ 168,775,448	$ 121,529,879	72.0%	$ 47,245,569
Other Financing Sources									
Proceeds from Refunding Bonds		57,469	57,468			14,614,036	14,677,359		
Use of Fund Balance & Reserves									
Unclassify FY13 fund balance			1,113,041				613,376		
FY14 Budget reserves			992,570						
1/13/15 Council #2 trans to LCS							2,648,287		
1/13/15 Council #1 HHS FFE							100,000		
10/23/13 $10M GO Bond			377,229						
Remove assignments			34,498						
Return fund balance			507,487						
1/14/14 Council #8			589,731						
7/9/13 Council #8			1,185,000						
Debt Service - CVRRB							5,929		
Fire Equipment							100,000		
Debt Service - SW							254,324		
Recreation Programs							91,957		
Pub Safety Comp Adj							13,968		
6/24/14 Council #8							115,713		
6/24/14 Council #9							83,765		
9/9/14 Council #3							135,720		
9/9/14 Council #4							4,000		
Close T0226							(9,380)		
11/26/13 Council #2			246,724						
Corr Law Library reserve			5,160						
9/24/13 Council #2			33,113						
9/24/13 Council #2			(500,000)						
10/28/14 Council #6							48,044		
FY14 Carry Forward							(222,855)		
FY13 Carry Forward			50,000						
Total Fund Balance, Revenues and Use of Fund Bal.	$ 188,451,918	$ 188,560,190	$ 152,288,369		$ 192,961,073	$ 207,829,306	$ 174,068,586		

GENERAL FUND
FINANCIAL SUMMARY
As of March 31,2015

	FY 2014 Adopted Budget	FY 2014 Amended Budget	FY 2014 Actual 3rd Qtr 3/31/14	FY 2014 % of Budget	FY 2015 Adopted Budget	FY 2015 Amended Budget	FY 2015 Actual 3rd Qtr 3/31/15	FY 2015 % of Budget	FY 2015 Amnd Budget vs. Actual
BALANCE FORWARD									
Total Fund Balance, Revenues and Use of Fund Bal.	$ 188,451,918	$ 188,560,190	$ 152,288,369		$ 192,961,073	$ 207,829,306	$ 174,068,586		
EXPENDITURES									
Operating Expenditures - Departmental									
General Government									
Communications/Marketing	434,163	446,274	249,569	55.9%	440,131	467,295	298,743	63.9%	168,552
Customer Service Center	116,065	118,834	83,073	69.9%	119,327	121,229	80,179	66.1%	41,050
Local Government Channel	204,814	209,848	162,871	77.6%	185,240	187,829	127,443	67.9%	60,386
Council/Manager	839,915	859,257	638,971	74.4%	874,179	887,592	629,937	71.0%	257,655
Parking Management	354,575	367,990	217,957	59.2%	356,563	359,787	346,424	96.3%	13,363
Tourism	-	-	104,099	-	997,297	1,001,169	560,581	56.0%	440,588
City Attorney	634,939	651,504	476,685	73.2%	663,076	674,671	476,155	70.6%	198,516
Self-Insurance (Risk Management)	505,356	505,356	379,017	75.0%	505,356	505,356	379,017	75.0%	126,339
State Treasurer	148,249	150,677	109,661	72.8%	148,454	149,295	103,627	69.4%	45,668
Comm of Revenue	684,508	698,248	475,348	68.1%	694,172	703,839	456,361	64.8%	247,478
City Assessor	705,823	739,145	529,832	71.7%	724,070	735,337	501,035	68.1%	234,302
Director of Finance	636,969	663,002	481,513	72.6%	646,466	667,492	462,315	69.3%	205,177
Billings & Collections	1,257,745	1,291,104	918,061	71.1%	1,286,735	1,303,664	891,763	68.4%	411,901
Procurement	269,792	278,472	207,763	74.6%	303,177	308,721	212,138	68.7%	96,583
Accounting	815,216	901,387	633,674	70.3%	830,219	909,031	611,800	67.3%	297,231
Budget	159,090	163,461	120,270	73.6%	163,519	166,517	116,967	70.2%	49,550
Human Services - Finance	330,031	338,826	248,940	73.5%	316,518	322,067	218,465	67.8%	103,602
Human Resources	691,129	714,969	503,818	70.5%	706,182	731,042	509,463	69.7%	221,579
Occumaptional Health Services	121,174	121,405	73,696	60.7%	120,334	139,318	89,811	64.5%	49,507
Application Services	1,140,227	1,183,222	870,942	73.6%	1,280,498	1,299,025	898,605	69.2%	400,420
Network Services	1,336,261	1,369,095	1,001,197	73.1%	1,344,302	1,366,411	905,355	66.3%	461,056
IT Administration	455,949	475,490	320,307	67.4%	445,066	460,249	295,675	64.2%	164,574
GIS	267,015	272,558	202,432	74.3%	264,287	268,285	194,915	72.7%	73,370
Registrar	161,845	164,067	120,738	73.6%	170,032	171,506	116,623	68.0%	54,883
Electoral Board	58,257	58,257	41,958	72.0%	43,869	43,869	37,333	85.1%	6,536
Judicial									
Circuit Court - Judge	162,092	136,820	65,210	47.7%	161,921	166,173	69,927	42.1%	96,246
General District Court	62,550	63,150	45,040	71.3%	68,723	81,665	41,435	50.7%	40,230
Juvenile & Domestic District Court	15,409	16,723	8,252	49.3%	15,409	20,430	8,050	39.4%	12,380
24th Court Services Unit	1,632	1,632	264	16.2%	1,550	1,550	749	48.3%	801
Commonwealth Attorney	1,406,739	1,477,915	1,094,346	74.0%	1,472,119	1,483,910	1,038,234	70.0%	445,676
Comm Atty Fines & Fees Coll	64,827	64,827	43,501	67.1%	62,327	62,327	40,801	65.5%	21,526
Magistrates Office	4,193	5,299	1,385	26.1%	4,193	4,193	1,965	46.9%	2,228
Circuit Court - Clerk	798,229	808,976	558,503	69.0%	815,411	815,411	550,874	67.6%	264,537
Sheriff	2,133,193	2,162,438	1,572,509	72.7%	2,176,749	2,176,118	1,496,742	68.8%	679,376
Public Safety									
Police Operations	14,960,872	15,186,964	11,426,685	75.2%	15,206,219	15,536,685	11,166,159	71.9%	4,370,526
Animal Warden	278,208	293,055	169,371	57.8%	280,569	282,608	174,922	61.9%	107,686
Emergency Communications	2,401,588	2,504,950	1,777,475	71.0%	2,481,286	2,523,381	1,696,133	67.2%	827,248
Range Operations	15,000	16,742	9,552	57.1%	15,000	23,208	14,312	61.7%	8,896
Off Duty Employment	525,000	525,000	501,319	95.5%	550,000	550,692	611,566	111.1%	(60,874)
Fire Operations and EMS	15,010,712	15,216,231	10,723,044	70.5%	15,243,704	15,467,792	10,358,751	67.0%	5,109,041
TRT-Pier	82,500	82,500	45,557	55.2%	82,500	82,500	45,574	55.2%	36,926
Public Works									
Public Works Administration	703,582	714,239	534,079	74.8%	754,629	764,901	481,904	63.0%	282,997
Engineering	3,262,738	3,401,231	2,270,735	66.8%	3,356,005	3,433,894	2,378,279	69.3%	1,055,615
Street Maintenance	3,191,810	3,296,116	2,130,041	64.6%	3,142,424	3,204,580	2,011,287	62.8%	1,193,293
Snow Removal	187,975	227,606	244,602	107.5%	192,254	442,115	468,603	106.0%	(26,488)
Refuse Collection	2,269,620	2,445,540	1,812,580	74.1%	2,545,139	2,588,867	1,735,884	67.1%	852,983
Parks/Grounds Maintenance	2,469,597	2,519,274	1,809,454	71.8%	2,485,932	2,507,412	1,847,472	73.7%	659,940
Baseball Stadium Maintenance	93,063	103,183	56,764	55.0%	93,063	98,473	58,035	58.9%	40,438
Building Maintenance	3,148,263	3,286,967	2,598,979	79.1%	3,275,709	3,388,643	2,485,821	73.4%	902,822
Human Services Maintenance	208,383	215,191	169,952	79.0%	208,383	216,912	198,413	91.5%	18,499
Subtotal Est. Operating Expenditures - Departmental	$ 65,786,882	$ 67,515,017	$ 48,841,591	72.3%	$ 68,320,287	$ 69,875,036	$ 48,502,622	69.4%	$ 21,372,414

GENERAL FUND
FINANCIAL SUMMARY
As of March 31,2015

	FY 2014 Adopted Budget	FY 2014 Amended Budget	FY 2014 Actual 3rd Qtr 3/31/14	FY 2014 % of Budget	FY 2015 Adopted Budget	FY 2015 Amended Budget	FY 2015 Actual 3rd Qtr 3/31/15	FY 2015 % of Budget	FY 2015 Amnd Budget vs. Actual
Subtotal Est Operating Expenditures Departmental	$ 65,786,882	$ 67,515,017	$ 48,841,591		$ 68,320,287	$ 69,875,036	$ 48,502,622		
Continued Operating Expenditures Departmental:									
Health and Welfare									
Social Services Administration	6,563,694	6,919,421	4,963,444	71.7%	6,867,333	7,185,086	4,786,914	66.6%	2,398,172
Public Assistance	7,511,743	7,523,851	5,846,891	77.7%	7,414,648	7,416,606	6,012,056	81.1%	1,404,550
Juvenile Services Administration	335,382	344,257	130,872	38.0%	314,208	317,361	134,101	42.3%	183,260
Regional Detention Home	767,768	767,768	246,000	32.0%	452,768	452,768	476,256	105.2%	(23,488)
Opportunity House	642,628	654,777	422,012	64.5%	607,986	620,410	422,814	68.2%	197,596
SPARC House	594,169	609,633	457,278	75.0%	612,185	626,816	422,549	67.4%	204,267
CSA Service Providers	1,384,844	1,386,085	1,043,323	75.3%	1,346,444	1,347,297	1,020,859	75.8%	326,438
Lynchburg Outreach Program	276,383	282,288	136,664	48.4%	184,465	187,772	128,645	68.5%	59,127
Parks Recreation and Cultural									
Parks and Recreation	3,045,382	3,109,954	2,072,051	66.6%	3,194,601	3,781,022	2,477,839	65.5%	1,303,183
Public Library	1,464,212	1,519,024	1,052,482	69.3%	1,534,941	1,559,829	1,053,914	67.6%	505,915
Law Library	33,770	33,770	15,950	47.2%	33,770	33,770	15,346	45.4%	18,424
Museums	432,037	446,567	298,974	66.9%	436,247	446,488	294,584	66.0%	151,904
Community Development									
Director	347,905	358,202	239,412	66.8%	307,662	311,933	204,392	65.5%	107,541
Planning	305,378	476,505	284,284	59.7%	330,568	453,587	301,469	66.5%	152,118
Inspections	774,675	822,424	569,566	69.3%	820,432	832,787	542,756	65.2%	290,031
GIS	154,652	158,779	116,608	73.4%	186,680	188,500	114,105	60.5%	74,395
Economic Development	316,389	476,291	344,019	72.2%	318,455	550,278	461,966	84.0%	88,312
Operating Expenditures Non-Departmental:	16,660,561	17,148,507	13,927,280	81.2%	15,558,918	15,872,992	14,720,506	92.7%	1,152,486
Total Est. Operating Expenditures	107,398,454	110,553,120	81,008,701	73.3%	108,842,598	112,060,338	82,093,693	73.3%	29,966,645
TRANSFERS TO OTHER FUNDS									
Airport Fund	289,061	289,061	216,000	74.7%	152,443	152,443	77,100	50.6%	75,343
City/Federal state Aid Fund	41,720	112,074	111,711	99.7%	42,358	248,727	218,669	87.9%	30,058
Fleet Debt Service	-	33,306	-	0.0%	-	-	-	0.0%	-
Fleet - Vehicle Replacement	-	-	-	0.0%	135,739	135,739	-	0.0%	135,739
Stormwater	-	-	-	0.0%	-	-	-	0.0%	-
Sewer	-	-	-	0.0%	-	-	-	0.0%	-
Stadium Fund - Debt/Operating Expenses	-	-	-	0.0%	-	-	-	0.0%	-
Technology Fund	625,705	658,818	502,392	76.3%	622,294	670,338	514,765	76.8%	155,573
Total Transfers to Other Funds	956,486	1,093,259	830,103	75.9%	952,834	1,207,247	810,534	67.1%	396,713
SCHOOLS - OPERATIONS	38,201,147	38,708,634	21,332,487	55.1%	38,924,147	39,831,147	20,407,000	51.2%	19,424,147
DEBT SERVICE									
General Fund	7,042,641	7,218,789	4,908,874	68.0%	7,655,800	22,511,014	19,494,638	86.6%	3,016,376
Stadium	206,527	206,527	117,122	56.7%	445,619	760,660	240,601	31.6%	520,059
Group Home	-	-	-	0.0%	-	273,374	65,173	23.8%	208,201
Schools	6,565,401	6,583,083	4,354,086	66.1%	8,805,883	8,274,325	5,259,187	63.6%	3,015,138
Total Debt Service	13,814,569	14,008,399	9,380,082	67.0%	16,907,302	31,819,373	25,059,599	78.8%	6,759,774
RESERVES									
FY11 Encumbrances Carried to FY12									
Adj Recreation Programs									
Other Post Employment Benefits (OPEB)			250,000				250,000		
Law Library			80						
Debt Service - HHS			3,044,657						
Parking Oper - GASB54			52,004				38,575		
GLTC			43,860						
HHS - FFE							1,251,988		
Fire Equipment			50						
Assign VA Land Conserv			2,314						
Assign RSA Excess			363,317						
Contingency			700,000				600,000		
Total Reserves	-	-	4,456,282		-	-	2,140,563		
TOTAL EXPENDITURES	$ 160,370,656	$ 164,363,412	$ 117,007,655		$ 165,626,881	$ 184,918,105	$ 130,511,389		

GENERAL FUND
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	FY 2014 Adopted Budget	FY 2014 Amended Budget	FY 2014 Actual 3rd Qtr 3/31/14	FY 2014 % of Budget	FY 2015 Adopted Budget	FY 2015 Amended Budget	FY 2015 Actual 3rd Qtr 3/31/15	FY 2015 % of Budget
TRANSFERS TO CAPITAL FUNDS								
School Capital Projects Fund	$ 3,252,460	$ 5,027,191	$ 1,774,731	35.3%	$ 2,425,000	$ 5,043,287	$ 4,088,287	81.1%
City Capital Projects Fund	3,777,878	4,581,648	3,637,180	79.4%	4,914,676	6,241,594	5,003,545	80.2%
Total Transfers to Capital Funds	7,030,338	9,608,839	5,411,911	56.3%	7,339,676	11,284,881	9,091,832	80.6%
TOTAL EXPENDITURES, RESERVES & TRANSFERS	167,400,994	173,972,251	122,419,566	70.4%	172,966,557	196,202,986	139,603,221	71.2%
Remaining Unassigned Fund Balance	21,050,924	14,587,939	29,868,803	204.7%	19,994,516	11,626,320	34,465,365	296.4%
Committed and Assigned Fund Balance	75,908	-	12,468,135		-	-	13,232,135	
TOTAL FUND BALANCE	$ 21,126,832	$ 14,587,939	$ 42,336,938	290.2%	$ 19,994,516	$ 11,626,320	$ 47,697,500	410.3%

	FY 2014 Adopted Budget	FY 2014 Amended Budget	FY 2014 Actual 3rd Qtr 3/31/14	FY 2014 % of Budget	FY 2015 Adopted Budget	FY 2015 Amended Budget	FY 2015 Actual 3rd Qtr 3/31/15	FY 2015 % of Budget	
Committed and Assigned Fund Balance									
Committed Fund Balance									Committed Fund Balance
Health Insurance			677,017				695,467		Health Insurance
Contingencies			822,771				1,117,617		Contingencies
Detention Home Workers Comp			100,000				100,000		Detention Home Workers Comp
SW Debt Retire			841,605				587,281		SW Debt Retire
Future Post Closure Costs			604,284						Future Post Closure Costs
Other Post Employment Benefits			1,614,509				1,877,471		OPEB
			543,860				543,860		GLTC Spec Reserve
Schl Spc Ed Dis Prop			321,000				321,000		Schl Spc Ed Dis Prop
HHS Debt Service - Recurring			1,894,223						HHS Debt Service - Recurring
							2,672,682		HHS FFE
							250,000		Armstrong
Debt Service CVRRB			5,929						Debt Service CVRRB
Pub Safety Comp Adj			13,968						Pub Safety Comp Adj
School Textbooks			1,432,254				655,254		School Textbooks
School Health Ins Reserve			1,440,608				1,740,608		School Health Ins Reserve
School Future Exp Needs	75,908								School Future Exp Needs
Total Committed Fund Balance	**75,908**	**-**	**10,312,028**		**-**	**-**	**10,561,240**		Total Committed Fund Balance
Assigned Fund Balance									Assigned Fund Balance
Return of School Funding			279,818				1,178,153		Return of School Funding
Law Library			74,885				64,929		Law Library
Hlth Ins Reserve			364,538				364,538		Health Ins Reserve
Future Post Closure			567,755						Future Post Closure
Museum			50,028				50,028		Museum
Recreation Programs			112,090				142,672		Recreation Programs
Dental Insurance Reserve			150,000				150,000		Dental Insurance Reserve
Fire Equipment			100,000				144,380		Fire Equipment
LOD Death Benefit			211,904				211,904		LOD Death Benefit
LOD Health Benefit			145,000				145,000		LOD Health Benefit
			2,314				2,314		VA Land Conserv
			3,281				3,113		Adopt-A-Bed
Parking Operations			71,564				160,040		Parking Operations
Point of Honor			2,653				2,653		Point of Hononr
Police Range Oper			569				1,889		Police Range Oper
PIER			19,658				49,232		PIER
			50				50		Fire Restitution
Total Assigned Fund Balance	**-**	**-**	**2,156,107**		**-**	**-**	**2,670,895**		Total Assigned Fund Balance
Total Committed/Assigned Fund Balance	**$ 75,908**	**$ -**	**$ 12,468,135**		**$ -**	**$ -**	**$ 13,232,135**		

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 26, 2015** AGENDA ITEM NO.: **3**

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Appropriation of Funds from the Reserve for Fire Equipment Assigned Fund Balance to Purchase Radio Equipment for Two Replacement Battalion Chief Vehicles**

RECOMMENDATION: Adopt a resolution to amend the FY 2015 General Fund budget and appropriate $17,758 with resources from the Reserve for Fire Equipment Assigned Fund Balance to purchase radio equipment for two replacement Battalion Chief vehicles in the Fire Department.

SUMMARY: The replacement Battalion Chief vehicles need radio equipment not included in the vehicles' purchase price. The Harris Unity XG-100M is a multiband mobile radio. It will operate in the current radio system (EDACS-Enhanced Digital Access Communications System) and the upcoming P25 radio system (scheduled to be operational in 2016). Until the P25 radio system is operational, a device referred to as an EDACS "critter" will be required to maintain the capacity to rebroadcast from conventional talk to EDACS talk groups (this allows enhanced communication in structures where signal penetration is problematic). In the P25 radio system, a mobile repeater will perform that function, allowing use of the radio's full capabilities. The Department of Emergency Services will supply partial funding for the two mobile radios. Therefore, the department requests to purchase two (2) Harris Unity XG-100 mobile radios ($7,696), two EDACS "critters" ($2,060), and two P25 mobile repeaters ($8,002) at a total cost of $17,758.

Currently, the Reserve for Fire Equipment Assigned Fund Balance is $98,680; appropriating $17,758 will reduce the balance to $80,922. An additional $50,000 is proposed for use in the FY 2016 Operating budget.

PRIOR ACTION(S): Finance Committee May 26, 2015

FISCAL IMPACT: With the appropriation of $17,758, the Reserve for Fire Equipment Assigned Fund Balance will be $80,922.
Future funds may be needed for periodic maintenance of the equipment purchased.

CONTACT(S): Fire Chief Brad Ferguson, 455-6340
Acting Deputy Chief Jason Campbell, 455-6363
Ellen Davidson-Martin, Fire Administrative Manager, 455-6368

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

RESOLUTION:

BE IT RESOLVED That the FY 2015 General Fund budget is amended and $17,758 is appropriated with resources from the Reserve for Fire Equipment Assigned Fund Balance to purchase radio equipment for two replacement Battalion Chief vehicles in the Fire Department.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

FINANCE COMMITTEE
Agenda Item Summary

MEETING DATE: **May 26, 2015** AGENDA ITEM NO.: **4**

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

ACTION: INFORMATION:

ITEM TITLE: **Department of Justice Bureau of Justice Assistance Body-Worn Camera Pilot Implementation Program Grant Application**

RECOMMENDATION:
Approve the submittal of an application for 2015 Department of Justice Bureau of Justice Assistance (BJA) Body-Worn Camera Pilot Implementation Program Grant funds of $500,000 ($250,000 Federal Award) with a 50% local match of $250,000 to purchase 175 body-worn camera systems, which includes related data storage, training, and equipment.

SUMMARY:
The Police Department (LPD) is seeking federal funding to offset the significant expense of implementing a body-worn camera program. The LPD projects a program of this magnitude will require employing an additional civilian position that will be dedicated to the implementation and management of the body-worn camera program. The annual salary of this position with benefits is approximately $52,000 per year ($104,000 over the two-year program). This position would be funded by the City and considered part of the 50% local match. The remaining $146,000 local match would be absorbed through the program-required training costs and data storage costs.

Presumably body-worn cameras will become a law enforcement best practice nationwide: therefore, it is prudent to seek federal funding as it becomes available to offset this significant projected expense. The BJA intends to award 18 grants to agencies of the LPD's size within the United States. This is a 24-month grant program; the application is due June 16, 2015, and if awarded, the grant period begins October 2015. Grantees are required to spend up to the first six months of the grant period on equipment and protocol evaluation. Based on this schedule the LPD anticipates purchasing the equipment in the spring/summer of 2016.

PRIOR ACTION(S):
None

FISCAL IMPACT:
$250,000 50% local match

CONTACT(S):
Police Chief Parks Snead, 455-6104
Captain M.L. Jamison, Police Department, 455-6168
Captain R.M. Zuidema, Police Department, 455-6171

ATTACHMENT(S):

REVIEWED BY:

FINANCE COMMITTEE
Agenda Item Summary

MEETING DATE: **May 26, 2015**			AGENDA ITEM NO.: **5**
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 through March 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 2014 – FY 2015

REVIEWED BY:

Comparison of Collections
Budget to Actual FY 2014 - FY 2015

	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Adopted FY 2015	Actual FY 2015	Actual FY 2015 to Adopted FY 2015	Actual FY 2015 to Actual FY 2014
SALES & USE TAX								
ADOPTED FY 2015 BUDGET - $13,600,000								
REVISED FY 2015 BUDGET - $14,600,000								
JULY	$979,650	$1,014,596	$996,646	$1,075,816	$1,056,985	$1,131,485	$74,500	$55,669
AUGUST [1]	1,022,849	1,079,129	1,145,592	1,098,342	1,079,117	1,299,763	220,646	201,421
SEPTEMBER	1,102,964	1,100,698	1,117,209	1,083,199	1,064,239	1,204,336	140,097	121,137
OCTOBER	1,056,307	1,055,941	1,033,859	1,161,965	1,141,625	1,185,608	43,983	23,643
NOVEMBER	1,144,056	1,117,090	1,187,008	1,155,729	1,135,499	1,241,898	106,399	86,169
DECEMBER	1,548,053	1,488,926	1,466,715	1,316,419	1,293,376	1,669,810	376,434	353,391
JANUARY	1,018,798	998,052	1,085,312	1,103,175	1,083,865	1,073,237	(10,628)	(29,938)
FEBRUARY	1,025,671	1,134,434	1,074,819	1,172,252	1,151,733	1,131,392	(20,341)	(40,860)
MARCH	1,112,797	1,196,149	1,138,611	1,217,930	1,196,612	1,282,807	86,195	64,877
TOTAL	**$10,011,145**	**$10,185,015**	**$10,245,771**	**$10,384,827**	**$10,203,051**	**$11,220,336**	**$1,017,285**	**$835,509**
CONSUMER UTILITY TAX - ELECTRIC								
ADOPTED FY 2015 BUDGET - $3,700,000								
REVISED FY 2015 BUDGET - $3,790,000								
JULY	$352,603	$341,729	$323,141	$325,815	$314,895	$321,596	$6,701	($4,219)
AUGUST	345,842	345,615	345,163	318,738	308,056	305,012	(3,044)	(13,726)
SEPTEMBER	329,379	325,754	318,915	317,324	306,689	317,947	11,258	623
OCTOBER	283,250	280,745	279,145	273,646	264,475	273,264	8,789	(382)
NOVEMBER	262,650	281,842	282,035	280,945	271,529	273,353	1,824	(7,592)
DECEMBER	341,053	325,287	330,714	348,750	337,062	346,565	9,503	(2,185)
JANUARY	388,100	344,439	346,399	374,541	361,989	365,859	3,870	(8,682)
FEBRUARY	350,799	322,546	342,839	372,254	359,778	381,844	22,066	9,590
MARCH	299,725	298,405	326,828	334,289	323,086	339,965	16,879	5,676
TOTAL	**$2,953,401**	**$2,866,362**	**$2,895,179**	**$2,946,302**	**$2,847,559**	**$2,925,405**	**$77,846**	**($20,897)**
COMMUNICATIONS SALES & USE TAX								
ADOPTED FY 2015 BUDGET - $3,450,000								
REVISED FY 2015 BUDGET - $3,378,000								
JULY	$301,373	$349,339	$293,358	$286,999	$287,500	$283,594	($3,906)	($3,405)
AUGUST	344,401	294,910	291,560	284,691	287,500	281,957	(5,543)	(2,734)
SEPTEMBER	274,076	179,549	263,295	284,249	287,500	283,441	(4,059)	(808)
OCTOBER	299,531	309,437	319,011	288,830	287,500	287,702	202	(1,128)
NOVEMBER	292,735	284,123	300,665	284,176	287,500	279,441	(8,059)	(4,735)
DECEMBER	344,423	233,654	297,855	289,726	287,500	282,491	(5,009)	(7,235)
JANUARY	265,736	337,936	282,620	264,960	287,500	275,361	(12,139)	10,401
FEBRUARY	288,629	287,492	287,759	280,480	287,500	291,186	3,686	10,706
MARCH	300,235	302,278	299,333	288,500	287,500	285,971	(1,529)	(2,529)
TOTAL	**$2,711,139**	**$2,578,718**	**$2,635,456**	**$2,552,611**	**$2,587,500**	**$2,551,144**	**($36,356)**	**($1,467)**

Comparison of Collections
Budget to Actual FY 2014 - FY 2015

MEALS TAX

ADOPTED FY 2015 BUDGET - $12,100,000

REVISED FY 2015 BUDGET - $13,150,000

	Actual Assessed FY 2012	Actual Collected FY 2012 [4]	Actual Assessed FY 2013	Actual Collected FY 2013 [4]	Actual Assessed FY 2014	Actual Collected FY 2014 [4]	Adopted FY 2015	Actual Assessed FY 2015	Actual Assessed FY 2015 to Adopted FY 2015	Actual Collected FY 2015 [4]	Actual Collected FY 2015 to Adopted FY 2015	Actual Collected FY 2015 to Assessed FY 2015
JULY [2]	$889,917	$889,135	$943,431	$1,044,556	$944,936	$1,159,786	$915,132	$1,005,080	$89,948	$970,597	$55,465	($34,483)
AUGUST	960,082	962,761	1,042,850	1,026,544	1,056,177	1,024,718	1,022,863	1,145,447	122,584	1,119,585	96,722	(25,862)
SEPTEMBER	984,785	998,157	1,011,701	1,012,294	1,029,645	1,052,079	997,168	1,109,457	112,289	1,159,391	162,223	49,934
OCTOBER	999,289	994,851	1,006,966	1,003,032	1,045,936	958,359	1,012,945	1,149,788	136,843	1,119,430	106,485	(30,358)
NOVEMBER	916,955	898,157	964,775	868,692	1,018,552	1,064,385	986,425	1,080,797	94,372	1,099,028	112,603	18,231
DECEMBER	1,028,805	986,078	1,044,178	1,083,983	1,061,872	1,035,379	1,028,379	1,127,871	99,492	1,117,510	89,131	(10,361)
JANUARY	931,373	950,784	927,026	889,358	968,137	971,677	937,600	1,087,901	150,301	963,288	25,688	(124,613)
FEBRUARY	988,981	977,100	983,390	995,618	987,205	957,979	956,067	1,034,924	78,857	1,198,810	242,743	163,886
MARCH	1,079,018	1,073,364	1,092,759	1,091,421	1,144,197	1,142,746	1,108,107	1,211,627	103,520	1,177,822	69,715	(33,805)
TOTAL	**$8,779,205**	**$8,730,387**	**$9,017,076**	**$9,015,498**	**$9,256,657**	**$9,367,108**	**$8,964,686**	**$9,952,892**	**$988,206**	**$9,925,461**	**$960,775**	**($27,431)**

LODGING TAX

ADOPTED FY 2015 BUDGET - $1,800,000

REVISED FY 2015 BUDGET - $2,000,000

	Actual Assessed FY 2012	Actual Collected FY 2012 [4]	Actual Assessed FY 2013	Actual Collected FY 2013 [4]	Actual Assessed FY 2014	Actual Collected FY 2014 [4]	Adopted FY 2015	Actual Assessed FY 2015	Actual Assessed FY 2015 to Adopted FY 2015	Actual Collected FY 2015 [4]	Actual Collected FY 2015 to Adopted FY 2015	Actual Collected FY 2015 to Assessed FY 2015
JULY [2]	$180,074	$168,386	$180,074	$197,072	$174,759	$223,419	$151,714	$180,417	$28,703	$180,395	$28,681	($22)
AUGUST [3]	192,759	200,321	163,020	275,903	185,662	185,340	161,179	185,946	24,767	185,402	24,223	(544)
SEPTEMBER	156,383	159,891	160,661	157,680	181,706	204,758	157,745	173,904	16,159	173,875	16,130	(29)
OCTOBER	185,386	185,530	183,064	191,453	184,462	185,014	160,137	209,859	49,722	209,788	49,651	(71)
NOVEMBER	131,053	131,431	131,993	129,941	153,745	148,082	133,471	141,921	8,450	144,988	11,517	3,067
DECEMBER	108,029	92,483	112,277	113,067	141,137	126,077	122,525	115,033	(7,492)	119,891	(2,634)	4,858
JANUARY	122,636	115,790	134,471	129,578	133,071	125,716	115,523	117,665	2,142	108,523	(7,000)	(9,142)
FEBRUARY	136,278	130,805	136,660	136,660	136,497	139,851	118,497	122,585	4,088	133,217	14,720	10,632
MARCH	154,626	144,654	158,737	158,706	176,151	172,029	152,922	183,602	30,680	178,963	26,041	(4,639)
TOTAL	**$1,367,224**	**$1,329,291**	**$1,360,957**	**$1,490,060**	**$1,467,190**	**$1,510,286**	**$1,273,713**	**$1,430,932**	**$157,219**	**$1,435,042**	**$161,329**	**$4,110**

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

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

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

[4] 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.

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 26, 2015** AGENDA ITEM NO.: 1

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

ACTION: INFORMATION: **X**

ITEM TITLE: **A Discussion on Poverty in Lynchburg**

RECOMMENDATION: None at this time.

SUMMARY: During its Strategic Planning Session last September, Council indicated that it wanted to engage in a discussion regarding poverty in the City. While there are a number of initiatives ongoing in the City, there is no overarching vision or goals for addressing issues related to intergenerational poverty in the community. Whether or not there should be such a vision and goals, and which entity should take the lead is a necessary part of the discussion.

Staff has done some brainstorming on this issue and the attached presentation, which contains notes from that brainstorming, is offered to spark Council's discussion.

PRIOR ACTION(S): September 29, 2014, City Council Strategic Planning Session

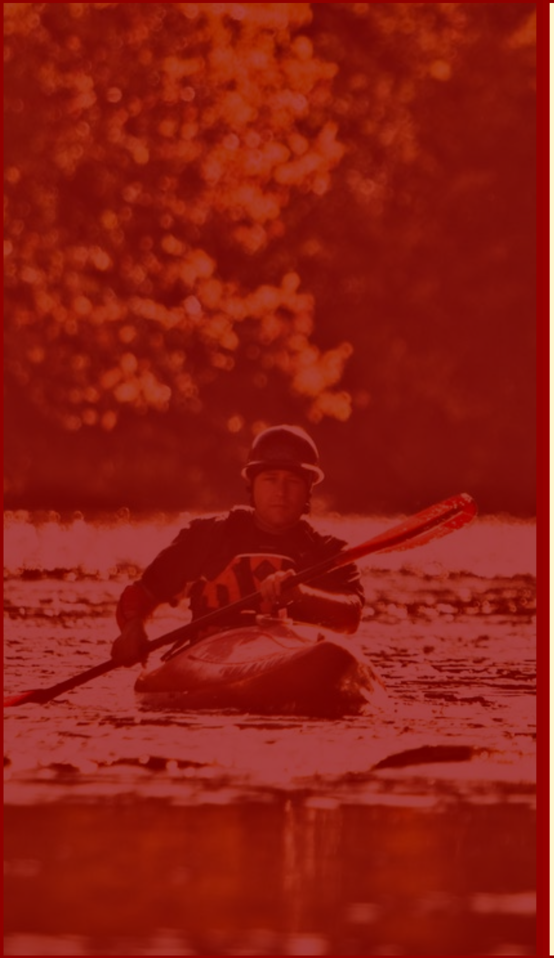
FISCAL IMPACT: Undetermined

CONTACT(S): Kimball Payne, City Manager, 455-3990; Bonnie Svrcek, Deputy City Manager, 455-3990; Tamara Rosser, Director of Human Services, 455-5794.

ATTACHMENT(S): Presentation

REVIEWED BY: lkp

047V



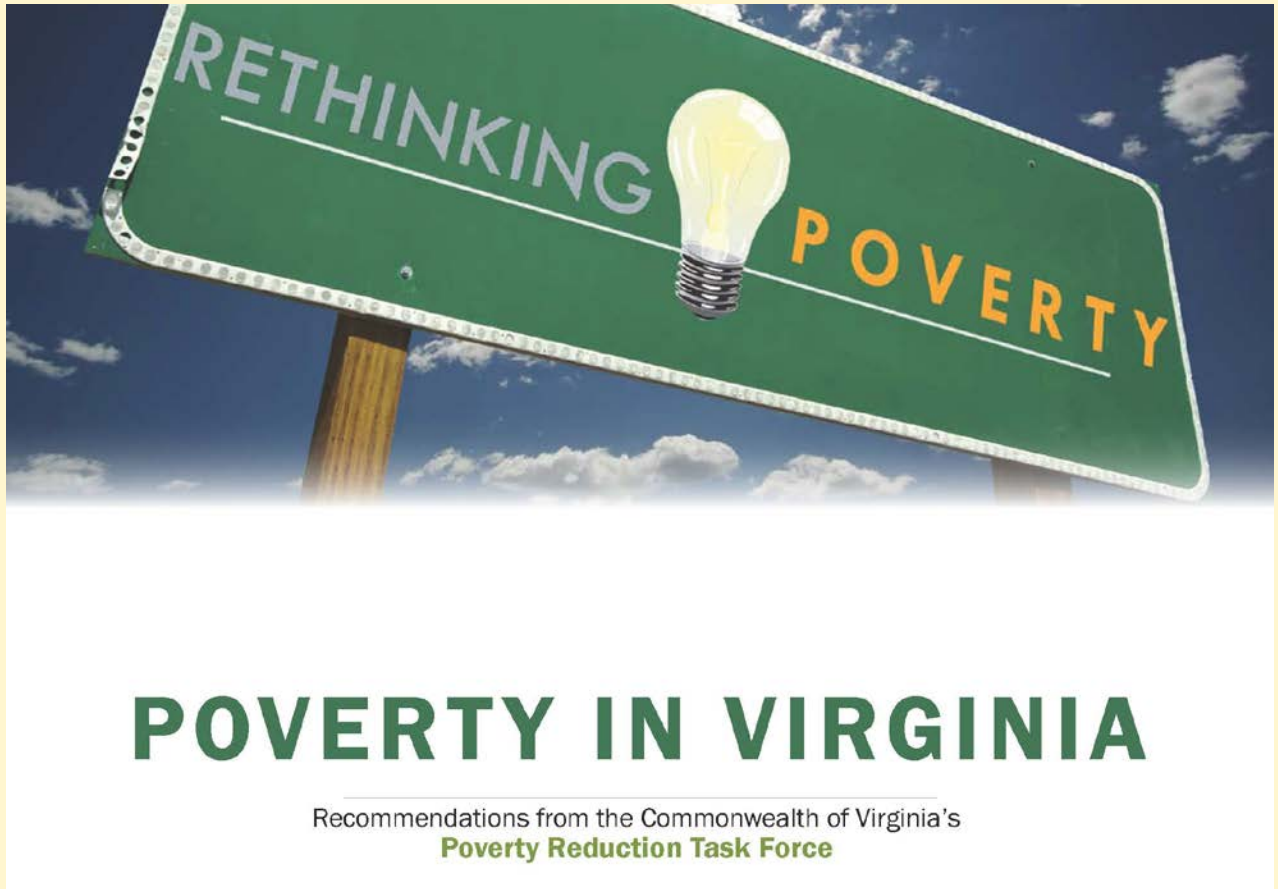
A Conversation About Poverty in Lynchburg

May 26, 2015

Why Now?

- 2008 recession
- Other cities' initiatives
- Issue in the last City Council election
- 50th anniversary of "The War on Poverty" with little progress
- Concern about the significant percentage of our citizens living in poverty and the impact on the community.

Poverty in Virginia



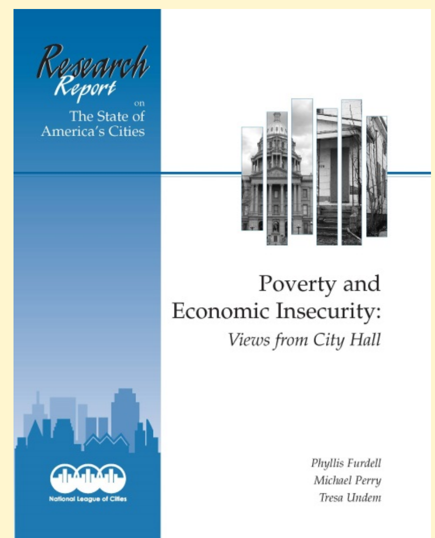
Recommendations from the Commonwealth of Virginia's Poverty Reduction Task Force

Recommendations of the Commonwealth's Poverty Reduction Task Force (2010)

- Invest in young children and strengthen family relationships
- Enhance workforce readiness by expanding access to career development programs and employment supports
- Increase the returns on work
- Promote savings and asset accumulation
- Expand safety-net opportunities for families in crisis

Richmond

- Mayor's Anti-Poverty Commission
- Community Wealth Building
- Research Report: Poverty and Economic Insecurity



Richmond, January 2013
Overall Tier One Recommendations for Action: High Investment, High Impact

- Expand existing workforce pipeline program move forward with plans to establish Regional Rapid Transit system.

- Begin identifying and recruiting/supporting employers capable of and interested in employing significant numbers of low-income Richmond residents.

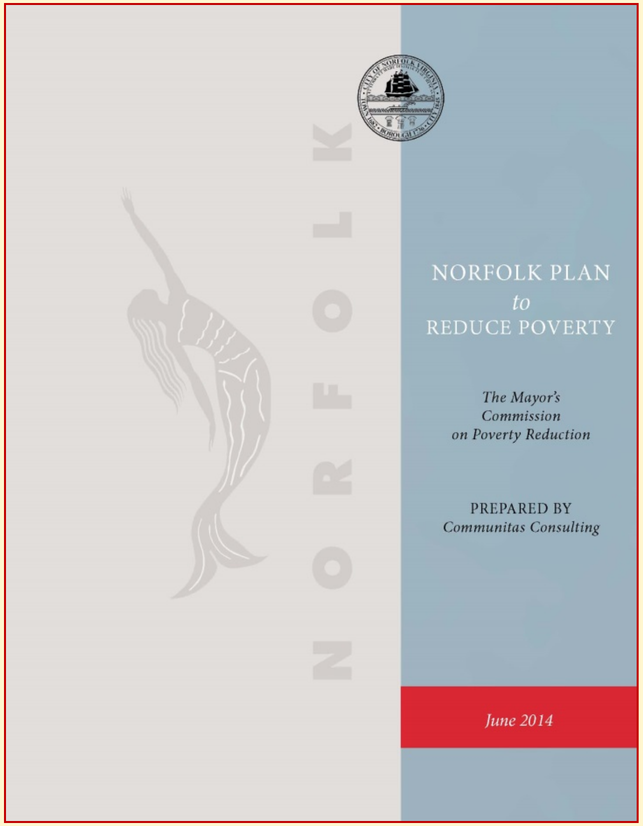
Richmond, January 2013
Overall Tier One Recommendations for Action: High Investment, High Impact

- Pursue deliberate plan for best practice, model example of public housing redevelopment without displacement.

- Strengthen the Pre-K-12 educational pipeline: early childhood investments, Richmond promise scholarships, greater vocational training.

Norfolk

Norfolk Plan to Reduce Poverty



Norfolk Goals (June 2014)

- Prepare young children for academic success and healthy development through effective early childhood programs.

- Prepare youth and young adults to secure family-sustaining employment through effective programs that address both in-school and out-of-school factors.

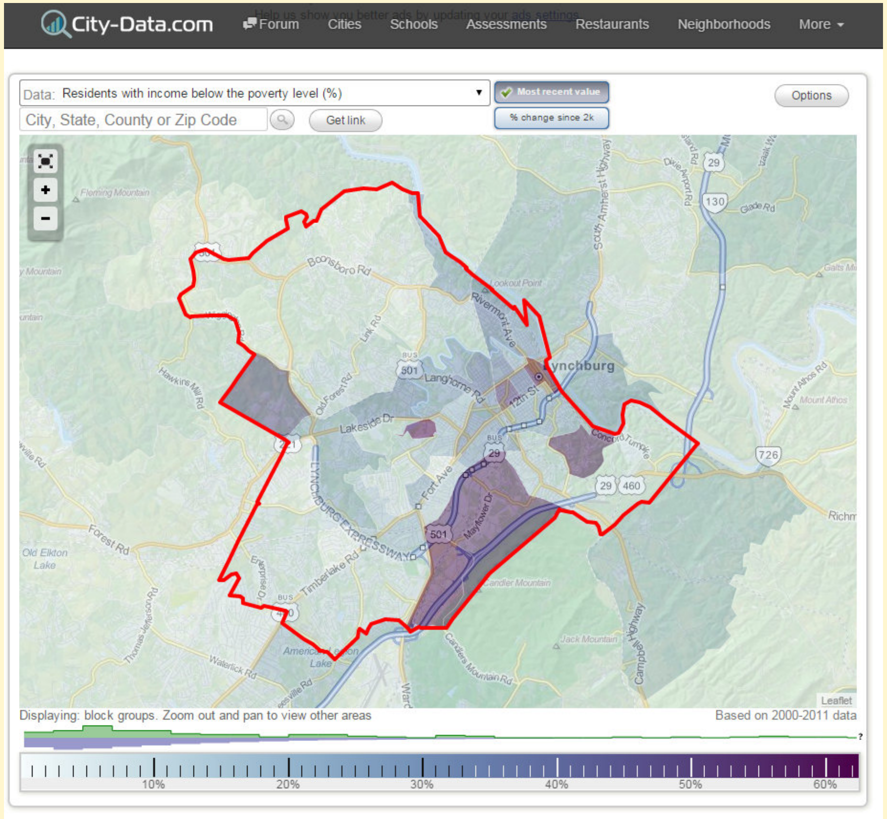
Norfolk Goals (June 2014)

- Help adults prepare for the workplace by expanding access to career development programs and employment support.

- With residents driving the process, create safe and thriving communities by increasing access to jobs, neighborhood amenities, and quality affordable homes.

Lynchburg Poverty Statistics

Lynchburg City Data: Poverty Statistics



What's Happening Now?

Getting Ahead Groups

Bridges Out Of Poverty

School Summits (Community Initiative)

Churches (**Spiritual**)

Parkview Mission

Centra Mobile Clinic +

Multi-disciplinary Team (Focus On ER, **Mental Health**, Etc., "Frequent Fliers")

United Way **Education** Readiness Initiative

Centra – Community **Health** Advocates

(Churches & Neighborhoods), "Memphis Model"

Homeless Intake Coordination (**Housing** First Model)

Continuum Of Care

Community Centers

Workforce development (Workforce Investment Board), CVCC)

Non-profits (Lots! - Could Be Whole Separate List

Community Centers

Housing – Section 8 Subsidized, LIHTC, LRHA, LYNCAG, RUSH, Etc.

Blue Ridge **Re-entry** Council

Food Council

Safety

Quality Of Place

Healing Place (Np)

Public Transit (**Transportation**)

Fatherhood Initiative

Financial Education (LYNCAG, Habitat)

Poverty Simulation

Extension Service

Beacon Of Hope

Impact Areas

Education
Spiritual
Workforce
Transportation
Safety
Financial
Health
Health Mental
Re-entry

Housing
Food
Quality of Place
Infrastructure
Substance Abuse
Disability
Family
Youth
Elderly

Necessary For Success

COMMITMENT

3. WILL

* BUSINESS COMMUNITY INVOLVEMENT

2. DEFINE TARGET – COMMON UNDERSTANDING OF THE ISSUE

3. MINDSET CHANGE (EVERYONE)

2. EDUCATION

3. TIMELINE (LONG RUN)

3. SUSTAINED EFFORT (RESOURCES)

3. APPROPRIATE MEASURES (METRICS)

3. GOALS

1. ANALYSIS (WHAT DOES 24% POVERTY MEAN? HOW IS IT DETERMINED? DEMOGRAPHICS, SPATIAL DISTRIBUTION)

1. POLICY, SYSTEMS, ENVIRONMENTAL REVIEW (TO ELIMINATE ENABLING)

2. COMMUNICATE – VISION, SHARED VALUES

2. DEFINE SHARED VALUES

3. FOCUS (BOUNDARIES) RISK V. REWARD

* LEADERSHIP, CHAMPIONS

COLLABORATION

2. TRAINING

* BACKBONE ORGANIZATION(S)

FLEXIBILITY

* INVOLVEMENT FROM THOSE WHO HAVE EXPERIENCED INTERGENERATIONAL POVERTY

2. BELIEF THAT WE CAN MAKE A DIFFERENCE (**NOT A PROJECT OR INITIATIVE**)

1. UNDERSTAND THE COSTS/IMPACTS OF POVERTY

2. RESPONSIBLE LIVING – VALUES, INITIATIVE, RESPONSIBILITY

How?

- Commission/Task Force
- Community Dialogue
- Collective Impact
- Bridges Out of Poverty
- Pilot
- School Summits follow-up (mental health, poverty, parent engagement)
- Some kind of "Gathering"

Steps

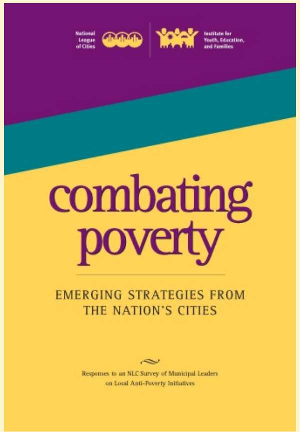
1. Conversation
2. Choices
3. Action
4. Measurement
5. Analysis & review

Big Questions

- Are we dealing with root causes or manifestations of poverty?
- Who are we doing this for?
- Why are we doing this?
- How do we define success?
- Who are "we" anyway?
- Who "owns" this?
- Who says "go"?

Resources

- Everyday Democracy
- aha! Process
- Stanford Social Innovation Review: Collective Impact
- NLC--Combating Poverty



What's Next?

- Further discussion
- Guidance from Council
- Gathering
- Additional information, analysis
- Designation as a "*Bridges Out of Poverty Community*"

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 26, 2015**			AGENDA ITEM NO.: 2
CONSENT:	REGULAR:	WORK SESSION: **X**	CLOSED SESSION: (Confidential)
ACTION:		INFORMATION: **X**	
ITEM TITLE: **Lynchburg's Residential Rental Property Inspection Program**			

RECOMMENDATION: No action required.

SUMMARY: Staff will provide an overview to Council on the City's Residential Rental Property Inspection Program.

PRIOR ACTION(S): N/A

FISCAL IMPACT: N/A

CONTACT(S): Walter Erwin, City Attorney – 455-3980
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Presentation Slides

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THE CITY OF LYNCHBURG, VIRGINIA

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May 19, 2015

To the Honorable City Council
Lynchburg, Virginia

Dear Council:

At its May 26 work session, City Council will discuss the City's rental property inspection program. In preparation for the upcoming discussion, I want to provide Council with some background concerning the history of the program.

Uniform Statewide Building Code
&
Rental Property Inspections

In 1986 the Virginia Department of Housing and Community Development adopted the provisions of the Uniform Statewide Building Code regulating the maintenance of buildings. The property maintenance code establishes the minimum standards to which buildings have to be maintained. The purpose of the property maintenance code is to "protect the health, safety and welfare of the residents of the Commonwealth of Virginia, provided that buildings and structures should be permitted to be maintained at the least possible cost consistent with recognized standards of health, safety, energy conservation and water conservation, including provisions necessary to prevent overcrowding, rodent or insect infestation, and garbage accumulation; and barrier-free provisions for the physically handicapped and aged."

Once localities started enforcing the property maintenance code, they discovered a large percentage of the property maintenance violations involved rental properties. For example, in 1992 Lynchburg's Community Development Department reported it investigated approximately 1,000 complaints of code violations in residential units, and approximately 89% of these complaints involved rental properties.

Because of the large number of code violations involving rental properties, and concerns that for a variety of reasons the residents of substandard rental units are often reluctant to report code violations, localities began adopting rental property inspection programs that provided code officials with a way to inspect residential rental units on a regular, recurring basis to determine compliance with the property maintenance code.

When the property maintenance code was originally adopted, it did not specifically authorize the establishment of rental property inspections programs, and the localities that adopted such programs relied on their general police powers to protect the public health, safety, and welfare of their communities as their authority to do so. The Virginia Department of Housing and Community Development also advised localities that they had the authority to adopt rental property inspection programs. Further, in the case of *Logie v. Town of Front Royal* a property owner challenged the town's rental property inspection program, and the court held that the authority given to local governments to enforce the property maintenance code, gave the town the authority to establish a rental property inspection program.

Over the years the courts have upheld routine inspections of closely regulated activities, finding that such inspections are necessary to protect the public health, safety, and welfare. For example, the state and federal governments conduct routine inspections of mining facilities, food processing plants, companies that manufacture hazardous substances, etc. Entrepreneurs who choose to enter into these types of businesses voluntarily subject themselves to the regulations that apply to such activities. It is not a violation of their privacy or the Fourth Amendment to conduct routine inspections of their facilities to determine if they are complying with the regulations that apply to their activities.

Lynchburg's Rental Property Inspection Program Prior to 2004

On December 11, 1991, during a planning session, City Council embraced the Lynchburg Area Housing Coalition's goal of eliminating substandard housing within the City. Council took notice of the fact that the 1990 Federal Census data revealed that 38% of the total housing stock in the City consisted of rental units and 35% of the City's population resided in rental properties. The City's inspection records showed that many of the City's rental properties were dilapidated and substandard and were rented to low income families who were faced with unhealthy and even dangerous conditions. The City's experience in dealing with rental properties showed that residents of rental properties had limited resources, few housing options and were often reluctant to complain to public officials when building code violations existed in their units. The residents feared that if they complained about the condition of their rental units their landlords would evict them or raise their rents. Council concluded that the inspection rental properties on a complaint only basis was not sufficient to eliminate substandard rental properties and directed the Community Development Department to start the process of developing a rental property inspection program that would provide for the systematic inspection of rental properties. The goal of the rental property inspection program was to allow City inspectors to inspect residential rental units on a regular, recurring basis for compliance with the Uniform Statewide Property Maintenance Code.

Community Development held a series of meeting with community groups that would be impacted by such a rental inspection program. Groups and associations that were involved in the process included the Lynchburg Property Manager's Association, the Lynchburg Redevelopment and Housing Authority, Lynchburg Covenant Fellowship, Central Virginia Health District, White Rock Hill Neighborhood Watch Group, the City Assessor's Office, Lynchburg College Off Campus Housing Association and a number of local real estate businesses. As a result of its work with these groups the Community Development Department developed a proposal for the implementation of a rental property inspection program.

The Community Development Department presented its proposal to City Council on June 22, 1993. Council approved the proposal and directed staff to prepare an ordinance implementing a rental property inspection program. The requested ordinance was prepared and was adopted by Council on September 28, 1993, with an effective date of January 1, 1994.

The Housing Authority worked with the City to identify those areas of the City with the highest number of substandard rental units, and the 7 areas of the City that were identified as having the largest numbers of substandard rental properties were designated as rental property inspection districts. The areas were identified by their census tract numbers and included the following: census tract #4, census tract #5, census tract #6, census tract #7, census tract #11, census tract #12, and census tract #13. After the adoption of the ordinance, residential rental properties in the rental inspection districts were inspected on a periodic basis to determine if they were being maintained in accordance with the requirements of the property maintenance code.

I am enclosing copies of a number of articles from the *News & Advance* commenting on the adoption of the City's rental property inspection program.

2004 Rental Property Legislation

Like Lynchburg, a number of other localities, particularly older cities, that were experiencing problems with the maintenance of rental properties, also implemented rental inspection programs. Because of the variety of such programs throughout the state, the General Assembly decided legislation was needed to establish uniform standards for rental inspection programs. In 2004 representatives from a number of local governments, the Virginia Municipal League, landlords and property owners worked together to develop proposed legislation that would establish mutually agreeable standards for rental property inspection programs. I served as a member of the group that helped draft the proposed legislation. I believe the draft legislation represented a good compromise between those that wanted a more intrusive rental property inspection program, and those that were opposed to any type of rental property program. The proposed legislation was adopted by the General Assembly as Section 36-105.1:1 of the State Code.

Section 36-105.1:1 authorizes localities to implement rental property inspections, but does not require them to do so. Under the provisions of Section 36-105.1:1, a locality that decides to establish a rental property inspection program must:

- Establish rental inspection districts based upon findings that: (i) the residential rental dwelling units within that district are blighted, deteriorating, or in danger of deterioration; (ii) that the living conditions in the area are unsafe, indecent, or unsanitary; or (iii) that that there is a need to protect the health, safety, and welfare of occupants of the residential rental dwelling units in the district. Designating an entire locality as a rental inspection district is not allowed.

- Once rental inspection districts are established, the locality must notify the owners or managing agents of the affected residential rental dwelling units of their rights and obligations under the ordinance.

- After the adoption of a rental property inspection ordinance, periodic inspections of residential rental dwelling units inside the districts are allowed, but: (i) rental properties cannot be inspected more than once a calendar year, (ii) if a multi-family development has more than ten dwelling units, only a sample of between 2 percent and 10 percent of the units may be inspected, and (iii) residential rental dwelling units are exempt from inspections for a minimum of four years if the initial or periodic inspection reveals no tenant violations.

- A locality may establish a fee schedule to cover the cost of inspections.

- If a code official is denied access to a rental property, the code official can obtain an administrative inspection warrant to gain access to the rental property.

Lynchburg's Rental Property Inspection Program After 2004

On March 8, 2005, City Council amended Lynchburg's rental property inspection ordinance to comply with the 2004 amendments to the State Code. Residential rental properties in the rental inspection districts are inspected on a periodic basis to determine if they are being maintained in accordance with the requirements of the property maintenance code, and inspections are conducted under the following guidelines as required by the State Code:

- Rental units are inspected no more than once a calendar year.

- In multifamily developments of more than 10 dwelling units, only a sample of between 2% and 10% of the units are inspected.

- If the initial inspection does not reveal any serious building code violations, the rental units are exempted from inspections for four years. If a rental unit is sold, a periodic inspection may be conducted after the sale. Rental units may also be inspected at any time in response to a complaint from a tenant.

- A $50 fee is charged to cover the cost of a rental inspection.

- The rental property inspection ordinance specifically provides that "no inspection shall be conducted without the consent of the tenant, occupant, property owner or managing agent." If the owner, occupant or management agent does not consent to an inspection, the code official can apply for an administrative inspection warrant from the magistrate's office or the circuit court. However, code officials rarely seek administrative inspection warrants, because in most instances the tenant, occupant, property owner or managing agent consents to the inspection.

On February 12, 2013, City Council amended the rental property inspection ordinance to make adjustments to the boundaries of the rental property inspection districts. As a result of the 2010 Census, Census Tracts #12 and #13 were combined into Census Tract #19. As a result of this amendment, the City ended up with 6 rental property inspection districts instead of 7 districts. The current rental property inspection districts are identified as follows: census tract #4, census tract #5, census tract #6, census tract #7, census tract #11, and census tract #19.

I will be present at the May 26 work session to answer any questions the Members of Council may have about the City's rental property inspection program. In the meantime, if any of the members of City Council have any questions concerning the information in my letter, please do not hesitate to contact me.

Respectfully,

Walter C. Erwin

Cc: L. Kimball Payne, City Manager

The News & Advance, Lynchburg, Va., Tuesday, June 22, 1993

City wants to increase inspections of rental units

By Tracy Wheeler
Staff writer

Sometimes her stove works. Sometimes it doesn't. Her refrigerator's not much better. And her kitchen floor is an ill-fitted patchwork of plywood, with most of the edges warped with age.

But the woman — a renter in her mid-50s — isn't about to complain publicly in the newspaper. Her landlord has been good about most repairs. But more importantly, she doesn't want to complain for fear she'll be kicked out.

"For $150 a month, you're not going to find nothing better," she said. "And I've been here four years. I'm comfortable here."

And as long as she doesn't complain, the City of Lynchburg's inspections department won't know of any code violations.

As it works now, city inspectors cannot inspect a house or apartment unless they are invited, either by the landlord or tenant. In most cases, the landlord's not going to extend an invitation. And the tenants, while they may be living in squalor, don't want to call the city for fear of being evicted.

The city is trying to change that.

A new inspections program aimed at rental property will be considered by City Council at today's 5 p.m. meeting.

Council won't formally adopt the program this evening. Rather, it can endorse the program, then create an ordinance to be voted on at a subsequent meeting.

Under the proposed inspection program, city inspectors will regularly inspect every rental unit, whether or not a complaint has been filed.

"We have a sector of the community that's very vulnerable," said Superintendent of Inspections Karen Johnson.

If council approves it, the first year of the program will focus on Lynchburg's inner city before expanding citywide, although no one's sure when that may be. No fee would be charged initially, although there may be one in the future. And no new inspectors will be added to start with, although some may be needed later.

"We just don't know how this is going to go," said Director of Community Planning and Development Richard Jacques. "That's why we need the first year to see how it works out."

Local landlords and property managers don't like the proposed program.

John Oglesby, with O&M Properties, said inspectors in the program could become "building Nazis marching in whenever they want."

Oglesby and other property managers readily admit that there are bad landlords in town, renting slum-like apartments. But, Oglesby said, that's a social issue, not a code enforcement issue.

"Where are these people (the tenants) going to go?" he asked. "Most of those people wouldn't live there if they had a choice. It's not like they have the money to live in Walden Pond, but they say, 'I'll live in a slum.'

"If there was no market, no one would live in those conditions."

Taking his theory a step further, Oglesby said cheap, affordable apartments could become non-existent under the proposed program, because landlords would be forced to spend more money on apartment repairs, the cost of which would be returned to the tenant through higher rent payments.

Jacques said low-interest loans would be available to the landlords for needed rehabilitation. Still, he admitted increased rent may be a side effect of the program.

As for tenants having to move out because of code violations, Jacques said the city will work with Social Services, Lynchburg Covenant Fellowship, the Housing Authority and other agencies to find new housing. Also, he said, as part of a land transaction near the landfill, the city has purchased 10 homes that could be used as temporary housing.

Plus, Jacques pointed out, not every code violation will require the tenant to move out. Only those threatening life and safety, such as poor wiring, ill-fitting bathroom pipes, poorly fitted gas pipes and lack of hot water, among others, will require them to move.

The bottom line, said Jacques, is that "people are living in houses and apartments that aren't suitable to live in."

If reputable landlords are renting apartments that have no code violations, why should they worry about the proposed inspection program?

"Because it's another expense," Oglesby said.

"It's easy to blame the big, bad landlord," he continued. "If we raise rent and say we're passing on the cost from the city, it's us trying to make more money."

Oglesby suggested some sort of tenant education program, in which the landlords would be responsible to inform all tenants of their rights under the state's Landlord-Tenant Act. If a landlord failed to do that, Oglesby suggested, the tenant could rightfully place rent in escrow.

Jacques agrees the state has strong landlord-tenant laws. But the problem is that most tenants don't know their rights.

"If everybody knew it, wonderful," he said. "We wouldn't need this program. But they don't. The only way to get to those people is through a formalized program like this one."

"People live in rental property who don't know how to use the system or are afraid of the system," Johnson added. "If the inspector is called now, it's immediately assumed the tenant called and they're evicted. That's not uncommon. It's not legal. But proving it in court is something else."

Oglesby said he thinks the city's scope is too large — if the inspectors office wants to crack down on slum lords, then hit them, not everyone else.

"It's like going fishing for minnow in a whaling ship," he said. "It's like having target practice with a howitzer. We're taking the hit. We're easy to find, while they (the slum lords) are scurrying under rocks."

Nonetheless, Jacques said, "We can't target individuals. We must make a program that applies to everyone equally. And just because the majority are saying they comply, that doesn't mean they don't have violations."

Council agrees to inspect apartments

By Tracy Wheeler
Staff writer

In the next year or two, all rental housing in Lynchburg's inner city will be inspected by the city.

Tuesday night, City Council endorsed an administration proposal to begin a new rental inspection program, despite the concerns and complaints of city landlords. Some details still need to be worked out, but the central idea of the plan is to put the responsibility of uncovering code violations in the hands of city inspectors, not tenants.

As it works now, inspections are on a complaint-only basis. And city inspectors can only inspect rental units if they are invited in by the tenant or the landlord, said Richard Jacques, director of Community Planning and

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INSPECT

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Development. It's not likely that the landlords will request an inspection. And many tenants, he said, usually don't complain for fear of being evicted.

"With this program," he said, "there's no fear. Whether there's a complaint or not, there will be routine inspections."

Initially, the program will focus on the inner-city neighborhoods, where the majority of substandard rental problems exist. Eventually, the program will spread citywide, although Jacques said he's not sure when that may happen.

"We want to get Phase 1 under our belts," he said, "and see how that goes."

The landlords in attendance at Tuesday night's meeting are worried about what comes after Phase 1. At this point, that's still fairly nebulous.

Will the permit that comes with a good inspection cost anything? On page 14 of the administration's proposal, it says, "an administrative overhead cost would be charged for the permits and would begin to cover the cost for expanding the program."

As John Oglesby, with O&M Properties, said last week, "That's a blank check."

Jacques responded that the "would" should be "could." And, Councilman Larry Carey said, if a fee is eventually created, it will have to come before council again.

Superintendent of Inspection Karen Johnson said only reinspections would carry fees. If upon the first inspection code violations are found, the inspector will visit again to make sure the problems have been corrected. Both those visits will be free to the landlord. But if the problem is not fixed on the second inspection, all subsequent inspections will cost the landlord $25 each.

Then, Oglesby asked, what constitutes a re-inspection? What if the inspector comes back on the second inspection, finds a different violation and has to come back again? Is that a re-inspection?

"When you talk $25 here and $25 there," Oglesby said, "it does make an impact."

Bob Farmer, a property manager with Forehand & Co., said he and other landlords agree that there are rental problems in the city.

"We're as appalled as you are with the way some landlords treat their tenants," he said. But, he added, the city is choosing the wrong solution — a solution that will hurt those who are doing nothing wrong.

But Councilman Junius Haskins said the new inspection program must act as an enforcer citywide, not just with a select few.

"The people who spoke tonight are true professionals who keep up their properties," he said. "But it's just like the police, if we all agreed to do nothing wrong, we wouldn't need them."

City Council approved only the basic concept of the inspections program Tuesday night. It will approve the details of the plan at future meetings in the form of new city ordinances.

Farmer suggested that the city join with the Lynchburg Property Managers Association to begin an education campaign for tenants. The laws are already in place to protect tenants in the state's Landlord-Tenant Act, he said, "and I don't think a city ordinance is needed to supersede that. It's a waste of the city's time and it's going to run up a big bill to inspect all the properties. There are just too many."

The News & Advance
Friday, July 9, 1993

Editorial

Inspections of apartments long overdue

Lynchburg has had a city code applicable to rental housing almost from its beginnings, but has never enforced it with routine inspections. City inspectors could inspect rental units only when invited to do so by the landlords or upon complaints by tenants.

Landlords, naturally, are not prone to invite inspections, and by and large, tenants are afraid to complain for fear of being evicted from their less than satisfactory housing that at least puts a roof over their head.

All that's going to change. City Council has voted to begin a rental inspection program that places the responsibility of uncovering code violations in the hands of city inspectors. Inspections will be made as a matter of law, whether property owners of rental units or tenants want them or not.

City officials say it could take a year or more to draw up an ordinance that treats all concerned equally, but it will be done. In the interim, landlords have been put on notice that inspections are coming and violations will be punished.

An inspection law cannot be aimed at slumlords alone, although they clearly are the ones who need to be weeded out. It must apply to everyone who rents housing units. Requiring inspections to see if city codes are being enforced does not discriminate, as some landlords contend, against those who are abiding by or exceeding city building code standards, any more than any law discriminates against those who abide by it. A law must treat all concerned equally, and apply to all.

Landlords whose rental properties comply with the city codes have nothing to be concerned about, obviously. They raised questions about fees that may be charged for inspections, and fines for violations, at the recent council meeting that endorsed an administration proposal to begin the rental inspection program.

However, that must be addressed when the law is drawn up. Since fees for inspections would be passed on to tenants as a cost of doing business, landlords should not be charged for permits if their properties pass inspection.

The ordinance must be most carefully drawn — as, indeed all laws should be — to meet all the challenges that assuredly will be forthcoming if any loopholes can be found.

The majority of Lynchburg landlords will not be affected by an inspections law. There are, however, many citizens of this city, probably many more than most think, who are living in substandard housing, housing that is grossly, even dangerously substandard. That is reason enough for such a law.

A housing inspections law that will be enforced is long overdue. One wonders how many other laws the city has on its books that have no provisions for enforcement. Laws that are not enforced mock the rule of law. If they are not going to be enforced, they should be stricken from the books.

Surprise: Inspectors are coming

Council approves snap rental inspection program

By Tracy Wheeler
Staff writer

Nearly every room of her apartment has had problems.

In the bathroom, the floor rotted away, leaving a four- or five-inch hole. In her bedroom, the roof leaked. In the kitchen, her refrigerator sits on a tilt, while the floor beneath it slowly decays. And in the living room, the windows leak, and worse — "when the wind starts up, it even fell out on one of my kids one day."

She complained to the management. Nothing happened. She complained to city inspectors. Still nothing. She complained to the city again. Finally, the bathroom floor and the leaky roof were fixed. But that's it and she fears she may be pushing her luck to complain any more.

That's why she doesn't want her name in the newspaper.

"Because," she said, "they'll evict me."

That same fear keeps other tenants from complaining at all about substandard living conditions. City officials hope a new ordinance to inspect rental property can change that.

Approved by City Council Tuesday night, the new ordinance will no longer require tenants to complain. From now on, the city will conduct the inspections and report any code violations. Tenant complaints will still be investigated, but no longer will they be required.

Until now, the city couldn't inspect a rental unit unless asked by the tenant. Now, city inspectors will initiate the inspections, visiting each rental property every two years.

The woman living with the decaying kitchen floor and faulty windows is thankful for such a change. Tenants shouldn't have to fear eviction.

"Even though it's (low-income) housing, we don't have to live like dogs," she said. "It's really a shame.

"The main thing is the children," she continued. "If it were just me, I wouldn't mind it. I could live with it. If I could find somewhere else to live I would. But I can't. Kids shouldn't have to live like this."

And while local property owners agree that there is a problem with sub-standard housing, they say the city's new ordinance isn't the answer. But at Tuesday night's council meeting, the property owners — represented by Richmond attorney Chip Dicks, a former member of the General Assembly — didn't offer an alternative, except to say that the city should wait six months and see what the General Assembly comes up with.

No one on council was willing to consider that.

"Our concern," Mayor Julian Adams told Dicks, "is the state will preclude the city from action. I'm sure that wouldn't bother your organization at all, but we're quite sensitive about having our own rights to legislate."

In general, though, city officials didn't understand the property owners' opposition.

Councilman Jim Curling sees the new ordinance as a Good Housekeeping seal of approval, of sorts.

"It seems to me, if I were a property owner, I would be delighted," Curling said. "I'd be proud and pleased to have a permit to show everything's in order. I think that would help to keep my property filled up all the time."

At one point during Tuesday's meeting, Councilman Junius Haskins pointed out that one important group — the tenants — weren't being represented, then asked the property owners, "Why is this ordinance so intimidating?"

Dicks insisted that nothing is intimidating about the ordinance, adding that the property owners are just trying to work with the city on a very important issue. But, he added, the ordinance doesn't give the city any more power than it has now.

According to Dicks, the city can enter a rental unit any time it wishes, as long as it takes out a civil warrant — which would be required under the new ordinance if the landlord refuses entry.

Plus, he said, the Landlord/Tenant Act makes it illegal for a landlord to evict a tenant for a code complaint.

That's true, Director of Community Planning and Development Richard Jacques said, but many tenants don't know their rights. And even if they do, they don't have the financial means to challenge a landlord in court.

Still, Dicks said the city is rushing into the inspection program without gathering enough information, such as how many rental units exist in the city and how many are sub-standard.

The first six months of the ordinance will answer those questions. Then, starting next July, the inspections will start.

Jacques insisted the city will not hire more inspectors and there will be no fees associated with initial inspections.

Dicks doesn't buy that.

"They're going to give the job to two full-time inspectors?" he asked. "If they can do this, too, my question would be, 'What have they been doing?' If two city staff people aren't doing anything now, it seems to me it's a problem the city must deal with."

According to Jacques, those two inspectors are currently responding only to complaints. Under the new program, they will inspect rental units as scheduled, while continuing to investigate complaints.

John Viverito, president of Lynchburg College's off-campus student association, said the new inspection program is going to be good for students and the LC neighborhood.

The houses most college students are renting are shabby and sub-standard, he said. If those properties are closed down or brought up to code, students will take more of an interest in the house's appearance.

"Generally," Viverito said, "students living in neglected properties are less likely to keep it up."

THE NEWS & ADVANCE Sunday, November 27, 1994

City rentals earn closer inspections

Landlords commend fault-finding program

By Tracy Wheeler
Staff writer

Violet Boyle has lived in Greenfield Apartments for eight years.

When she moved in the windows in her bedroom were so loose fitting that ice formed on them. Ice so thick she has to chip it off with a butter knife.

And after eight years they've never been fixed.

"I tried to sleep back there and just about froze to death," Boyle said, recalling last winter. "I went to the manager and they know the windows are really bad ... Evidently, I'm not going to be able to use that bedroom as long as I live here."

But now someone new is going to the property manager on behalf of Boyle and the hundreds of other residents at Greenfield.

It's the City of Lynchburg.

In fact, city inspectors are sending notices to landlords throughout the city on behalf of those paying the rent.

It's part of a three-month-old city program designed to inspect every apartment complex, every rooming house and every rental house in Lynchburg's inner city.

Nearly three months into the program, it seems to be working because inspectors are getting into places they may not have gotten into before. And they are finding problems that may have gone unnoticed before.

At Greenfield, for instance, 93 apartments were inspected, netting 547 separate code infractions. Most are not serious, explained city inspections superintendent Karen Johnson, but they're problems that need to be addressed nonetheless. And, thanks to the systematic approach of the rental inspections program, the problems of the complex — from peeling paint to rusted heating pipes, from leaking faucets to roach infestation — are now being addressed as a whole.

"We hadn't really had the chance before to inspect an entire complex," Johnson said. "Doing Greenfield first has really set the tone for what the program will be ... It will be a lot more effective. Rather than inspecting piecemeal — responding to this one apartment, responding to that one apartment — we can deal with the entire complex. We're finding similar violations in each unit."

The way inspections used to work, the city had to receive a complaint before entering an apartment. Then, inspectors could only enter the apartment from which the complaint came.

Now, inspectors select which and how many apartments to enter.

Once the inspections are done, the city can then force upgrades throughout a complex, not just in one apartment.

In the case of Greenfield — the only complex to go through the new inspections program thus far — a trend began to develop showing that water heaters had not been installed properly and smoke detectors were faulty. The result was a city order to inspect all water heaters and all smoke detectors, followed by documentation proving it was done.

In the past, the inspection would have applied to just one apartment. And the result would have been the repair of just one water heater and just one smoke detector.

Greenfield management could not be reached for comment last week. And Sue Erickson, who oversees Greenfield at the U.S. Department of Housing and Urban Development, was unavailable.

Boyle, after eight years of drafty windows, said she is glad to see the city's newer, more aggressive approach. She just hopes the aggressiveness carries beyond the inspection phase to making sure the problems that the inspectors have found are fixed.

"We've had inspectors come by here before," she said. "And sometimes, not much changes."

Still, she added, the program is necessary because many Greenfield tenants are not aware of their rights and fear eviction if they complain.

"They're afraid to speak their minds or tell the truth," Boyle said. "They're afraid it will be held against them."

That was a major reason for starting the inspections program.

As City Councilman Junius Haskins said, "It's the whole issue of consumer protection."

Virginia rental laws make it very clear that a tenant can not be evicted for complaints or requests for inspections. The problem is, most of the tenants living in the substandard conditions don't realize that.

While the program has run smoothly so far, Johnson said, she's expecting the next round of property owners to be a little more contentious, possibly to the point of filing lawsuits.

"If everybody knew, wonderful," Director of Community Planning and Development Richard Jacques said last summer when the program was first discussed. "We wouldn't need this program. But they don't. The only way to get to those people is through a formalized program like this one."

Back in June of 1993, when Jacques made that comment, the reaction from those renting in Lynchburg was outrage. There's no need for it, they said, because current laws handle the problem. Plus, they said, why should everybody have to be inspected just to catch the few who are in violation?

On the second concern, the city gave in, cutting back the program to cover only inner city neighborhoods — the area with the worst housing problems. But it didn't give in overall, moving ahead with the program, which began Sept. 1.

Surprisingly enough, some of the landlords who have been through the process don't mind it. In fact, they're glad to see it.

"I think it's great," said Susan Kepler, who along with her husband, Christopher, rents five house in the Lynchburg College area. "When it first came out, I wondered if we were being targeted unfairly. Then I realized it's great for those rental houses that are not being taken care of."

Most of the violations in the Keplers' houses were minor, loose ceiling plaster, a toilet handle that had to be jiggled to work. Some were more significant, like improper release valves on water heaters and furnaces.

Bonnie Black, who with her husband, Robert, also owns an apartment house in the LC area, agree with Kepler.

"It's made me prioritize the apartments," she said. "These are all things I had wanted to do, things I had wanted to take care of, but hadn't gotten to do."

THE ROANOKE TIMES Sunday, November 26, 1995

Inspections of rental units yield benefits

As Roanoke ponders how to clean up slum housing, one set of lessons lies just an hour to the east

By MARY BISHOP
STAFF WRITER

LYNCHBURG — From a renter's point of view, Lynchburg used to be a whole lot like Roanoke:

An old industrial city with deteriorating inner-city neighborhoods, tenants fearing eviction if they complained about conditions — even ones that were life-threatening — and landlords dead set against systematic city inspection of their properties.

But Lynchburg, unlike Roanoke, found a way to deal with it. Since the Hill City kicked off its rental inspection program 15 months ago, landlords in its poorest neighborhoods have started making long-needed repairs.

So far, the city's two inspectors have checked 258 rental houses and apartments of the 5,000 in the targeted area, which covers about a quarter of the city.

It's slow going, but it's beginning to make a difference, inspections director Karen Johnson said.

Taking one or two landlords at a time, Lynchburg inspectors are making appointments to see all their properties within a crescent-shaped area along Lynchburg's eastern and southeastern border. The low-income area receives federal Community Development Block Grant money, which pays the salaries of the inspectors.

Quietly, before the appointments take place, landlords are making repairs to avoid getting backed into a corner by the city.

Inspectors make a date with the landlord well in advance of the inspection — usually two to three months ahead. By inspection time, the property owner often has fixed the furnace, the stove, the toilet or whatever else that might not have been working properly, and the building has been brought up to code.

Therefore, Johnson and her inspectors find few violations and see a decline in complaints from tenants about leaking roofs, broken plumbing, malfunctioning furnaces and other serious problems.

The most extensive upgradings have been in the area's approximately 60 rooming houses, which required months of inspections this year. Although the owners were rumored to have been some of the city's most notorious landlords, Johnson found them surprisingly cooperative.

The areas around the rooming houses had been fraught with crime and violence, but those neighborhoods have settled down since owners fixed up the buildings, Johnson said. "This summer was probably the quietest it's been."

Before the new rental inspection program, Lynchburg, like Roanoke, could inspect properties only when a tenant or someone else complained. Tenants in the most dilapidated housing often were too scared of eviction to lodge a complaint.

Johnson's inspectors still respond to tenant complaints and still conduct spot investigations of particularly hazardous properties. Those types of inspections often lead to comprehensive checks of a landlord's properties under the new inspections program.

Lynchburg's property owners, like many of Roanoke's, initially rose up against systematic inspections. "There was a perception there would be nitpicky, detailed inspections that would have no benefit but would be burdensome. We had some very heated discussions," Johnson said.

In the end, property owners helped the city design the program.

Lynchburg agreed not to impose fees on rental properties, and the landlords breathed a sigh of relief. There was so much opposition to it, Johnson said, that "it was well worth not even going down that road."

The property owners still aren't crazy about inspections, but Johnson said city/landlord relations are far better than when they were limited to the long, adversarial process of investigating tenant grievances at individual locations.

Building inspectors traditionally have operated like detectives on the prowl, trying to catch a slumlord in the act of violating housing codes. "It was a cat-and-mouse game," Johnson said.

She said Lynchburg's method of letting the landlord in on the process from the front end gets better results. "Why do we want to surprise them?" she said. "We *want*them to abate their property."

Jennifer Lucado, president of the Lynchburg Property Managers Association, had no complaints about Johnson's program. "It does seem to have done some good in the inner city," she said.

The inspectors have put some of the worst landlords on notice that they'll be up for inspection soon, and some are selling off their properties — all for the good, Johnson said, because if they don't want to obey the law and provide safe housing, they shouldn't be in the rental business anyway.

Inspections are not without benefit for responsible landlords, according to Johnson. Inspection reports often can document the date on which a rental unit was in good shape and can help prove subsequent damage by a tenant.

"It does seem to have done some good in the inner city."

Jennifer Lucado
President of Lynchburg Property Managers Association

Landlord John Kepley, coordinator of the Roanoke Property Investors Association — newly formed to fight rental inspections here — has warned that regularly scheduled inspections would increase both rental charges and homelessness.

Johnson said she knows of no Lynchburg landlords who raised their rent because of her inspection program — or of any tenants being displaced because of either a condemnation or a recalcitrant landlord shutting down properties rather than allowing them to be inspected.

Lynchburg landlords warned, too, that it would happen, she said, "but I haven't seen that yet."

What's going on in Roanoke, with landlords scared to death and organizing to fight, is "deja vu all over again" to Johnson.

Lynchburg City Council's mandate to set up an inspection program was on her desk when she arrived four years ago. She spent three years developing it, a year huddling with the landlords, and now she frequently welcomes municipal workers — as she has Roanoke's — to Lynchburg to show them how her inspections work.

"It seems like everyone's looking into it at this point," she said. "I think the moratorium on annexation by cities has made them look inward to save what they have."

Johnson, 36, began her career in public service as a firefighter in her hometown of St. Mary's City, Md. She became a fire inspector, then a fire investigator in Washington, D.C., then a deputy state fire marshal in Northern Virginia. She helped set up the Virginia Code Academy, which trains building officials and inspectors, and was a training supervisor for the state Department of Housing and Community Development.

Lynchburg's rental inspections director is a tenant herself. She rents a carriage house behind an old mansion downtown.

Despite Lynchburg's Old South traditions and nationally chronicled conservatism as headquarters for the Rev. Jerry Falwell, Johnson said Lynchburg leaders are more progressive than those in many Virginia municipalities. "They're willing to take risks and try new things."

Roanoke's been talking about setting up rental inspections for 16 years. Recently, the City Council voted rental inspections a "low priority" on a list of city concerns.

While a category of "older neighborhoods, infrastructure and rental inspection" got a low rating, council gave high priority to transportation access, tourism, business assistance and upscale housing.

Ted Edlich, executive director of Roanoke's Total Action Against Poverty, called council's attitude wrongheaded. The lack of control on deteriorating rental property is one reason why so little upscale housing is being built in the city, said Edlich, an advocate of rental inspections.

For Roanoke not to have such a program — which Virginia Beach, Alexandria and some other communities have — "is the equivalent of giving up on the neighborhoods."

Dan Pollock, Roanoke's housing development coordinator, said a task force representing homebuilders, the real estate industry, tenant advocates and government will draft an outline for a rental inspection program and present it at a public workshop early next year. Such a program would require City Council's approval.

Like Lynchburg, rental inspections would be confined to rundown sections of the city.

Pollock said Roanoke's best landlords may fear inspections will bring nitpicking government demands but, he said, "I don't want to hassle them."

He indicated that he may want Roanoke's program to be tougher than Lynchburg's against uncooperative landlords. Pollock favors "fairly strong" penalties against them.

"They," he said, "probably will be hassled."

Residential Rental Property Inspection Program

Department of Community Development
May 26, 2015

Occupancy Distribution by City (%)

	Lynchburg		Roanoke		Danville		Winchester		Petersburg	
	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014
Owner	53.8	52.2	57.5	55.0	55.1	55.0	49.8	49.4	47.9	44.3
Rental	46.2	47.8	42.5	45.0	44.9	45.0	50.2	50.6	52.1	55.7

Source: Housing Virginia Sourcebook, 3rd Quarter, 2014

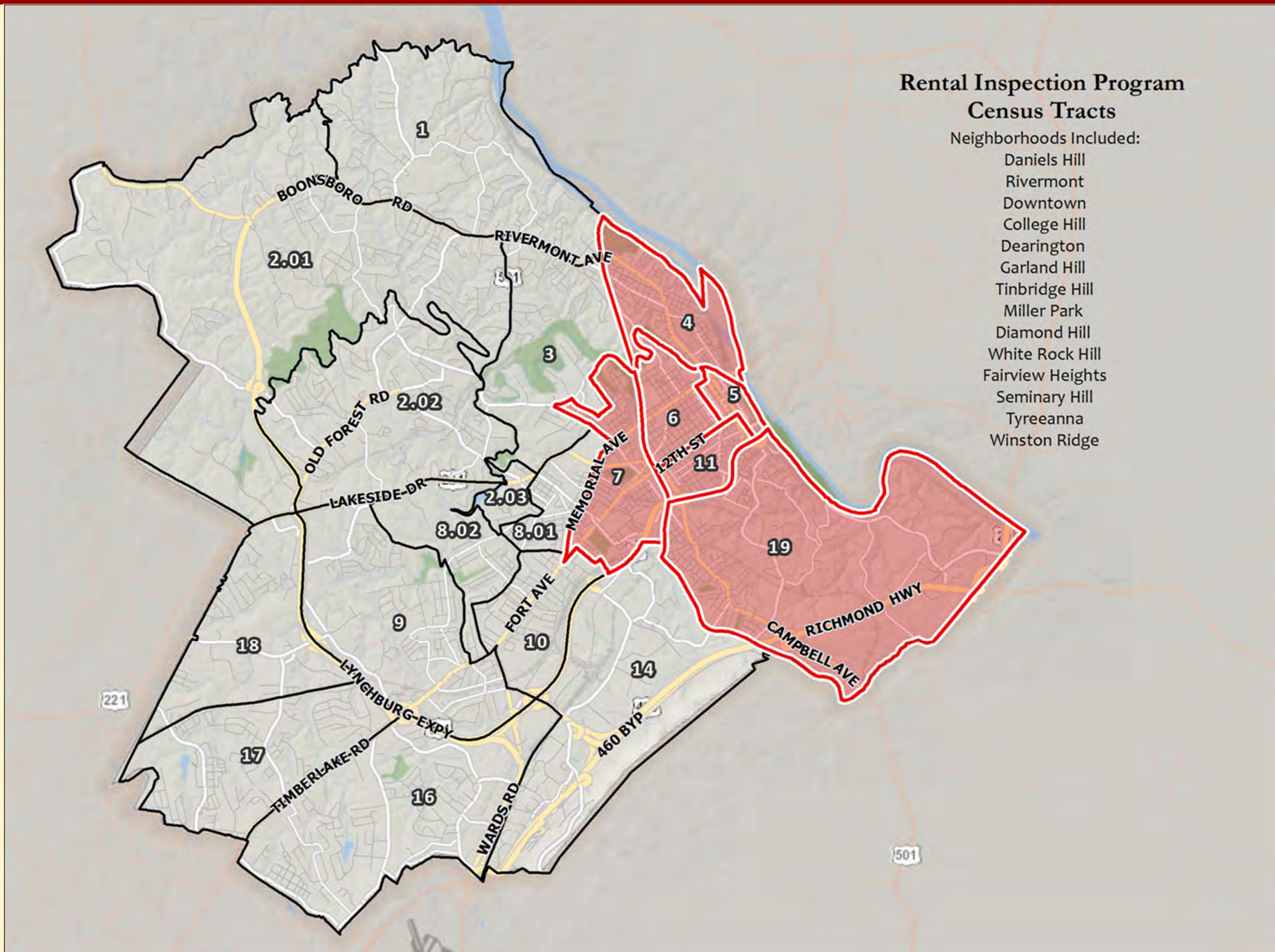
Residential Rental Property Inspection Program History

- In 1991 City Council directed Community Development to develop a residential rental property inspection program.
- Council adopted an ordinance in 1993 creating the program and seven inspection districts with an effective date of January 1, 1994.
- On March 8, 2005, Council updated the ordinance based on changes made during the 2004 Virginia Legislative Session. One of the changes allowed the City to adopt a $50 inspection fee.
- Council revised the ordinance in 2008 to allow the City to revoke property compliance if issued a bad check and allow code officials to seek an inspection warrant if access is denied to the unit.
- In 2013, Council combined the seven rental inspection districts into six districts based on 2010 Census data; the size of the inspection area remained the same.

What Our Plans Say

- The City's *Comprehensive Plan 2013-2030* highlights residents' concerns about poorly managed rental housing and the Residential Rental Property Inspection Program as a tool to protect neighborhood integrity.
- The City's *2010-2015 Consolidated Plan* is a plan required by the federal government that defines a strategy for our community development and housing needs. Our plan identifies the rental inspection program as a means to provide decent housing for low-to-moderate income neighborhoods by reducing the number of rental property code violations.
- The *Analysis of Impediments to Fair Housing* finds the City's supply of decent and affordable housing remains inadequate and recommends continuation of the Rental Inspection Program to improve and preserve the existing affordable housing stock.

Residential Rental Property Inspection Program Districts



How the Residential Rental Property Inspection Program Works

- Staff maintains a database of residential rental properties.
- Staff sends a notice to the owner indicating date and time of the scheduled inspection as well as any associated fees.
- Fees: Initial rental inspection - $50

  First follow-up inspection - $0

  Subsequent follow-up inspections - $50 each.

  $50 fee must be paid within 30 days of the inspection.

  No Certificate of Compliance (CoC) is issued until the fee is paid.
- Inspection Results:
  - No violations cited: 4-year waiver and CoC issued
  - Violations abated: 4-year waiver and CoC issued
  - Violations not abated within reasonable timeframe (~ 30 days):

    1-year waiver CoC issued once the violations are addressed
- There are multiple options to review violations and/or appeal.

Inspection Report

COMMUNITY PLANNING AND DEVELOPMENT
Inspections Division
City Hall, 900 Church Street Lynchburg, VA 24504
(434)455-3910 Fax (434) 845-7630
City of Lynchburg Rental Website www.lynchburgva.gov/rental-program

INSPECTION REPORT / NOTICE OF VIOLATIONS

Address of Complaint	Parcel Id:	Annual Inspection Date: 05/06/2015
Property Owner	Phone	Case Number
Address of Owner		
Details of Complaint RENTAL HABITABLE		

Code Section	Code and Violation Description
VMC 2012: 704.2 Smoke alarms	Single- or multiple-station smoke alarms shall be installed and maintained in Groups R-1 or I-1 occupancies, regardless of occupant load at all of the following locations:1. On the ceiling or wall outside of each separate sleeping area in the immediate vicinity of bedrooms.2.In each room used for sleeping purposes.3.In each story within a dwelling unit, including basements and cellars but not including crawl spaces and uninhabitable attics. In dwellings or dwelling units with split levels and without an intervening door between the adjacent levels, a smoke alarm installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one full story below the upper level. ***Install smoke detectors in locations as per this code
VMC 2012: 304.1 Exterior Structure	General. The exterior of a structure shall be maintained in good repair, structurally sound and sanitary so as not to pose a threat to the public health, safety or welfare. ***Repair exterior as per this code
VMC 2012: 304.10 Stairways, decks, porches and balconies	Every exterior stairway, deck, porch and balcony, and all appurtenances attached thereto, shall be maintained structurally sound, in good repair, with proper anchorage and capable of supporting the imposed loads. ***Repair exterior back steps as per this code
VMC 2012: 304.2 Protective treatment	All exterior surfaces, including but not limited to, doors, door and window frames, cornices, porches, trim, balconies, decks and fences, shall be maintained in good condition. Exterior wood surfaces, other than decay-resistant woods, shall be protected from the elements and decay by painting or other protective covering or treatment. Peeling, flaking and chipped paint shall be eliminated and surfaces repainted. All siding and masonry joints, as well as those between the building envelope and the perimeter of windows, doors and skylights, shall be maintained weather resistant and water tight. All metal surfaces subject to rust or corrosion shall be coated to inhibit such rust and corrosion, and all surfaces with rust or corrosion shall be stabilized and coated to inhibit future rust and corrosion. Oxidation stains shall be removed from exterior surfaces. Surfaces designed for stabilization by oxidation are exempt from this requirement. ***Apply exterior protective treatment as per this code
VMC 2012: 304.3 Premises identification	Buildings shall have approved address numbers placed in a position to be plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Address numbers shall be Arabic numerals or alphabet letters. Numbers shall be a minimum of 4 inches (102 mm) in height with a minimum stroke width of 0.5 inch (12.7 mm).

Status	Order	
PENDING REINSPECTION		
Inspector Dana L Horne	**Date of Inspection** 05/18/2015	**Date of Reinspection** 07/21/2015 11:00 AM

Additional Information

Notification Information

Hand Delivered To: Certified Mail Receipt #:

Please be advised that all applicable permits must be obtained from this office and all violations of these codes must be corrected. A re-inspection of the subject property will be required. Property owners must comply with the provision of the International Property Maintenance Code 2009-2012, along with all other applicable ordinances of the City of Lynchburg. Failure to comply may result in legal action. The list of violations given is not inclusive, and the City reserves the right to note additional violations and to require their correction whenever such defects are observed. **Please refer to the City rental program website at www.lynchburgva.gov/rental-program for building codes and resources.**

Appeals Information:
The property owner of the structure or his/her agent may appeal from this decision of the Commissioner of Inspections. All appeals must be made in writing on a form provided by the Inspections Division and submitted to the Commissioner of Inspections within 21 days of receipt of this notice. In accordance with Section 36-106 of the Code of Virginia, violation of the Virginia Uniform Statewide Building Code is a misdemeanor with fines up to $2,500.

If you have any questions, you may contact this office between the hours of 8:30 a.m. - 5:00 p.m., Monday through Friday by calling (434) 455-3910

City of Lynchburg Rental Program Website www.lynchburgva.gov/rental-program

Signed: D. Horne

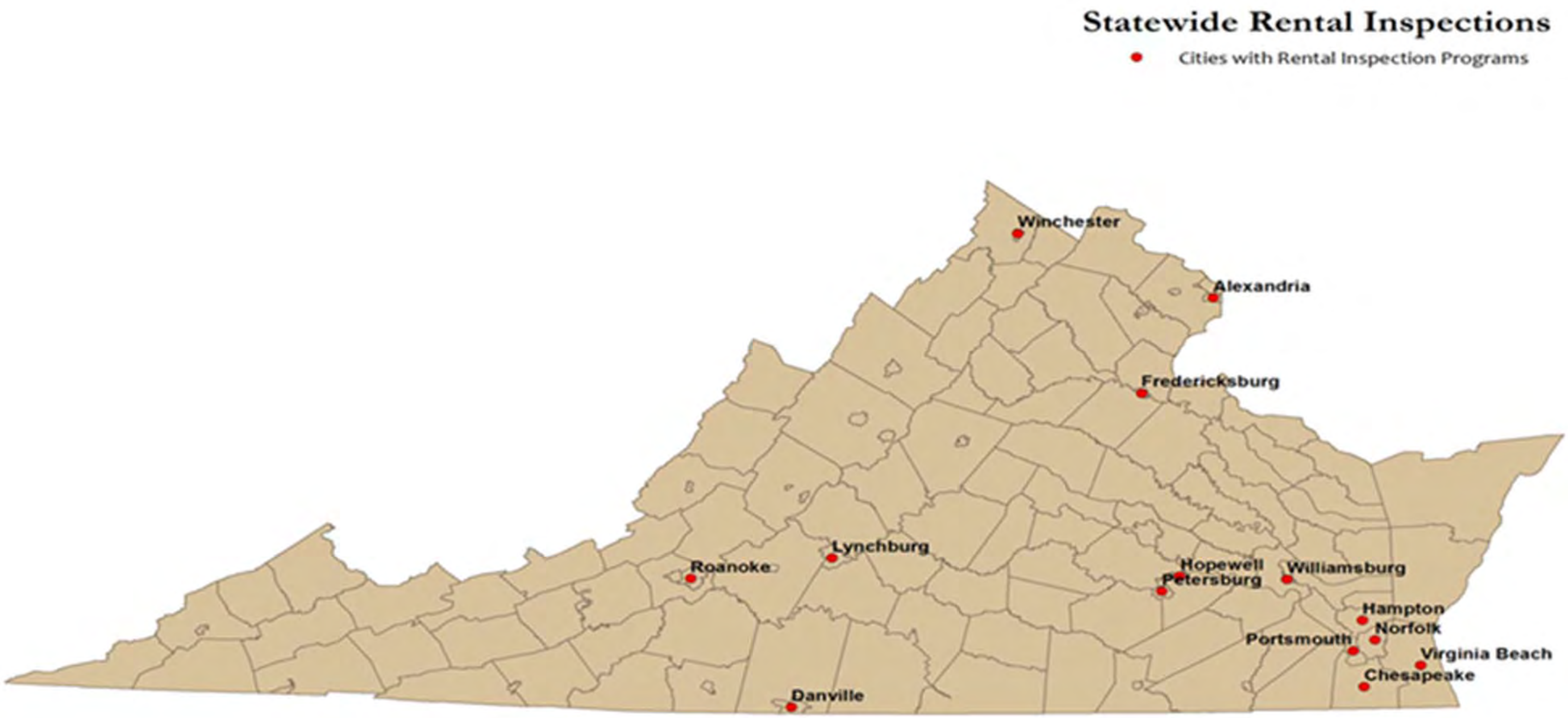
Lynchburg's Program by the Numbers

- Estimated 3,800 rental units in the area

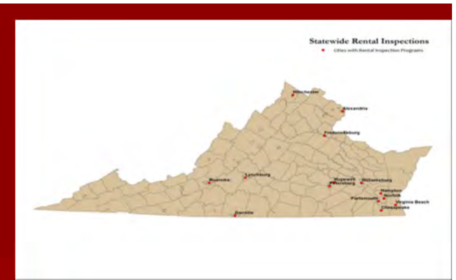
  Source: American Community Survey 2013

- Currently averaging 500 inspections annually
- Staff inspect based on the same requirements as a property maintenance inspection
- Dedicated staff: Rental Program Administrator; assisted by Property Maintenance Official as needed; combined 46+ years experience in property maintenance and construction
- Since 2008, program revenue averages $10,000/year

Other Virginia Programs

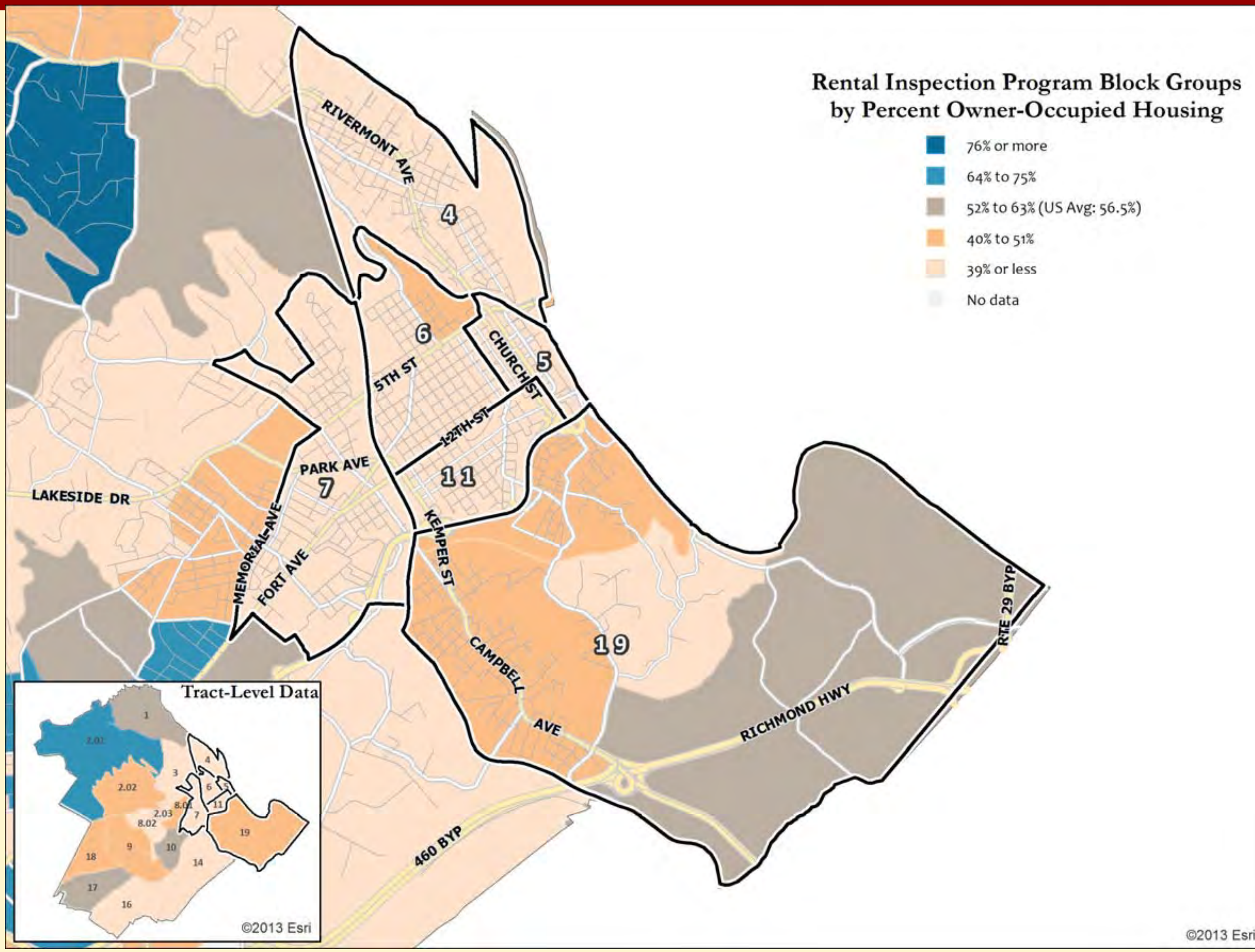


Virginia First Cities

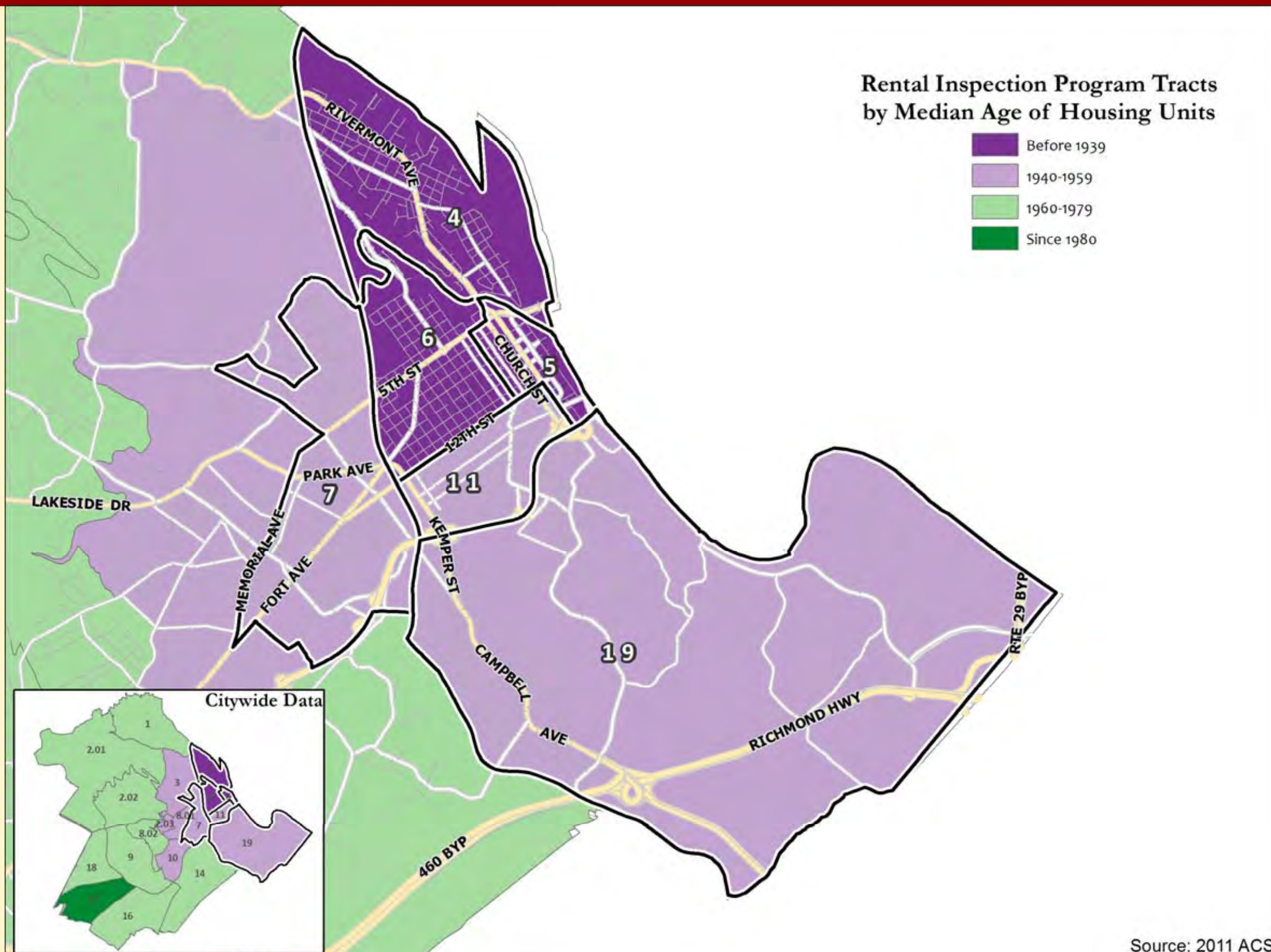


Locality	Program Start	Rental Districts	Permits/Units	Staff
Lynchburg	**1994**	**6**	**3800 units**	**1 inspector**
Hampton	2013	9	1500 permits	4 inspectors
Hopewell	2005	2	250 units	1 inspector
Norfolk	2009	3	3500 units	18 inspectors 4 supervisors rental/prop maint/zoning
Petersburg	2010	1	1600 units	1 inspector
Portsmouth	2005	7	4000 inspections	14 inspectors rental/prop maint/zoning
Roanoke	1996	6	5000 units	11 inspectors 2 supervisors rental/prop maint/zoning
Winchester	2005	5	4000 units	4 inspectors rental/prop maint

Why the Rental Inspection Program is Relevant Today



Why the Rental Inspection Program is Relevant Today



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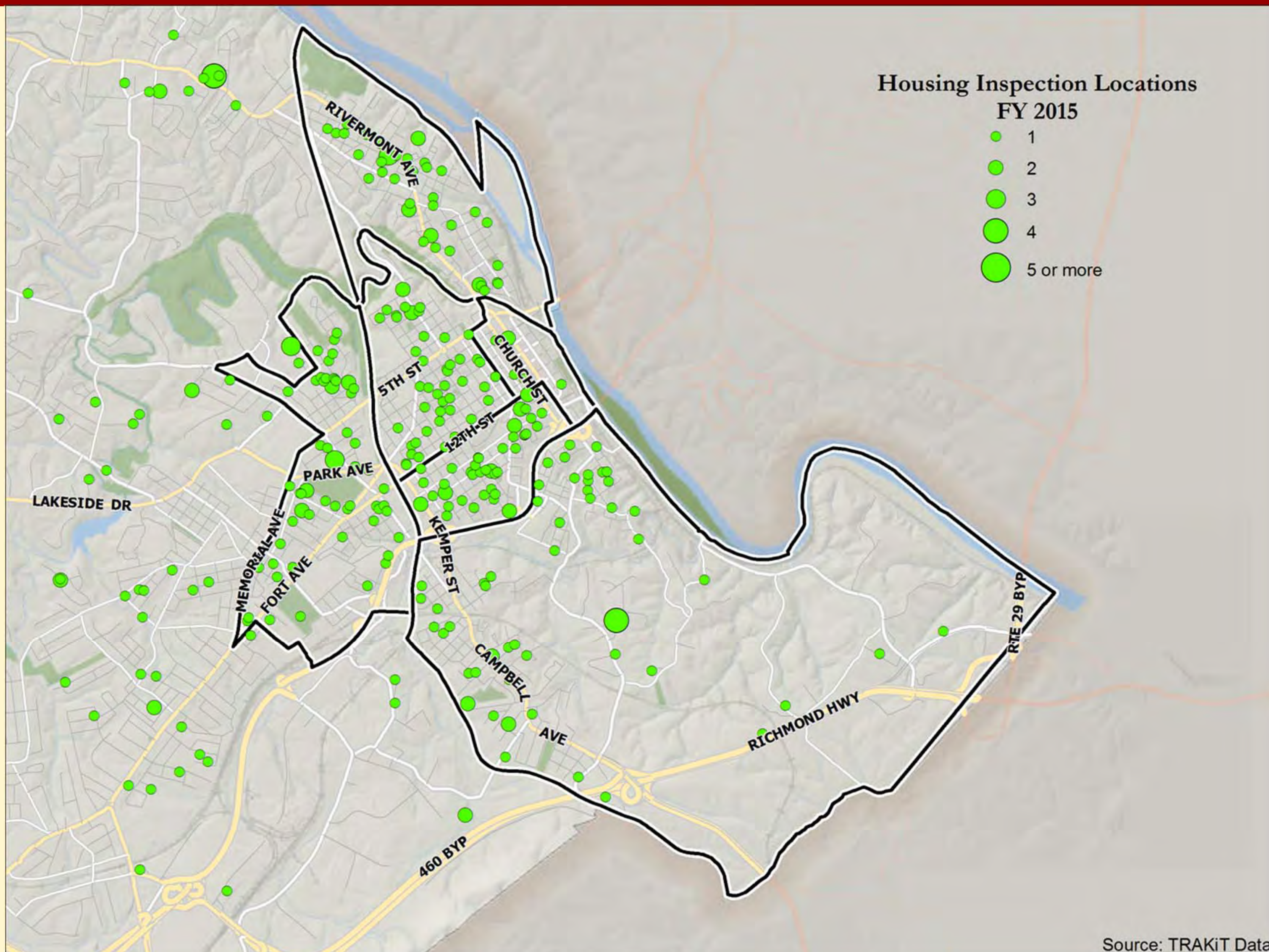
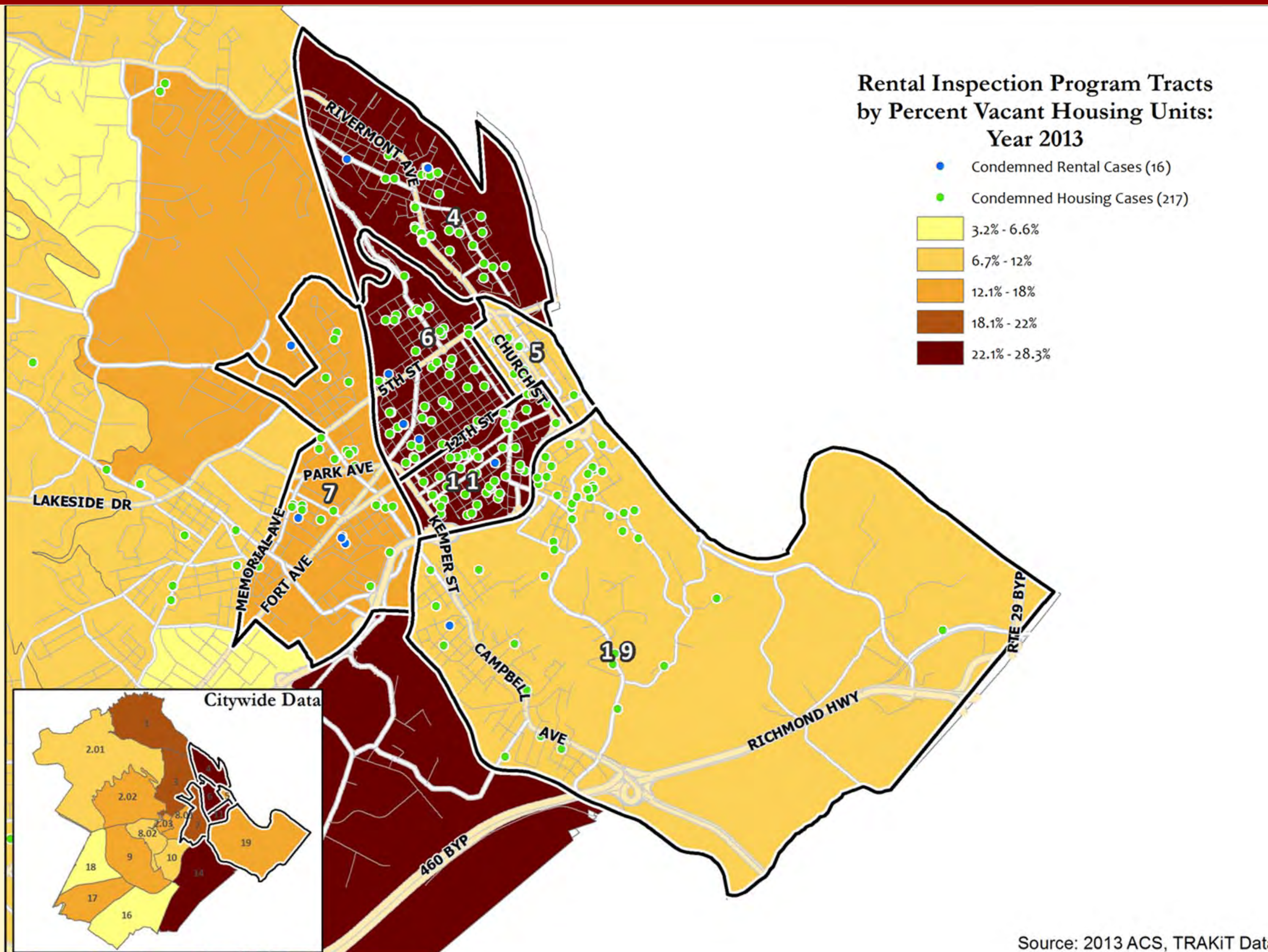
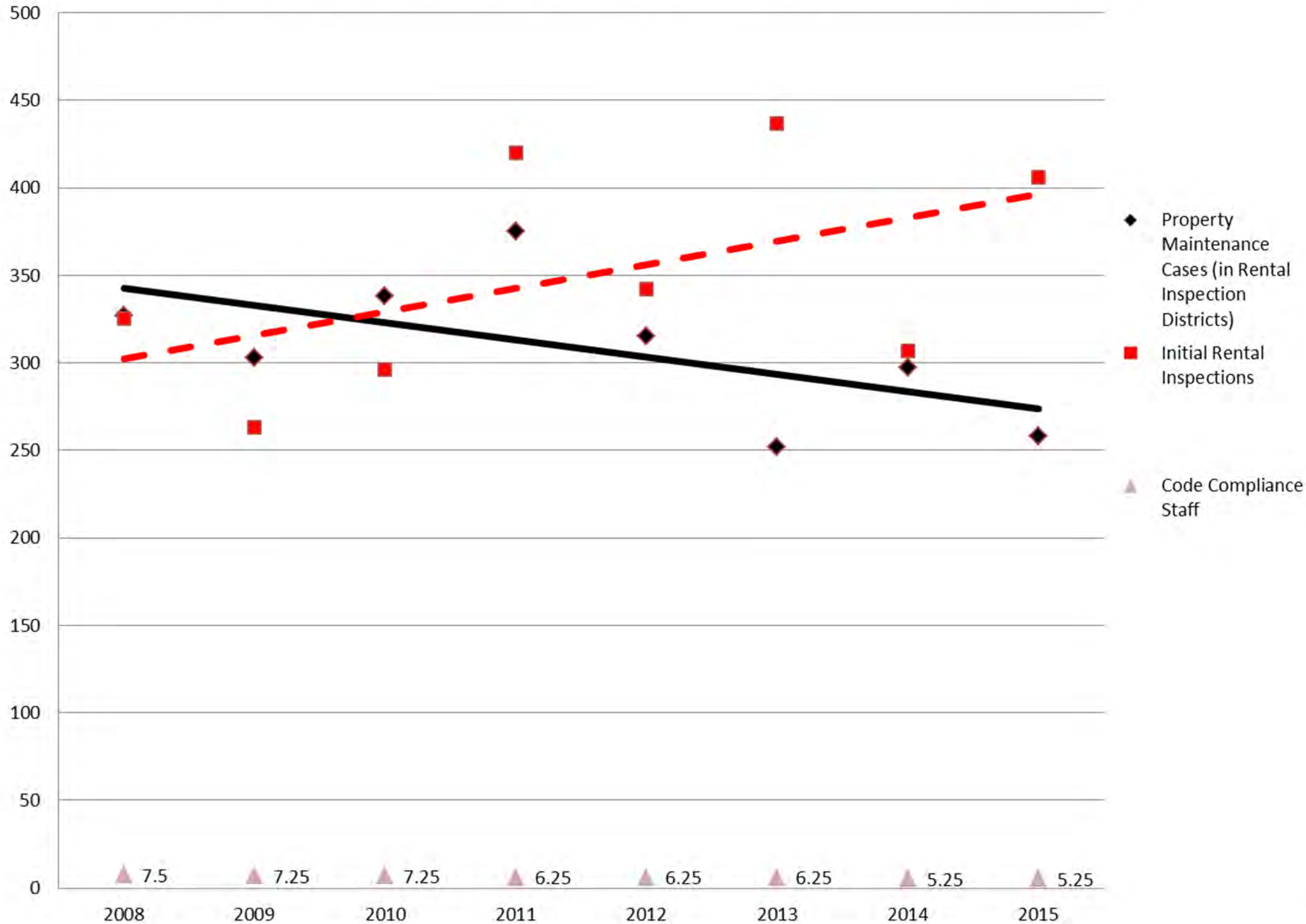


Why the Rental Inspection Program is Relevant Today



Relationship of Rental Inspections to Property Maintenance Cases



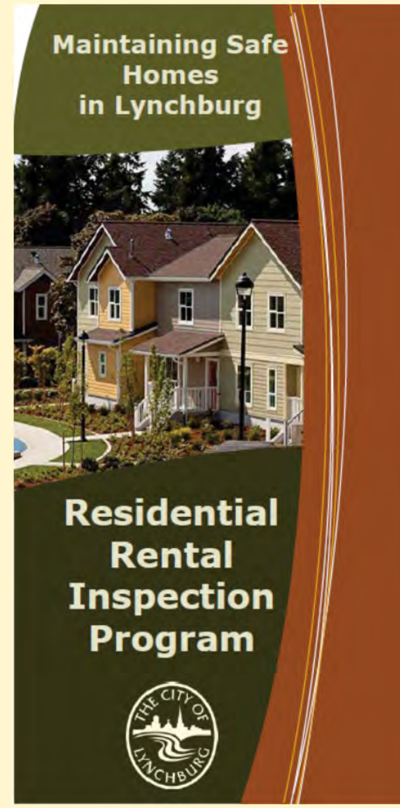
2010-2015 Consolidated Plan
5-year Goals vs Actuals

Residential Rental Property Inspections Program and Property Maintenance Inspections

PROGRAM	FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010 (FY11)	**2011 (FY12)**	**2012 (FY13)**	**2013 (FY14)**	**2014 (FY15)**	**2010 (FY11)**	**2011 (FY12)**	**2012 (FY13)**	**2013 (FY14)**	**2014 (FY15)**
Rental Property Inspections (based on inspection districts)	462	450	450	450	450	475	374	542	424	*539* *(as of May 2015)*
Property Maintenance Inspections (complaint based City-wide)	2400	2300	2200	2100	2000	3831	3223	2480	1997	*1566* *(as of May 2015)*

Outreach Efforts

- Neighborhood Meetings
- 4 Community Code Compliance Team Neighborhood walkthroughs per year
- VA Statewide Neighborhood Conference
- Informational Brochures
- Website Resources
- Part of Lynchburg 360 on LTV in May




Violations Discovered During Rental Inspection













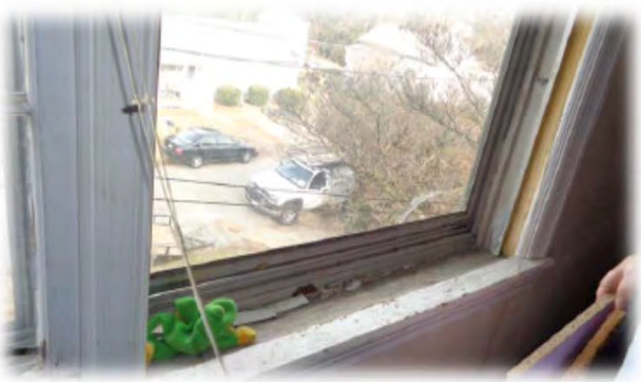








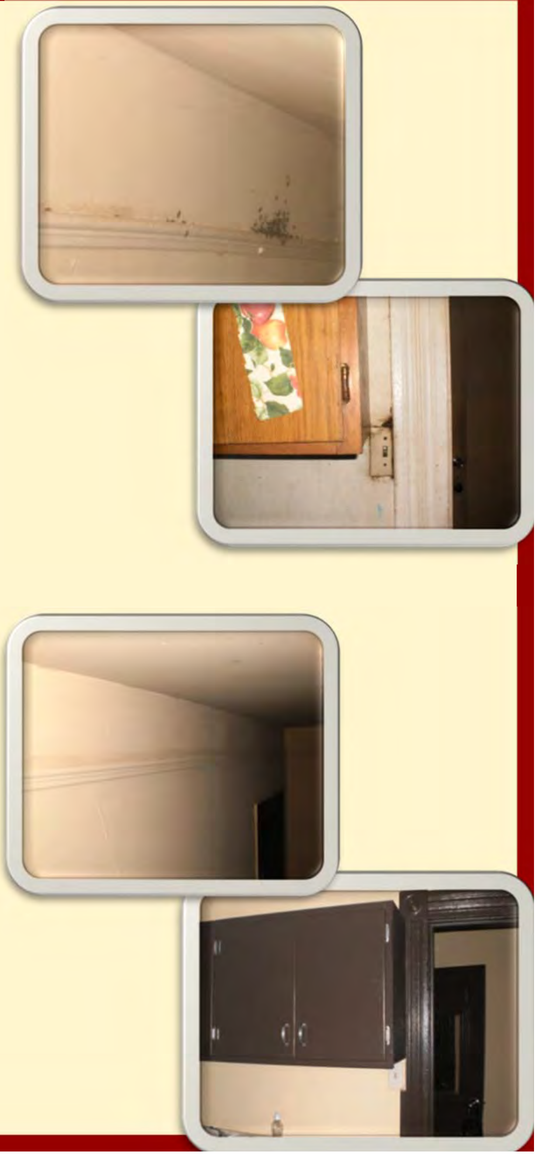




Floor after repair

Summary of the Residential Rental Property Inspection Program

- Safe housing is the primary objective.
- Many of the rentals involve conversion of older and blighted homes that are repaired enough to meet basic codes and move tenants in.
- The program is proactive and provides a means to identify issues that may go unnoticed by tenants and landlords.
- Addressing violations at their onset prevent more substantial neighborhood issues, infestations and blight.
- Various reasons, including landlord retaliation, may prevent tenants from complaining.
- Staff serve as resources to landlord and tenant.



// A regular meeting of the Council of the City of Lynchburg was held on the 12th day of May, 2015, at 7:30 P.M. in the Council Chamber, City Hall, Ceasor Johnson, Vice-President, presiding. Council Member Nelson gave the Invocation, followed by the Pledge of Allegiance. The following Members were present:

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

Absent: Gillette 1

// Vice Mayor Johnson presented Certificates of Recognition to the 2015 Hill Climbers.

// Vice Mayor Johnson introduced three Mayor's Youth Council members; Molly Graham, Makayla Rony and Hayden Swisher.

// Copies of the minutes of the April 28, 2015 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Foster, seconded by Council Member Nelson, Council by the following recorded vote approved the minutes as presented:

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

Noes: 0

Absent: Gillette 1

// In the matter of Community Development – General, Resolution #R-15-028, amending the FY 2015 City/Federal/State Aid Fund budget and appropriating $98,618 from the U.S. Department of Housing and Urban Development (HUD) to provide at least 10 units of tenant-based rental assistance and associated case management services, laid over from the April 28, 2015 meeting, was again presented and read, and on motion of Council Member Foster, seconded by Council Member Nelson, Council by the following recorded vote adopted the Resolution:

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

Noes: 0

Absent: Gillette 1

// In the matter of School - Board, a public hearing was held regarding City Council Report #3 for receiving input from citizens regarding appointments (or reappointments) to vacancies that will exist June 30 in each of the three (3) School Board representational districts. Vice Mayor Johnson read into the record the names of the current School Board members whose terms will expire on June 30th: District 1, Charles B. White, who is not willing to serve again; District 2, Thomas Webb, who is not eligible to serve again; and District 3, Katie Snyder, who is willing to serve again. Vice Mayor Johnson then read into the record the names of volunteers who have applied to-date to serve on the School Board: District 1 – Charleta F. Mason and Tom Prest; District 2 – Lewis Lee, Jr.; District 3- Gregory J. Belisle and Leslie D. King. The following candidates spoke before City Council to communicate their interest and present their credentials and qualifications to serve on the School Board - Gregory J. Belisle, Lewis Lee, Jr., Charleta F. Mason, Tom Prest and Katie Snyder. There was no one else present who wished to speak to this item. Council Members discussed and reached consensus to continue the public hearing until the May 26 meeting to allow more time for citizens to apply for the positions on the School Board. On motion of Council Member

Perrow, seconded by Council Member Helgeson, Council by the following recorded vote continued the public hearing until May 26 to allow more time to receive names of volunteers:

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

// In the matter of Community Development - Zoning Amendments, a public hearing was held regarding City Council Report #4 outlining the petition of 320 12th Street, LLC to rezone approximately three hundred and forty-seven thousandths (0.347) of an acre at 314 and 320 12th Street from B-5, General Business District to B-6, Riverfront Business District to allow the conversion of an existing building to a multi-family residential use. Anne Nygaard, Planner II, gave a summary of the request and stated that the Planning Commission recommended approval of the rezoning petition. Representative Russ Nixon, with Nixon Land Surveying asked Council for approval of the rezoning petition. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Perrow, seconded by Council Member Nelson, Council by the following recorded vote adopted Ordinance #0-15-048, as presented, granting the petition of 320 12th Street, LLC to rezone approximately three hundred and forty-seven thousandths (0.347) of an acre at 314 and 320 12th Street from B-5, General Business District to B-6, Riverfront Business District to allow the conversion of an existing building to a multi-family residential use:

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

// In the matter of Public Works – Street Vacation, a public hearing was held regarding City Council Report #5 outlining the petition of 320 12th Street, LLC to vacate an alley located between 314 and 320 12th Street, which is four (4) feet wide and extends approximately one hundred five (105) feet. The petition also includes a vacation of a portion of Court Street, which adjoins the property at 320 12th Street. The portion adjoining Court Street proposed for vacation is approximately thirty-eight thousandths (.038) of an acre. Anne Nygaard, Planner II, gave a summary of the request to vacate an alley located between 314 and 320 12th Street. Representative Russ Nixon, with Nixon Land Surveying asked Council for approval to vacate an alley between 314 and 320 12th Street. There was no one else present who wished to speak to this item, and the public hearing was closed. Council Member Perrow, Chair of the Physical Development Committee (PDC), stated that this item came before PDC and recommended this item be considered by City Council. The motion did not require a second, and Council by the following recorded vote adopted Ordinance #0-15-049, as presented, granting the petition of 320 12th Street, LLC to vacate an alley located between 314 and 320 12th Street, which is four (4) feet wide and extends approximately one hundred five

(105) feet and to vacate a portion of Court Street adjoining the property at 320 12th Street which is approximately thirty-eight thousandths (.038) of an acre:

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

// In the matter of Budget/Community Development - General, Resolution #R-15-030, amending the FY 2015 Community Development Block Grant Budget and appropriating $7,900 with resources from Community Development Block Grant Restricted Fund Balance funds to the refunding of the Series 2004-A Note, laid over from the April 28 meeting, was again presented and read, and on motion of Council Member Nelson, seconded by Council Member Tweedy, Council by the following recorded vote adopted the Resolution:

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

// The meeting was adjourned at 8:27 P.M.

Clerk of Council

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 26, 2015**			AGENDA ITEM NO.: 16
CONSENT:	REGULAR: **X**	WORK SESSION:	CLOSED SESSION: (Confidential)
ACTION: **X**		INFORMATION:	

ITEM TITLE: **Continuation of the Public Hearing Regarding School Board Appointments**

RECOMMENDATION:

Receive input from citizens regarding appointments (or reappointments) to vacancies that will exist June 30 in each of the three (3) School Board representational districts.

SUMMARY:

The Code of Virginia stipulates that Council may appoint only those nominees or applicants whose names have been considered at a public hearing. Following the public hearing City Council may either conclude the public hearing or continue it to the next meeting to allow more time for citizen input. The City Code requires that these appointments be made during the month of June; so therefore, no action may be taken on this matter except at the June 10 or June 24 meetings.

PRIOR ACTION(S): May 12, 2015, Public Hearing

FISCAL IMPACT:

None

CONTACT(S):

Valeria P. Chambers – 455-3983

ATTACHMENT(S):

School Board Appointment List

REVIEWED BY: lkp

046V

NO NEW NAMES ADDED TO LIST

May 26, 2015

School Board Appointment List –

Current School Board Members to be Reappointed/Replaced.
Charles B. White, School District 1 (Not willing to serve again)
Thomas Webb, School District 2 (Not eligible to serve again)
Katie Snyder, School District 3 (Willing to serve again) (spoke on 5/12/15)

CURRENT VOLUNTEERS

SCHOOL DISTRICT 1 -

Charleta F. Mason (spoke on 5/12/15)
Tom Prest (spoke on 5/12/15)

SCHOOL DISTRICT 2 –

Lewis Lee, Jr. (spoke on 5/12/15)

SCHOOL DISTRICT 3-

Gregory J. Belisle (spoke on 5/12/15)
Leslie D. King

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 26, 2015** AGENDA ITEM NO.: 17

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Convert the Part-Time Off Duty Coordinator Position to a Full-Time Training Assistant Position**

RECOMMENDATION: Approve the conversion of the part-time Off Duty Coordinator position to a full-time Training Assistant position.

SUMMARY: The Police Department employs a part-time Off Duty Coordinator whose primary responsibility is to coordinate requests for off duty employment of police officers. This position reports to the Training Lieutenant, who is responsible for coordinating police participation in special events.

As special event responsibilities have grown, the Training Lieutenant has become overextended, necessitating additional support that cannot be provided by a part time position. By increasing the hours to full-time and expanding the duties, the new Training Assistant position will take on a greater support role by providing additional aid in special event planning and off duty officer employment (scheduling, monitoring, billing and quality control), weapons and firing range maintenance, and weapons training.

This position change proposal has been approved by the Department of Human Resources. The total additional cost in FY 2016 for this change will be minimally $15,791 in the Police Department's Off Duty Budget. No appropriation is needed at this time; the department anticipates absorbing the $15,791 in the FY 2016 Off Duty Division budget based on lower projected Miscellaneous Contractual Services expenditures.

PRIOR ACTION(S): None

FISCAL IMPACT: None, the additional cost will be absorbed in the FY 2016 Off Duty Division budget.

CONTACT(S): Parks H. Snead, Chief of Police, 455-6045
Major Jerry Stokes, 455-6100

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

RESOLUTION:

BE IT RESOLVED THAT the Lynchburg City Council approves the conversion of the part-time Off Duty Coordinator position to a full-time Training Assistant position.

Adopted:

Certified: ____________________________________
Clerk of Council

043V

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 26, 2015** AGENDA ITEM NO.: 18

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Reallocation of VDOT Revenue Sharing for Downtown Streetscape Reconstruction and Improvements Project**

RECOMMENDATION:

Approve resolution to the Virginia Department of Transportation (VDOT) to reallocate Revenue Sharing Program Funds to the Downtown Streetscape Reconstruction and Improvements Project.

SUMMARY:

Since October when the 2016 Revenue Sharing Applications were due to VDOT, a project of downtown streetscape reconstruction and improvements to the areas of 7^{th}, 8^{th}, Church and Main streets has come into existence and increased in priority. This work will be coordinated with the Downtown Waterline Replacement Program. To be able to use leftover Revenue Sharing funds or project funds that are nearing their expiration, a Resolution requesting the Commonwealth Transportation Board to create this new project as a Revenue Sharing Project is required. Currently there are over $41,000 left in the Northwest Expressway Revenue Sharing project that can be transferred to this project.

PRIOR ACTION(S):

PDC – May 12, 2015

FISCAL IMPACT:

None – Allows for leftover Revenue Sharing Funds to be used for this project.

CONTACT(S):
Lee Newland – City Engineer – 455-3947
Gaynelle Hart – Public Works Director – 455-4406

ATTACHMENT(S):

Resolution

REVIEWED BY: lkp

RESOLUTION

WHEREAS, the City established a construction project for the Downtown Streetscape Reconstruction and Improvements to improve the condition of the roadway, curbing, sidewalks, ADA accessibility, traffic flow, lighting and landscaping; and

WHEREAS, the City is performing preliminary engineering for the improvements for this project; and

WHEREAS, the City has successfully completed multiple Revenue Sharing projects; and

WHEREAS, the City wishes to add the available funds from the completed Northwest Expressway Drainage Improvement project, State Project 0501-118-213, UPC 98238 to the Downtown Improvements;

NOW, THEREFORE, BE IT RESOLVED That the Lynchburg City Council requests the Virginia Department of Transportation to establish the Downtown Streetscape Reconstruction and Improvement Project as a Revenue Sharing Project and transfer all remaining funds from the completed Northwest Expressway Drainage Project (UPC 98238) to the new project; and

BE IT FURTHER RESOLVED That the Council hereby authorizes and directs the City Manager to execute any and all required contracts and agreements related thereto.

Adopted:

Certified: ________________________

Clerk of Council

044V

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 26, 2015** AGENDA ITEM NO.: 19

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Appropriation of Funds from the Reserve for Fire Equipment Assigned Fund Balance to Purchase Radio Equipment for Two Replacement Battalion Chief Vehicles**

RECOMMENDATION: Adopt a resolution to amend the FY 2015 General Fund budget and appropriate $17,758 with resources from the Reserve for Fire Equipment Assigned Fund Balance to purchase radio equipment for two replacement Battalion Chief vehicles in the Fire Department.

SUMMARY: The replacement Battalion Chief vehicles need radio equipment not included in the vehicles' purchase price. The Harris Unity XG-100M is a multiband mobile radio. It will operate in the current radio system (EDACS-Enhanced Digital Access Communications System) and the upcoming P25 radio system (scheduled to be operational in 2016). Until the P25 radio system is operational, a device referred to as an EDACS "critter" will be required to maintain the capacity to rebroadcast from conventional talk to EDACS talk groups (this allows enhanced communication in structures where signal penetration is problematic). In the P25 radio system, a mobile repeater will perform that function, allowing use of the radio's full capabilities. The Department of Emergency Services will supply partial funding for the two mobile radios. Therefore, the department requests to purchase two (2) Harris Unity XG-100 mobile radios ($7,696), two EDACS "critters" ($2,060), and two P25 mobile repeaters ($8,002) at a total cost of $17,758.

Currently, the Reserve for Fire Equipment Assigned Fund Balance is $98,680; appropriating $17,758 will reduce the balance to $80,922. An additional $50,000 is proposed for use in the FY 2016 Operating budget.

PRIOR ACTION(S): Finance Committee May 26, 2015

FISCAL IMPACT: With the appropriation of $17,758, the Reserve for Fire Equipment Assigned Fund Balance will be $80,922.
Future funds may be needed for periodic maintenance of the equipment purchased.

CONTACT(S): Fire Chief Brad Ferguson, 455-6340
Acting Deputy Chief Jason Campbell, 455-6363
Ellen Davidson-Martin, Fire Administrative Manager, 455-6368

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

RESOLUTION:

BE IT RESOLVED That the FY 2015 General Fund budget is amended and $17,758 is appropriated with resources from the Reserve for Fire Equipment Assigned Fund Balance to purchase radio equipment for two replacement Battalion Chief vehicles in the Fire Department.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

045V

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: ~~April 28, 2015~~ **May 26, 2015** AGENDA ITEM NO.: **20, 21, 22**

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

ACTION: **X** INFORMATION:

ITEM TITLE: **1) Adopt and Appropriate the FY 2016 Operating Budget; 2) Adopt the FY 2016-2020 Capital Improvement Program; 3) Adopt and Appropriate the FY 2016 Capital Budget; 4) Adopt a Resolution Authorizing the City Manager to Award Monetary Incentives, Awards, and Bonuses to Employees for Exceptional Services; 5) Adopt a Resolution requiring City Council approval to spend Poverty Initiative funds; and 6) Adopt a Resolution to set the personal property tax relief rate.**

RECOMMENDATION:
Adopt and appropriate the FY 2016 Operating Budget; adopt the FY 2016-2020 Capital Improvement Program; adopt and appropriate the FY 2016 Capital Budget; adopt a resolution authorizing the City Manager to award monetary incentives, awards, and bonuses to employees for exceptional services; adopt a resolution requiring City Council approval to spend Poverty Initiative funds; and adopt a resolution to set the personal property tax relief rate.

SUMMARY:
Following the March 31, 2015 Public Hearing for the FY 2016 Budget, Council adjusted the Proposed FY 2016 General Fund Budget as follows:

General Fund

Revenues and Use of Fund Balance	**Proposed Operating Budget**	**Adjustments**	**Revised Budget**
Revenues	$174,636,269	$346,675	$174,982,944
Use of Fund Balance	10,015,040	(93,134)	9,921,906
Total Revenues and Use of Fund Balance	**$184,651,309**	**$253,541**	**$184,904,850**
Expenditures			
Operations	$113,009,617	$343,541	$113,353,158
Debt Service	17,211,443		17,211,443
Schools-Operations	41,064,276		41,064,276
Greater Lynchburg Transit Company	1,394,038		1,394,038
Transfers to Other Funds	1,301,196		1,301,196
Reserves	3,572,414	(822,204)	2,750,210
Capital Improvements	7,098,325	732,204	7,830,529
Total Expenditures, Reserves, and Transfers	**$184,651,309**	**$253,541**	**$184,904,850**

Based on City Council's Work Session discussions regarding the FY 2016 budget, staff made the following adjustments:

To Revenues and Use of Fund Balance:

1. Added $160,000 in Local Sales Tax based on updated revenue projections.
2. Reduced Business License Tax by $97,200 based on updated revenue projections.
3. Reduced Lodging Tax by $100,000 based on updated revenue projections.
4. Added $170,000 in Meals Tax based on updated revenue projections.
5. Reduced Court Fines and Fees by $40,000 due to the State returning less revenue to the City.

6. Added $30,000 as a result of the increased value of Campbell County's Wards Crossing West property and the revenue sharing agreement with the City.
7. Eliminated the $325,447 Local Aid to the Commonwealth.
8. Reduced Local Law Enforcement (HB 599) revenue by $123,572 to reflect the latest level of funding proposed by the General Assembly.
9. Added $22,000 to the Indirect Cost federal reimbursement.
10. Reduced the use of fund balance by $90,000 to fund streetscape design at FY 2015 Third Quarter.
11. Added $3,134 to unassigned fund balance.

To Expenditures:

1. Added $55,100 to the Emergency Services budget to overhire a Network Administrator position.
2. Added $76,794 to the Public Works budget for an Engineer position.
3. Added $8,545 to the Social Services budget for burial assistance.
4. Added $20,200 to the Library budget for personnel costs not included in the City Manager's Proposed Budget.
5. Added $150,000 to Non-departmental for Parks and Recreation and Social Services market adjustments.
6. Reduced the Blue Ridge Regional Jail Authority payment by $2,098.
7. Eliminated the $822,204 Capital Maintenance Reserve and increased the transfer to capital by $732,204 to fund the Streetscape Improvements Downtown project ($632,204), the Clay Street Reservoir – Adaptive Reuse Design and Feasibility Study ($50,000), and the Jefferson Park Master Plan ($50,000).
8. Added $25,000 to the Non-departmental budget for recruitment costs.
9. Added $10,000 to the Council/Manager's budget for Council training and travel.

Details of all City Council and staff adjustments can be found in Attachment A.

Also, State code requires the personal property tax relief rate be set at the time the budget is adopted.

Adopting Resolutions A, B, E, H, I, J, K, L, M, N, O, P, and Q require a majority vote of all of the members of City Council in attendance, said vote to be taken by ayes and noes.

Adopting Resolutions C, D, F, and G require a two-thirds majority vote (i.e. five of seven) among the members elected to City Council, said vote to be taken by ayes and noes.

<u>HOME Fund</u>
The HOME Fund is adjusted by $34,940 to reflect a decrease based on the actual federal entitlement award.

<u>Community Development Block Grant Fund</u>
The Community Development Block Grant Fund is adjusted by a net amount of $13,894 to reflect a $14,586 increase in the actual federal entitlement award offset by a $692 decrease in program income.

<u>City Capital Projects Fund</u>
The City Capital Projects Fund is adjusted by $1,163,647 to include: $50,000 for an adaptive reuse design for Clay Street Reservoir, $50,000 for Jefferson Park Landfill, $1,102,952 for Streetscape Improvements Downtown, and a reduction in CDBG funding of ($39,305) for Fifth Street Phase III based on actual amounts approved by the Community Development Advisory Committee.

<u>Fund Balance</u>
With the adjustments noted above, the General Fund undesignated fund balance as of June 30, 2016 is projected to be $17,435,725 or 10.0% of revenues. Council's target for undesignated fund balance is 10% of revenues.

<u>PRIOR ACTION(S):</u>
March 10, 17, 24, April 14, 2015 – City Council Work Sessions
March 31, 2015 – Public Hearing on the Proposed FY 2016 Budgets for General Government, Schools, Water, Sewer, Stormwater, Airport, and Other Funds, and the FY 2016 - 2020 Capital Improvement Program

<u>BUDGET IMPACT:</u>
See attached budget resolution.

CONTACT(S):
L. Kimball Payne, III, City Manager, 455-3990
Bonnie Svrcek, Deputy City Manager, 455-3990
Donna Witt, Director of Financial Services, 455-3968

ATTACHMENT(S):
Attachment A: Balancing the FY 2016 General Fund Budget; and Resolutions to 1) adopt and appropriate the FY 2016 Operating Budget; 2) adopt the FY 2016-2020 Capital Improvement Program; 3) adopt and appropriate the FY 2016 Capital Budget; 4) adopt a resolution authorizing the City Manager to award monetary incentives, awards, and bonuses to employees for exceptional services; 5) adopt a resolution requiring City Council approval to spend Poverty Initiative funds, and 6) adopt a resolution to set the personal property tax relief rate.

REVIEWED BY:

ATTACHMENT A

BALANCING THE FY 2016 GENERAL FUND BUDGET

Revenues and Use of Fund Balance	
Proposed Revenues (from the FY 2016 Proposed Operating Budget)	**$174,636,269**
Use of Fund Balance	10,015,040
Total Proposed Revenues and Use of Fund Balance	**$184,651,309**
Adjustments: Revenue Summary	
Non-dedicated Revenue Adjustments	**Increase/(Decrease)**
Local Sales Tax	$160,000
Business License Tax	(97,200)
Lodging Tax	(100,000)
Meals Tax	170,000
Fines and Fees	(40,000)
Charges for Services	30,000
Dedicated Revenue Adjustments	
Local Aid to the Commonwealth	325,447
Local Law Enforcement (HB599)	(123,572)
Indirect Cost	22,000
Use of Fund Balance Adjustments	
Pay-As-You-Go	(90,000)
Addition to Fund Balance	(3,134)
Revised Revenues and Use of Fund Balance	**$184,904,850**
Expenditures, Reserves, and Transfers	
Proposed Expenditures, Reserves, and Transfers (*from the FY 2016 Proposed Operating Budget)*	**$184,651,309**
Adjustments: Expenditures, Reserves, and Transfers	**Increase/(Decrease)**
Emergency Services department - Network Administrator overhire	$55,100
Add an Engineer position in Public Works	76,794
Burial assistance costs in Social Services	8,545
Personnel costs for the Library	20,200
Market adjustments for Parks and Recreation and Social Services	150,000
Blue Ridge Regional Jail Authority	(2,098)
Eliminate Capital Maintenance Reserve	(822,204)
Transfer to Capital for Pay-As-You-Go Projects	732,204
Funds to assist with recruitment expenses	25,000
Council training and travel	10,000
Revised Expenditures	**$184,904,850**
Balance of Revised Revenues, Use of Fund Balance, and Expenditures	**$0**

AGENDA ITEM NO. 20

#20.* BE IT RESOLVED that by majority vote the FY 2016 General Fund Operating Budget (excluding External Service Providers and Component Units expenditures) including the revenues and expenditures proposed by the City Manager and revised by City Council be adopted as the annual operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2015 and ending June 30, 2016 and said funds be appropriated:

GENERAL FUND INCOME	
Beginning Balance	$26,992,591
Non-Dedicated Revenues	
General Property Taxes	77,220,620
Other Local Taxes	51,532,711
Permits, Privilege Fees and Licenses	728,133
Fines & Forfeitures	442,500
Use of Money & Property	314,734
Charges for Services	3,326,352
Miscellaneous	236,000
Revenue from the Commonwealth	6,217,584
Dedicated Revenues	
Revenue from Use of Money & Property	
Charges for Services	4,055,248
Recreation Revenue	373,100
Parking	515,000
Miscellaneous	2,329,755
Revenue from the Commonwealth	
Categorical Aid - State Shared Expenditures	3,082,483
Categorical Aid	17,950,703
Revenue from the Federal Government	6,658,021
Use of Reserves and Committed/Assigned Fund Balance	365,040
Total	**$202,340,575**

GENERAL FUND EXPENDITURES	
General Government	$12,546,736
Judicial Administration	4,826,762
Public Safety	35,145,550
Public Works	17,657,871
Health and Welfare	17,920,280
Parks, Recreation and Cultural	5,368,732
Community Development	4,321,539
Non-Departmental	7,391,058
Transfer to Other Funds	1,301,196
General Fund - Debt Service	8,515,623
Schools - Debt Service	8,695,820
Reserves	2,750,210
Transfer to Capital - City	7,830,529
Ending Balance	17,435,725
Subtotal	**$151,707,631**
External Service Providers[1]	$8,174,630
Component Units[1]	$42,458,314
Total	**$202,340,575**

[1] *To be considered separately*

Introduced: April 28, 2015 Adopted:

Certified: ______________________________
Clerk of Council

AGENDA ITEM NO. 21

#21.* BE IT RESOLVED that by majority vote the FY 2016 Region 2000 Local Government Council Budget of $44,491 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2015 and ending June 30, 2016 and said funds be appropriated.

Introduced: April 28, 2015 Adopted:

Certified: ______________________________
Clerk of Council

AGENDA ITEM NO. 22

#22.* BE IT RESOLVED that by majority vote the FY 2016 School Operating Budget, including the revenues and expenditures proposed by the City Manager, be adopted for the fiscal year beginning July 1, 2015 and ending June 30, 2016 and said funds be appropriated:

SCHOOL INCOME	
Beginning Balance	$0
State	47,984,627
Federal	426,000
Grants	9,237,737
Local – Operating	41,064,276
Miscellaneous	1,857,220
Total	**$100,569,860**

SCHOOL EXPENDITURES	
Operations	$91,332,123
Grant Funded Expenditures	9,237,737
Ending Balance	0
Total	**$100,569,860**

Introduced: April 28, 2015

Adopted:

Certified: ______________________________
Clerk of Council