

FINANCE COMMITTEE NOTES -- FINAL
Tuesday, October 25, 2022

GENERAL BUSINESS

Meeting commenced at 11:30 a.m. in Council Chamber.

ATTENDEES

Committee Members: Council Member Jeff S. Helgeson, Chair; Council Member Randy Nelson; Council Member Beau Wright.

Others: Wynter C. Benda, City Manager; Greg Patrick, Deputy City Manager; John H. Hughes, IV, Assistant City Manager; Donna Witt, Chief Financial Officer; Rhonda Allbeck, Assistant Director of Financial Services; Starlette Early, Budget Analyst.

1. Approval of the Draft Finance Committee Meeting Notes from September 27, 2022.

The Finance Committee Meeting Notes from September 27, 2022 were approved with one correction noted by Chairman Helgeson: Under Item #6 "Estimated FY 2022 Unassigned General Fund Balance", the sentence "Based on the estimated ending Fund Balance of approximately \$43 million above the adopted Fund Balance, Chairman Helgeson proposed to return \$5 million in revenues the City will receive due to Council voting to not equalize the real property tax rate during the 2023 budget deliberations" should have been "2022 budget deliberations" to accurately reflect when Council deliberated the equalization rate.

2. Report on the General Fund Reserve for Contingencies.

There were no new items to report, leaving a current balance of \$1,200,000 including \$50,000 for the City Manager's Discretionary Funding.

3. Consider a request to adopt a resolution to amend the FY 2023 City/Federal/State Aid Fund budget and appropriate \$42,448 with resources from the 2022 Edward Byrne Memorial Justice Assistance Grant to purchase law enforcement equipment for the Lynchburg Police Department and technology equipment for the Lynchburg Sheriff's Office and the Office of the Commonwealth's Attorney.

Police Chief Ryan Zuidema presented the item, noting no local match funds are required. The item was approved to move forward for full Council consideration at the October 25, 2022 meeting.

4. Consider a request to adopt a resolution to amend the FY 2023 City/Federal/State Aid Fund budget and appropriate \$59,676 with resources of \$29,838 from the Bulletproof Vest Partnership 2022 Grant Program and \$29,838 transferred from the FY 2023 General Fund

Police Department (\$26,863) and Sheriff's Office (\$2,975) budgets to purchase 69 replacement ballistic vests for law enforcement officers.

Police Chief Ryan Zuidema presented the item, noting there is a 50/50 required local match with funds already included in the FY 2023 Police Department and Sheriff budgets. The item was approved to move forward for full Council consideration at the October 25, 2022 meeting.

5. Consider a request to adopt a resolution to amend the FY 2023 City/Federal/State Aid Fund budget and appropriate \$50,160 with resources of \$33,440 from the Department of Motor Vehicles Highway Safety Grant, an in-kind service and equipment match of \$14,352, and \$2,368 from the FY 2023 General Fund Police Department budget to facilitate selective enforcement activities, equipment, and training.

Police Chief Ryan Zuidema presented the item, noting there is an in-kind equipment match and funds to cover Social Security expenses. The funds are already included in the FY 2023 Police Department. The item was approved to move forward for full Council consideration at the October 25, 2022 meeting.

6. Consider a request to adopt a resolution to amend the FY 2023 City/Federal/State Aid Fund budget and appropriate \$46,125 with resources of \$30,750 from the Department of Motor Vehicles Highway Safety Grant, an in-kind service and equipment match of \$13,022, and \$2,353 from the FY 2023 General Fund Police Department budget to facilitate speed enforcement activities.

Police Chief Ryan Zuidema presented the item, noting there is an in-kind equipment match and funds to cover Social Security expenses. The funds are already included in the FY 2023 Police Department budget. The item was approved to move forward for full Council consideration at the October 25, 2022 meeting.

7. Review highlights of attached quarterly financial reports for the Greater Lynchburg Transit Company (GLTC) as well as the Regional Airport, Lynchburg Regional Juvenile Detention Center, Children's Services Act, Water Operating, Sewer Operating, Stormwater Operating, and General Funds for the quarter ending June 30, 2022.

GLTC: Joshua Moore, General Manager, reported expenses were up 8% for the quarter, with fuel prices and tire costs continuing to remain high. GLTC finished FY 2022 with a surplus of \$404,975 with a one-time reduction of OPEB funds no longer required to be reserved, reducing future liability for this expense. GLTC is down by 6 full-time and 10 part-time operators, but is "best in state" with this level of vacancies. Chairman Helgeson inquired about review of routes where ridership is low and Mr. Moore discussed a pilot state program regarding micro-transit options where "uber-type" service is being offered to free up buses to provide more frequency on heavy ridership routes. Council Member Nelson inquired whether maintenance issues were related to difficulty in finding qualified staff. Mr. Moore indicated GLTC was not experiencing staffing problems in maintenance area as they have long-term mechanics. Utility workers (cleaning buses, etc.) were difficult to retain as their jobs required

weekend work and there were other employment opportunities that allowed a Monday to Friday work schedule.

Airport: Andrew LaGala was unable to attend this meeting. Chairman Helgeson requested to have Mr. LaGala present this report at the next meeting of the Finance Committee.

Lynchburg Regional Juvenile Detention Center: Preston Sellers reported total FY 2022 revenues of \$3,201,064 for the Juvenile Justice Block Grant, Community Placement Program (CPP), and United States Department of Agriculture (USDA). He noted expenditures were \$3,080,582 with a slight increase in usage for fourth quarter CPP. As of July 1, 2022, the CPP will no longer be a part of the Lynchburg Detention Center. With direct care population steadily decreasing, funded beds were being underutilized and resulted in some MOA's with detention facilities not being renewed. Service needs for Lynchburg will be provided in a separate locality, and the CPP will no longer be on the City's budget.

Children's Services Act (CSA): Preston Sellers reported total revenues of \$7,348,045 and expenditures of \$7,266,999. He noted these categories can fluctuate quite a bit as services move between "Sum-Sufficient" and "Non-Sum Sufficient."

Water: Tim Mitchell reported overall Water Fund revenues were \$895,997 more than budget, with higher than expected consumption from commercial and industrial accounts, and water contracts from surrounding localities and industries. Expenditures were \$1.2 million less than budget, with less people and materials used and fewer emergency responses due to fewer number of water main breaks. The debt coverage ratio is 1.69 compared to the target minimum of 1.20, and the fund balance is 45% compared to a target range of 25% - 40%.

Sewer: Tim Mitchell reported the Sewer Fund revenues are \$3.3 million above budget primarily due to Charges for Services at \$1.6 million above budget and \$1.67 million in Sewer Contracts. Sewer Fund expenditures are approximately \$400,000 below budget due to significant vacancies offset by increased cost in chemicals. The debt coverage ratio is 1.51 compared to the target range of 1.20 to 1.50, and the fund balance for the end of the fiscal year is 45% compared to a target range of 25% - 40%.

Stormwater: Tim Mitchell reported the Stormwater Fund revenues exceeded budget of \$3,795,488 by \$148,000 due to growth and development in City and more impervious areas. Expenditures are below budget of \$3,741,935 by \$296,152. He reported the Stormwater Fund exceeded the financial policy ratios: debt coverage is 4.17 compared to a minimum target of 1.20 and fund balance is 38% compared to the target range of 15% - 20%.

General Fund: Donna Witt reported the General Fund was as presented at the City Council retreat. The additional revenues are a result of inflation and the economy, with less expenditures primarily due to vacancies

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

Donna Witt reported revenues continued to increase over the adopted budget for the months of July and August. Sale and Use Tax was at \$1.7 million for August, Utility Tax – Electric was

up slightly due to consumption, Meals Tax revenue was above projected but not as much since projections were increased, Lodging Tax was flat with adopted, and Amusement Tax revenue was slightly above budget. Overall, revenues are above where we thought we would be at this time.

9. November 22, 2022 Finance Committee Meeting Date.

Due to the cancellation of the regular City Council meeting for November 22, 2022, Finance Committee members agreed to cancel the Finance Committee meeting scheduled for the same date. The next meeting is scheduled for December 13, 2022.

10. Roll Call.

There were no roll call items.

Meeting adjourned at 12:12 p.m.