

# City of Petersburg Emergency Financial & Operational Restructuring

Presentation to Petersburg City Council

The Robert Bobb Group, LLC

May 2, 2017

# Agenda

- **FY18 Budget Overview**
  
- **City Manager's Report**
  1. Utility Update
  2. Utility Notice Explanation
  3. Utility Collections Update
  4. Fire Hydrants Update
  
- **RBG Progress Report**
  1. RBG Plan: March 25, 2017 – September 30, 2017
  2. Financial Crisis Continues
  3. Forensic Audit Update
  4. Executive Search Firm Update
  5. Data Analytics Focus
  
- **Transparency**

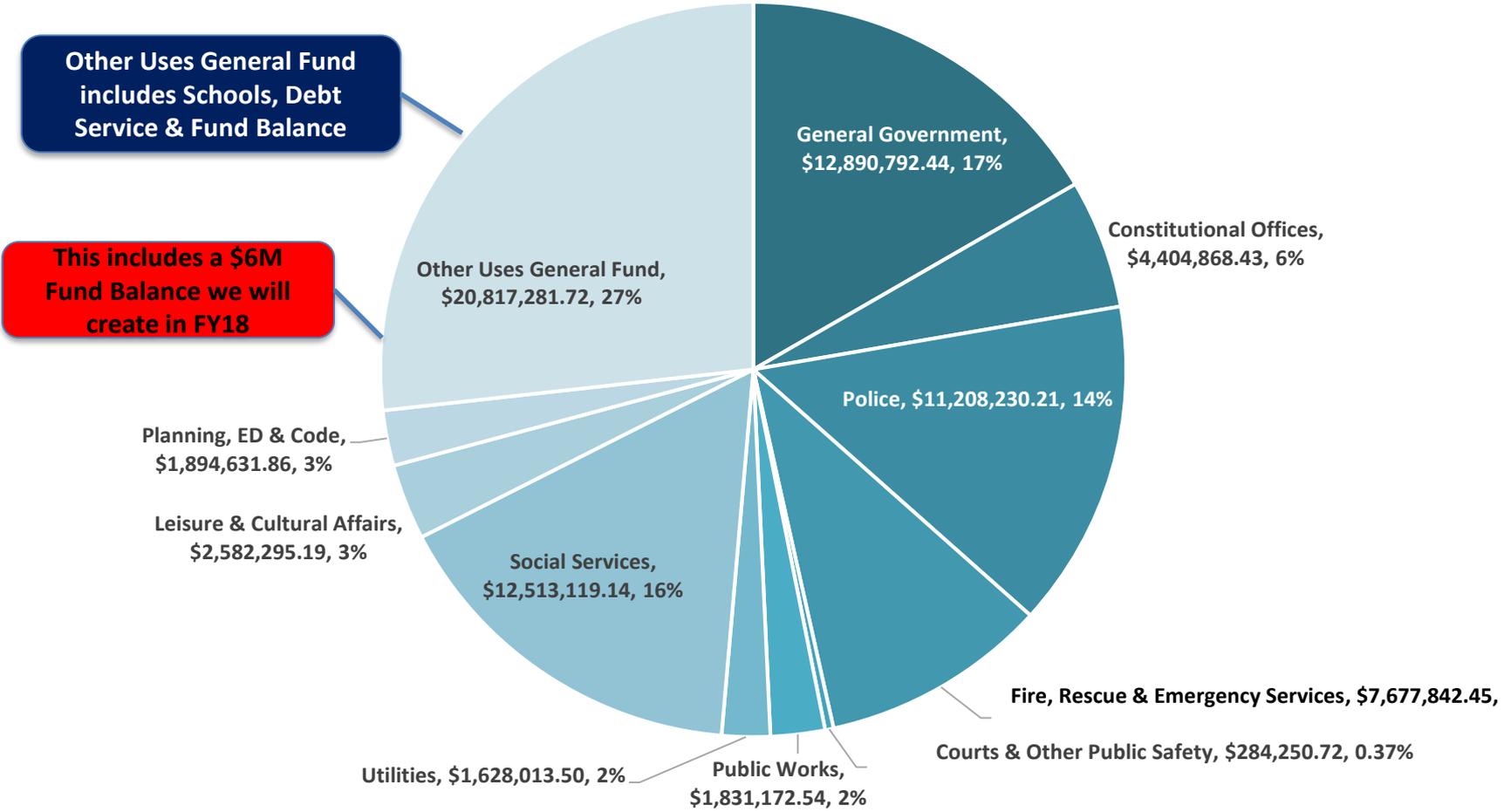
Presentations available on City website: <http://www.petersburgva.gov/index.aspx?NID=846><sup>2</sup>

# FY18 Budget Overview

## FY18 BUDGET OVERVIEW

# FY 18 Budget Overview

**The Proposed Budget for all departments and fund types is \$77,732,448. Note: this includes a one time \$6M revenue event.**



Other Uses General Fund includes Schools, Debt Service & Fund Balance

This includes a \$6M Fund Balance we will create in FY18

**We plan to create a \$6M revenue event. These funds will go directly to the City's Fund balance.**

# FY 18 Budget Development Policies

- 1. The City will strive to maintain diversified and stable revenue streams to protect the government from fluctuations in any single revenue source.**
- 2. Current revenues will fund current expenditures.**
- 3. The City will pursue an aggressive policy seeking collection of delinquent fees.**
- 4. The City will prepare and annually update a 5 year financial forecast model.**
- 5. Expenditure and revenue projections will be developed quarterly and reviewed with Departmental Directors, the City Manager, and City Council.**
- 6. The City will budget for operating subsidies, if any, to its golf, mass transit or other funds requiring annual support from the General Fund.**
- 7. Once the City Manager proposes the budget, the City Council can only make recommended changes that keep the budget in balance.**

# Overview of Revenues

## Expected Revenues in FY18

GENERAL FUND REVENUE							
Description	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15	Unaudited Actual 2015-2016	2nd Amendment FY 17	Proposed Budget FY 17-18
Total Property Taxes	\$33,388,518	\$33,750,636	\$33,289,206	\$32,558,764	\$32,465,672	\$31,907,723	\$34,864,542
Total Local Taxes & Fees	\$13,158,282	\$13,713,707	\$13,644,669	\$14,272,952	\$12,700,595	\$14,258,463	\$15,419,000
Total Permits, Fees, Licenses	\$556,816	\$583,041	\$570,414	\$662,714	\$436,991	\$465,667	\$472,500
Total Fines & Forfeitures	\$786,924	\$889,705	\$753,874	\$813,450	\$444,365	\$548,464	\$683,000
Total Property Rental	\$360,792	\$425,044	\$458,934	\$218,964	\$210,100	\$176,396	\$151,312
Total Charge for Services	\$1,905,535	\$2,395,139	\$2,001,950	\$2,403,659	\$2,622,328	\$2,786,796	\$2,462,520
Total Recovered Cost	\$530,514	\$174,101	\$307,837	\$146,232	\$280,531	\$162,015	\$75,000
Bond Proceeds					\$4,471,876	\$1,300,000	
Total Transfer from Other Fund	\$31,765	\$0	\$0	\$0	\$0	\$0	\$300,000
Total Revenue from Other Agenci	\$24,413,846	\$33,592,727	\$25,510,865	\$25,049,111	\$13,494,413	\$16,573,946	\$17,234,625
General Funds Total	\$75,495,522	\$86,436,124	\$76,634,746	\$76,971,620	\$67,248,792	\$68,411,675	\$71,662,499
Total Misc Revenue	\$394,295	\$912,024	\$96,997	\$845,774	\$121,921	\$232,205	\$6,070,000
General Funds Total With \$6M Liquidity Event							\$77,732,499

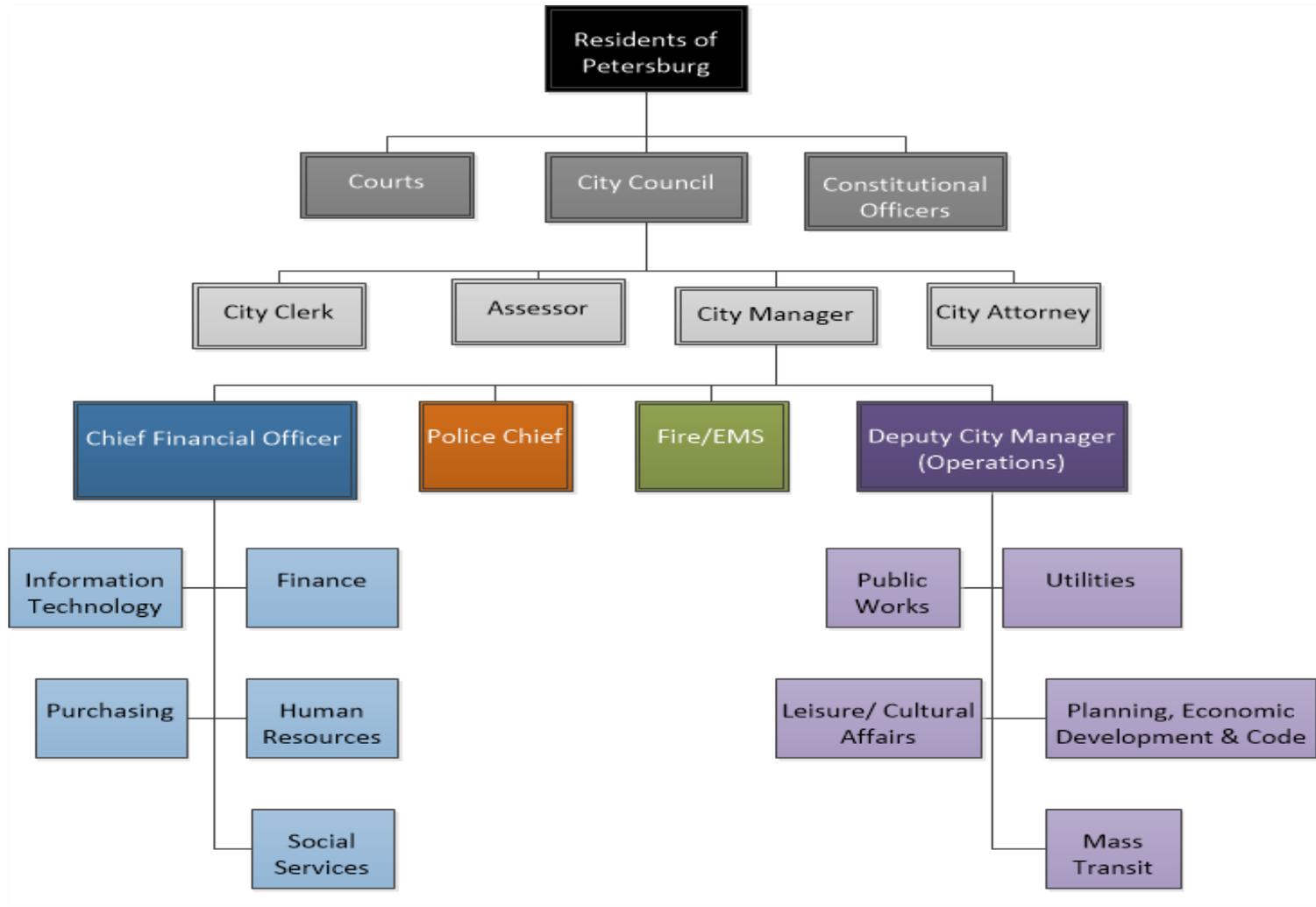
We assume that a \$6M liquidity event will happen in FY18 to create the fund balance

# Overview of Expenditures

## Proposed General Fund Expenditures in FY18

GENERAL FUND BUDGET	
Department\Agency	FY18 Proposed
General Government	\$12,890,792
Constitutional Offices	\$4,404,868
Police	\$11,208,230
Fire	\$7,677,842
Courts & Other Public Safety	\$284,251
DPW	\$1,831,173
Utilities	\$1,628,014
Soc Services	\$12,513,119
Leisure & Cultural Affairs	\$2,582,295
Planning, ED & Code	\$1,894,632
<b>Departmental GF Total</b>	<b>\$56,915,216</b>
Debt Service	\$5,432,520
Rebuild Fund Balance-Policy Requirement	\$750,000
Pay-Go (Per Policy: 5% Rolling Avg)	\$160,000
Schools	\$8,474,762
<b>Non-Departmental GF Total</b>	<b>\$14,817,282</b>
<b>General Funds Total</b>	<b>\$71,732,498</b>
Contingencies/Fund Balance Restoration	\$6,000,000
<b>General Funds Total With \$6M Fund Balance</b>	<b>\$77,732,498</b>

# Organization for FY18



**This figure illustrates the organization of Petersburg City government that will be implemented along with the adoption of the FY 2018 budget.**

# Update on Leisure & Cultural Affairs

- This newly formed department was constructed to provide a variety of high-quality sports, leisure, cultural, and heritage-based opportunities for Petersburg residents and visitors.
- It combines Parks & Leisure, Dogwood Trace Golf Course, Cemetery/ Parks Maintenance, Sportsplex, Special Events/ Tourism, and Libraries
- Combining assets under one leadership goal will bolster leisure and sports
- **Recreation programming to the community will continue to be provided by the City**
- **Grounds will remain with Public Works**

# City Manager's Report

**City Manager's Report**

# City Manager's Report

- Utility Update
- Utility Notice Explanation
- Utility Collections Update
- Fire Hydrants Update

# Alternatives to the Utility System

	City Owned	City Owned	City Owned	City (Public Authority)	Franchise	Private
	Current	New Department	Private Management (RFP)	Separate Single Member Authority	Franchise/ (IFB)	Private Ownership (PPEA)
Performance	Low	Higher	High	High	High	High
Ability to Borrow for Infrastructure	No	Difficult /Expensive (High Interest Rate)	Difficult /Expensive (High Interest Rate)	Difficult /Expensive (High Interest Rate)	Private	Private
Rates	Low	Higher	Higher	Higher	Higher (?)	Higher (?)
Rate Control	City	City	City	Directors	SCC	SCC
Exceeds EPA Affordability Index	No	Probably	Probably	Probably	Maybe	Maybe
Money to General Fund (Annually)	No	PILOT	PILOT	PILOT	Yes	Yes
Money to General Fund (One-Time)	No	No	No	Yes	Yes	Yes
GF Fund Balance Addition Leading to Higher Bond Rating	No	Slowly	Slowly	Yes	Yes	Yes
Implementation Time Frame	Current	2017	2017	2017	2018	2018
SCWWA Approval Required (If more than 25% BV transferred)	No	No	No	Yes	Yes	Yes
Rate of Return to the Owners	No	No	No	No	Yes	Yes
Anticipated Collection Rate	70%	Slowly 90%	90+ %	90+ %	90+ %	90+ %

# Utilities Notice Update

## DRINKING WATER NOTICE

### Monitoring Requirements Not Met for City of Petersburg Waterworks

The Department of Public Works and Utilities has discovered a violation in a drinking water standard. Even though this is not an emergency, as our valued customer, you have a right to know what has happened and what the department is doing to correct this situation.

*The department is required to monitor your drinking water for specific contaminants on a regular basis. Results of regular monitoring are an indicator of whether or not the drinking water meets health standards. During the months of June 2014 – September 2014, the monitoring for lead and copper did not happen. Therefore, the department cannot be sure of the quality of the city's drinking water during this time.*

#### What This Means...

**There is nothing you need to do at this time.** The table below lists the contaminant(s) the department did not properly test for, how often to test sample, how many samples the department is supposed to take, how many samples taken, when samples should have been taken and the date on which follow-up samples should have been taken.

CONTAMINANT	required sampling frequency	number of samples taken	when all samples should have been taken	when samples were taken
Lead and Copper	30 samples every 36 months	0	June –September 2014	June-September 2016

#### Steps We Are Taking...

Sampling has resumed and samples collected in 2016 were compliant. For more information, please contact Mr. Jerry Byerly, General Manager, Petersburg Department of Utilities at 804-733-2407 or 424 St. Andrews Street, Petersburg, VA 23803

*Please share this information with all the other people who drink this water, especially those who may not have received this notice directly. You can do this by having multiple copies available for customers.*

- The Utilities Department sent a notice to 12,000+ customers notifying of a violation of monitoring water quality requirements in 2014
- In 2014, Utilities missed taking the samples required by the monitoring program
- Since 2015, Utilities has conducted the required monitoring and **met or exceeded all water quality standards**

# 2015 Water Quality Report (page 1)



## *Cryptosporidium*

Cryptosporidium is a microbial pathogen found in surface water throughout the U.S. Although filtration removes Cryptosporidium, the most commonly-used filtration methods cannot guarantee 100 percent removal. ARWA's monitoring indicates the presence of these organisms in the source water. Current test methods do not allow us to determine if these organisms are dead or if they are capable of causing disease. Additional information is available from the Safe Drinking Water Hotline (800-426-4791).



## *Source Water Assessment*

The Virginia Dept. of Health conducted a source water assessment of ARWA's system during 2002. Lake Chesdin (Appomattox River) was determined to be of high susceptibility to contamination using criteria developed by the State in its EPA-approved Source Water Assessment Program. The assessment report consists of maps showing the source water assessment area, an inventory of known land use activities of concern, and documentation of any known contamination within the last five years from date of assessment. The report is available by contacting Dr. Robert C. Wichser, P.E., ARWA at (804)-590-1145.



## *Operation Changes*

During hot weather, chlorine tends to degrade in the storage tanks due to the high temperatures. This reduction in chlorine levels can lead to bacteriological problems in the system.

System operation is designed to insure the proper level of residual chlorine in the system. Tank levels are fluctuated at least 20% daily. The system flush program is scheduled to occur during the hottest period, and last for a six-week period. Dead end areas of the system are flushed on a weekly basis during warm weather.



## *Lead Levels*

Infants and young children are typically more vulnerable to lead in drinking water than the general population. It is possible that lead levels at your home may be higher than at other homes in the community as a result of materials used in your home's plumbing. If you are concerned about elevated lead levels in your home's water, you may wish to have your water tested and flush your tap for 30 seconds to 2 minutes before using tap water. Additional information is available from the Safe Drinking Water Hotline (800-426-4791).



## *Citizen Input Welcome*

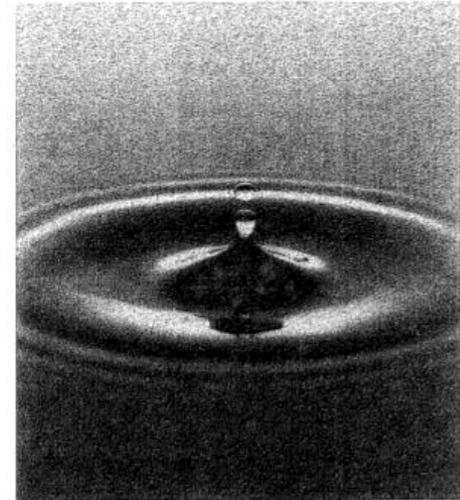
If you have questions or comments of any kind about this report or your drinking water, please do not hesitate to contact the Public Utilities Office at (804) 733-2407.



City of Petersburg  
 Department of Public Utilities  
 424 Saint Andrew Street  
 Petersburg, VA 23803



## *2015 Water Quality Report* *June 2016*



This publication is a summary of last year's water quality data and conforms to the EPA regulation that requires water utilities to provide water quality information to customers on a yearly basis. Included are details about where your water comes from, what it contains, and how it compares to EPA and Virginia standards. The City of Petersburg is committed to providing you, our customers, with information about the safe, clean water you and your families receive from your tap.

# 2015 Water Quality Report (page 2)



## Source Water

The water provided to you by the City of Petersburg Department of Public Utilities is wholly surface water (no groundwater) purchased from the Appomattox River Water Authority (ARWA). ARWA obtains source water from Lake Chesdin, a man-made reservoir formed by damming the Appomattox River at the George F. Brasfield Dam in Chesterfield County. Within the watershed there are numerous animal feedlots and farms, but none discharge substantial contaminants into Lake Chesdin. The nearest wastewater treatment plant is the Farmville Wastewater Treatment Plant. It is located more than 40 miles upstream and does not warrant concern for pollution.

Sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic chemical contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems.
- Radioactive contaminants, which can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, EPA prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. FDA regulations establish limits for contaminants in bottled water, which must provide the same protections for public health.



## Substances Naturally Found in Your Water

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline (800-426-4791).

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice

Water Quality Data for 2015				
Substance Name	Level Allowed (MCL)	Goal (MCLG)	Level Detected	Typical Source
<b>Regulated in the Distribution System</b>				
Total Coliform Bacteria (highest % of positive samples in one month)	Presence of coliform bacteria in 5% of monthly samples	0	2 samples (4%) in July 2015	Naturally present in the environment
Chlorite	1 ppm	0.8 ppm	0.131 ppm avg. (range 0.119 - 0.139 ppm)	By-product of drinking water disinfection
Total Trihalomethanes	80 ppb	N/A	27.8 ppb avg. (range 15.57-34.3 ppb)	By-products of drinking water disinfection
Haloacetic Acid Analyses	60 ppb	N/A	24.6 ppb avg. (range 6.58-41.2 ppb)	By-products of drinking water disinfection
Copper*	AL: 1.3 ppm	1.3	.188 ppm	Corrosion of household plumbing systems; erosion of natural deposits
Lead*	AL: 15 ppb	0	<2.0 ppb	
Chloramines	MRDL is 4.0 ppm	MRDLG 4.0 ppm	2.11 ppm avg. (range 0.0 - 4.3 ppm)	Additive to control microbes
<b>Regulated at the ARWA Treatment Plant</b>				
Turbidity - Filtered ***	TT=<0.3 (95 % of the time) and 1.0 NTU max	N/A	<0.3 99.95% of the time 0.615 NTU max	Soil runoff
Fluoride	4 ppm	4 ppm	Avg. of 0.68 ppm (range 0.01-1.31 ppm)	Water additive that promotes strong teeth
Nitrate	10 ppm	10 ppm	0.15 ppm	Fertilizer run off
Total Organic Carbon (TOC) ***	TT=Minimum annual average removal ratio >1	N/A	Annual avg 1.35	Naturally present in the environment
Barium	2 ppm	2 ppm	.016 ppm	Erosion of natural deposits
Chlorine Dioxide	MRDL is 800 ppb	MRDLG 800 ppb	190 ppb Max. Range -ND-190 ppb	Additive to control microbes
Beta/Photon emitters****	50 pCi/L	0	4.9 pCi/L	Decay of natural and man-made deposits
Alpha emitters	15 pCi/L	0	0.6 pCi/L	Erosion of natural deposits
Radium	5 pCi/L	0	0.6 pCi/L	Erosion of natural deposits
<b>Unregulated at ARWA Treatment Plant</b>				
Chloroform		0	15ppb	By-products of drinking water disinfection
Bromodichloromethane		0	6.6 ppb	
Dibromochloromethane	Unregulated**	0	1.7 ppb	
MTBE		0	<5 ppb	
Sulfate		0	19.7 ppm	Naturally present in the environment

Notes: \* Sampled in 2011 - none of thirty samples exceeded the action level for lead - Retest 2016

\*\* Unregulated Contaminant Monitoring helps EPA to determine where certain contaminants occur and whether it needs to regulate those contaminants. \*\*\*MCL for turbidity and TOC is a treatment technique

\*\*\*\*EPA considers 50 pCi/L to be the level of concern for beta particles. The MCL for beta particles is 4 mrem/year.

about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (800-426-4791).

## Definitions

**Maximum Contaminant Level (MCL):** The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

**Maximum Contaminant Level Goal (MCLG):** The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

**ppb:** Parts per billion, or micrograms per liter (µg/L)

**Action Level (AL):** The concentration of a contaminant, which, if exceeded, triggers treatment or other requirements, which a water system must follow.

**ppm:** Parts per million, or milligrams per liter (mg/L)

**Treatment Technique (TT):** A required process intended to reduce the level of a contaminant in drinking water.

**Nephelometric Turbidity Unit (NTU):** The measure of turbidity in the water.

**pCi/L:** picocuries per liter (a measure of radioactivity)

**Maximum Residual Disinfection Level (MRDL):** Maximum level of disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for the control microbial contaminants

**Maximum Residual Disinfection Level Goal (MRDLG):** The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLG's do not reflect the benefits of the use of disinfectants to control microbial contamination.

# 2015 Water Quality Report

*Based on 2015 Data*

Substance	Maximum Contaminant Level (MCL)	Level Detected
Lead	15.0 ppb	< 2.0 ppb
Copper	1.3 ppm	0.188 ppm
Coliform Bacteria (% of positive samples)	5%	4% (2 samples)

# Utility Billing Update

- **\$54,792.96 was collected from the delinquent bills sent 04/04/17**
- **42 meters were pulled from accounts that have not re-instated their water services for over 60 days**
- **28 accounts were forwarded to the health department and Code Compliance**
- **99 payment plan letters were sent to customers in which an influx of customers have paid since yesterday**
- **67 delinquent notices were mailed today in the amount of \$67,463.84**
- **Collected \$51,056.79 from accounts that were not properly set up or not set up at all**
- **Collected \$51,686.98 from an apartment community in which the water issues were resolved**

# Fire Hydrants Update

**FIRE HYDRANT REPAIRS – All but 2 fire hydrants have completed repairs and those 2 will be completed by Friday**

# RBG Progress Update

**RBG Progress Update**

# RBG Plan: 3/25/17 – 9/30/17

## City of Petersburg Financial Emergency Turnaround – Key Project Activities

### PHASE 2: MARCH 25, 2017 – JUNE 30, 2017

1. Implement the Long Term Debt Restructuring Plan
2. Develop plan to pay off current RAN
3. Complete and Implement FY 18 Budget Proposal
4. Develop Water Utility Repair Plan (e.g., PPEA)
5. Manage and Report findings for Forensic Audit
6. Complete FY16 CAFR by July 2017
7. Complete Executive Search Firm hiring by July 2017
8. Hired Fire Chief and Transit Director
9. Complete financing for police & fire vehicles
10. Submitted Proposal to State for Funding Assistance for RBG Contract Extensions
11. Complete Pre-Audit Work for FY17
12. Implement new Real Estate Sale Process & realize revenue
13. Implement Workforce Reorganization
14. Optimize City Technologies for data and reporting
15. Create repeatable data & reporting for Financial Reports
16. Develop and Execute Policies for Controls and Reporting
17. Develop Standard Operating Procedures (SOPs)
18. Manage and Measure Financial and Purchasing Policies
19. Initiated new Billing and Collections process and collected delinquent revenues
20. Evaluate Utilities meter reading and billing technologies
21. Evaluate Johnson Controls contract
22. Provide Executive Coaching to New Hires

# RBG Plan: 3/25/17 – 9/30/17

City of Petersburg Financial Emergency Turnaround – Key Project Activities

PHASE 3: JULY 1, 2017 – SEPTEMBER 30, 2017

1. **Develop the 5-Year Financial Plan**
2. **Develop & Implement the 5-Year Capital Improvement Program**
3. **Implement Financial & Purchasing Policies**
4. **Conduct City wide training for OpenGov**
5. **Conduct City wide training for CityWorks**
6. **Continue to evaluate options for the sale of the Water & Sewer Utility Sale process as needed to address the critical infrastructure issues facing the Water and Sewer system**
7. **Develop Implementation Strategies for Outsourcing execution and implementation**
8. **Develop and Implement Standard Operating Procedures (SOPs) for Finance**
9. **Implement Findings to address issues uncovered during the Forensic Audit**
10. **Assist Management Team to implement Fy16 CAFR findings**
11. **Implement a Budget Transition Plan**
12. **Provide Executive Coaching for New Hires**

# Budget Events Calendar

Date	Event
March 27	City Manager Proposed Budget to Council
March 27-April 28	Council Work Sessions on Budget
March 27	General Fund Revenues
March 29	Debt/Budget Policies; Capital Budget; Utilities
April 10	Police, Fire and Emergency Communications
April 12	Social Services Agencies; Health Department; Personnel/Benefits
April 24	Schools Operating & Capital
May 2	Public Hearing on the FY 18 Budget
May 8	Leisure and Cultural Affairs; Planning, Economic Development & Code
May 12	City Council submits recommendations to City Manager
May 16	City Council to discuss changes to the budget
June 6	City Council Meeting to Adopt/Appropriate FY 18 Budget
June	Landbook Finalized
September	FY 18 Landbook Produced/Published
October 17	Public Hearing on the Proposed Tax Rate Adjustment due to Reassessment

May 6, 2017 – City Council Working Session

City Council Working Session  
on  
May 6, 2017

# May 6, 2017 – City Council Working Session

## 8am – 1pm

- **Duration: 1 hour**
- **Purpose of this Session**
  - This session is to help us operationalize the budget leading up to Budget approval June 6th and the Planning Retreat in August.
  - We are approaching the end of the turnaround and beginning to build the infrastructure to go forward. At this meeting we want you to think in terms of what you want your ward and the city to look like in the future and what the major issues in your ward and the city are
  - Current State Summary
- **Michelle Presentation**
- **Health and Education Presentations**

# May 6, 2017 – City Council Working Session

## 8am – 1pm

- **Duration: 2 hours**
- **Purpose of this Session: Issue Identification & Prioritization**
  - Utilize Council Member Input sent earlier. Think about the following areas as you identify issues:
    - Housing
    - Schools
    - Economic Development
    - Public Health care
    - Crime
    - Transportation
    - Amenities
    - Environment
    - Public involvement
- **Prioritization Exercise:**
  - Identify the Top 3: Red = 1<sup>st</sup>, Blue = 2<sup>nd</sup>, Yellow = 3<sup>rd</sup>

# May 6, 2017 – City Council Working Session 8am – 1pm

- **Duration: 2 hours**
- **Purpose of this Session: Address & Go Forward**
  - Based on the prioritization discuss how to address them?
  - Are they included in the budget?
  - If not, should they be put in?

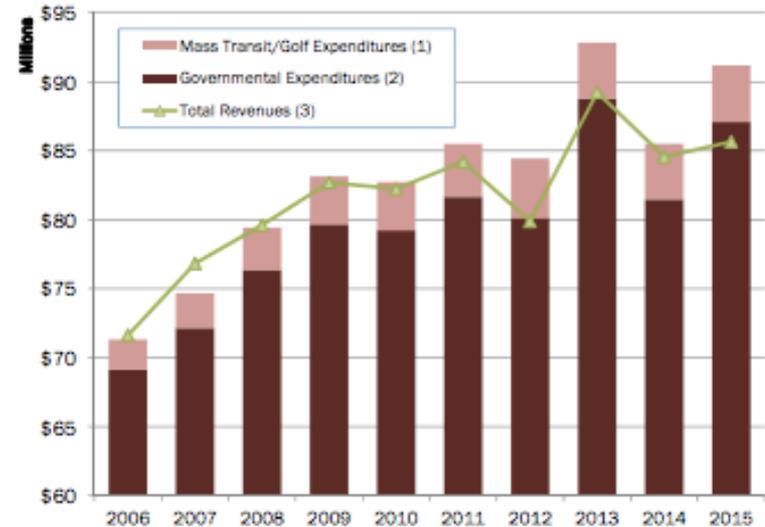
# Background & Reminder

## Governmental, Mass Transit and Golf Funds

Fiscal Year	Expenditures Mass Transit/Golf (1)	Expenditures Governmental (2)	Total Revenues (3)	Surplus (Deficit)
2006	2,207,103	69,117,310	71,635,381	310,968
2007	2,500,457	72,158,936	76,829,525	2,170,132
2008	3,049,122	76,375,348	79,596,926	172,456
2009	3,460,204	79,668,879	82,692,841	(436,239)
2010	3,505,975	79,214,494	82,239,230	(481,239)
2011	3,834,946	81,657,871	84,186,793	(1,306,024)
2012	4,299,727	80,140,067	79,878,828	(4,560,966)
2013	4,032,005	88,798,157	89,238,273	(3,591,889)
2014	4,025,575	81,483,802	84,553,700	(955,677)
2015	4,107,319	87,076,939	85,653,891	(5,530,364)

**FY17 was the first year since FY09 the City had a structurally balanced budget.**

### Revenues vs Expenditures (Governmental, Mass Transit/Golf Funds)



(1) Net of Depreciation

(2) Excludes Capital Projects Fund

(3) Includes Net Other Financing Sources (Uses) for the General and Non-Major Governmental Funds and Net Non-Operating Revenue for the Mass Transit and Golf Funds.

Source: City CAFRs

## Forensic Audits Have Begun

- **Team is onsite and working**
- **They are reviewing available data and information**
- **They are interviewing staff**

# Review of Utility Business Processes

We are reviewing a proposal from Severn Trent to conduct an assessment in the areas of Customer Service, Billing, Payment Processing, and Meter Reading.  
Pending approval, this assessment will occur from April 25 – April 27.

## Scope of Organizational Review

- Conduct a detailed examination of the appropriate departmental organizational structure and functions (Customer Service, Billing, Payments & Meter Reading.)
- Identify existing organizational priorities and protocols.
- Assess the functional assignments and staffing levels required to perform current duties.
- Identify current supervisory ratios based on industry best practices and organizational needs.
- Evaluate the department's and City's initiatives, goals and objectives.
- Identify all active strategic initiatives
- Assess interdepartmental collaboration with other City departments
- Evaluate staff scheduling and process for time management
- Assess administrative strengths, i.e., supervision, staffing levels, and use of technology.

# Reviewing Utility Business Processes

## Scope of Functional Review (Customer Service, Billing, Payments, & Meter Reading)

- Review all department operational functions and workflow processes
- Review the meter reading and billing schedule
- Review the service department processes and procedures (i.e. disconnects, meter maintenance, leaks, installations)
- Review Billing including such functions as move-ins, move outs, new account setups, rate structure, billing cycles
- Review Customer Service/ Call Center functionality
- Review all payment channels including workflow processes
- Review monthly financials and risk management practices
- Evaluate the current meter reading processes, vehicle fleet and equipment, including condition and replacement schedules and repair scheduling and costs based on industry standards
- Assess procedures and policies for meter replacement program and software/hardware systems

# Executive Search Firm Update Colin Baenziger & Associates



**Community Engagement is Critical! We want to ensure the community is informed and knowledgeable about the candidates recruited to lead the City into the Future.**

**Note: We are also recruiting for Public Works Director, Economic & Planning Director**

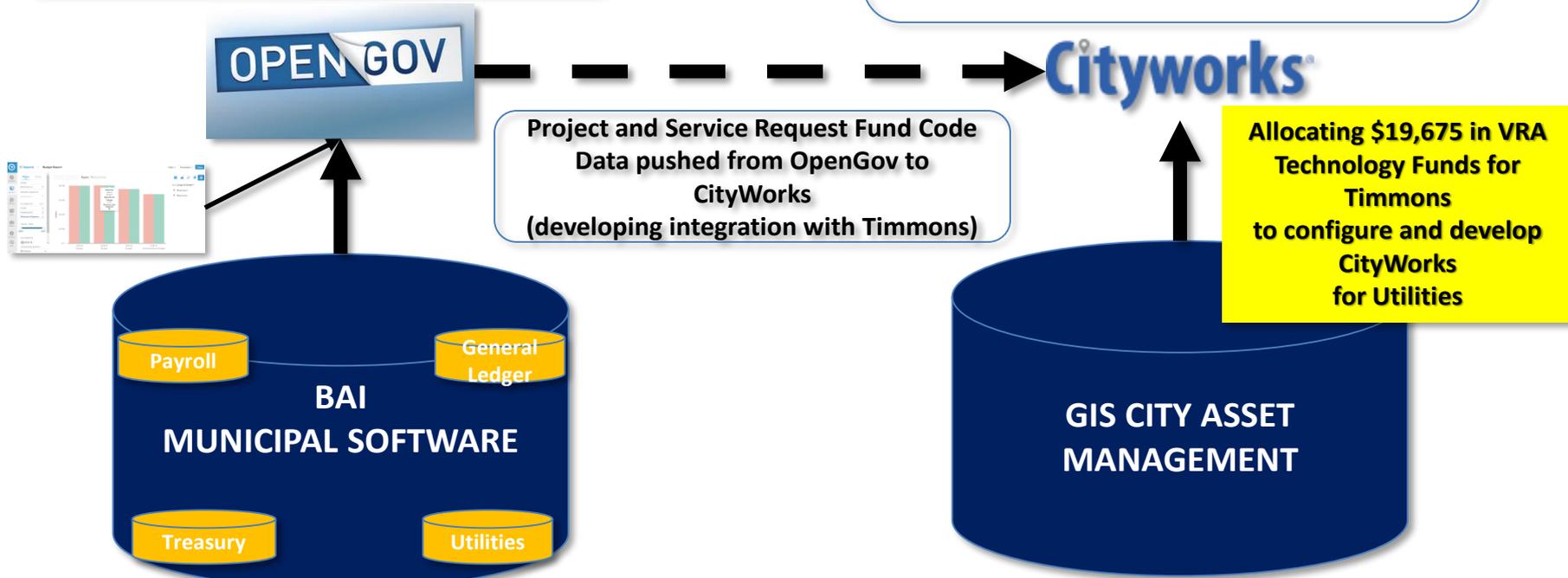
# Timeline for Hiring the City Manager

- **City Manager:**
  - **May 3<sup>rd</sup>: Provide the semi-finalist materials to the City**
  - **May 20<sup>th</sup>: One-on-one and full City Council Interviews and decision**
  - **Post Selection: work with City representatives and the selected candidate on an employment agreement.**
  - **July 1<sup>st</sup>: Start Date for New City Manager**

# Technology Architecture – Key Systems

OpenGov provides financial data reporting based on the Chart of Accounts generated in BAI. The City is building its FY18 Budget in OpenGov. It was purchased by the City in 2015.

Cityworks manages public works service request tickets. It was purchased in 2015 to utilize the City's GIS investment built by Timmons since 2014. The scope includes Facilities, Engineering, Utilities & Street.



BAI is the financial system of record for the City and manages all City financial data and reporting. It includes the General Ledger, Payroll, Treasury, Utilities. Bright.net is a BAI web interface employees can use to access paystubs and general financial information.

The City invested in GIS buildout by Timmons since 2014. The GIS system is a valuable data repository that can be used by Facilities, Utilities & Engineering. It can also be used to map Police and Fire incident data.

# Transparency

- All presentations are available on the City's website:

<http://www.petersburgva.gov/index.aspx?NID=846>