

City of Petersburg Emergency Financial & Operational Restructuring

Presentation to Petersburg City Council

The Robert Bobb Group, LLC

February 7, 2017

Agenda

- City Manager's Report
- City Administration Reorganization
- FY18 Budget Calendar Update
- New Purchasing Policy
- **RBG Progress Report**
 1. Background & Reminder
 2. Proposed Amended Rules of Council
 3. Review the Surplus Property Sale Process
 4. PPEA Process Update on Water System Privatization
 5. Surplus Physical Assets Auction (Vehicles & Equipment)
 6. Plan for Next Council Meeting on February 21, 2017
- **Transparency**
 1. FY13 – FY15 CAFR Analysis

City Manager's Report

- Council Questions
- Executive Search
- Fire Hydrants
- Utility Presentations
- DEQ Report on wastewater system
- New Purchasing Policy
- Southside Emergency MOU Update
- Public Safety Resourcing Update
- Freedom Support Center Update

City Administration Reorganization

With our goal to develop and leave behind a balanced FY18 Budget, we will review and provide recommendations for the current organization structure and its impact on the FY18 budget.

A. Data Based Decision Making

1. Our baseline data sets are the 2014 City Organization Staffing Study and the 2015 City Compensation Study
2. We will incorporate HR Recommendations on staffing based on Leading Practices
3. We will review data from comparable Cities such as:
 1. Prince George County (pop. 37,862)
 2. Hopewell (pop. 22,591)
 3. Dinwiddie County (pop. 28,001)
 4. Colonial Heights (pop. 17,411)

Note: Reviewing and analyzing the existing organization structure and position descriptions is a requirement of The Robert Bobb Group's contract with the City.

FY 18 BUDGET CALENDAR

TOPIC	DATE
Special Work Session on the FY 17 budget	January 10, 2017
Distribute Budget Instructions and Guidance	January 17, 2017
Distribute FY 18 Budget Calendar at Council	January 17, 2017
Staff Training on New Budget Building Module	January 24, 2017
FY 17 Budget 2 nd Amendment Public Hearing Advertised	Jan. 25 and Feb. 1
FY 17 Budget 2 nd Amendment Public Hearing / Appropriation	February 7, 2017
FY 18 Proposed Department Operating Budgets Due	February 10, 2017
Capital Budget and CIP Plan Due to CIP Committee	February 10, 2017
Advertise CIP for Planning Commission	February 15, 2017

FY 18 BUDGET CALENDAR

TOPIC	DATE
FY 17 Budget to Actual Report to Council	February 21, 2017
Departmental Meetings with City Leadership	Feb. 13 – March 3
Preliminary FY 18 Real Estate Figures Available	March 1, 2017
Capital Budget and CIP Presented at Planning Commission	March 1, 2017
Council Vision Session	March 4, 2017
City Manager Proposed Budget to City Council	March 21, 2017

FY 18 BUDGET CALENDAR

TOPIC	DATE
Council Work Sessions on FY 18 Budget	March 27 – April 28
General Fund Revenues	March 27
Debt and Budget Policies 1. <i>Steps to Increase Credit Rating</i> 2. <i>Capital Budget</i>	March 29
Police, Fire and Emergency Communications	April 10
Social Services Agencies and Health Dept	April 12
Schools/Personnel Costs: Benefits Overview	April 24
Enterprise Funds 1. <i>Utilities</i> 2. <i>Transit</i> 3. <i>Dogwood Trace</i>	April 26
Set Maximum Tax Rate	TBD
Advertise Public Hearing on FY 18 Budget	April 18 and April 25

FY 18 BUDGET CALENDAR

TOPIC	DATE
Public Hearing on FY 18 Budget	May 2, 2017
City Council submits recommended changes to City Manager (must include the support of 3 additional Council members to be considered)	May 12, 2017
City Council to discuss changes to the budget at Regularly Schedule Council Meeting	May 16, 2017
City Council Meeting for Adoption/Appropriation of FY18 Budget	June 6, 2017
FY 18 Landbook Finalized	June 2017
Appropriation of FY 18 Budget	June 20, 2017
Re-Appropriation of FY 17 Grant/Capital Funding	September 5, 2017
FY 18 Landbook Produced/Published	September 2017

New Purchasing Policy on February 1, 2017

Given the continued fiscal challenges of the City, we are enacting significant changes to the procurement of goods and services for all departments, including Constitutional Offices.

1. SUSPENSION OF ALL NON-EMERGENCY PURCHASES UNLESS PRE-APPROVED UNTIL FEBRUARY 28, 2017. Without received written approval from the City Manager or Deputy City Managers, all General Fund ONLY purchases will be suspended effective February 1 – 28, 2017.

2. PAPER REQUISITIONS AND INVOICES. Effective February 1, 2017 and continuing indefinitely, all purchases shall be initiated through a purchase requisition, no matter price or threshold, prior to an invoice being submitted and paid. Written quotations must be attached to the requisition based on the price of purchases:

- \$2,499 or less: (1) one quote
- \$2,500-\$9,999: (2) quotes
- \$10,000-\$29,999: (3) quotes
- \$30,000-\$49,999: (4) quotes

New Purchasing Policy on February 1, 2017

Given the continued fiscal challenges of the City, we are enacting significant changes to the procurement of goods and services for all departments, including Constitutional Offices.

3. PURCHASE AND TRAVEL CARDS. Effective immediately, we will significantly reduce the number of purchase and travel cards and the corresponding authorizations.

- Temporarily suspend all purchase and travel cards, except for those held by department heads, until we work with each department and determine the need.
- The Purchasing Office will close & cancel all approved requisitions which are open in the system on January 27, 2017.

- We expect to have a new vendor payment process in place by next week to discuss with vendors.
- We have completely revamped the requisition process and the AP process.

**51% Reduction in Pcards
(reduced from 276 to 140)**

Plan for Vendor Payments

Through our actions we reduced the FY16 outstanding vendor obligations to \$1.7M

- ***On arrival, we found \$5.8M in outstanding vendor payments and reduced it to \$1.7M for FY16.***
- ***We still owe approximately \$4M in outstanding vendor payments for FY17.***
- ***Extremely difficult with current financial systems and processes to accurately identify with confidence the vendors and the amounts owed to them.***
- ***We will develop a 12 month payment plan, so that the FY18 budget will include vendor payments in the budget.***

The City ended FY16 with \$18.8M outstanding obligations to vendors.

CITY OF PETERSBURG, VIRGINIA			
SUMMARY OF OUTSTANDING OBLIGATIONS			
February 7, 2017			
City of Petersburg - FY16 Outstanding Unpaid Obligations as of June 30, 2016			
Vendor	Amount Due	FY16 Still Outstanding @ 02/07/17	
AFLAC	24,601.24	-	
Anthem	490,690.26	-	
Appomattox River Water Authority	394,333.81	-	
Bank of America	101,592.08	-	
Barksdale Oil	78,711.08	28,817.14	
Bright Key	40,797.68	-	
Caliper, Inc	136,937.29	135,832.81	
Central Virginia Waste Management Authority	632,894.58	-	
City of Petersburg Payroll	298,650.14	-	
Crater Youth Care	172,772.50	69,938.50	
District 19 Community (CSB)	59,948.75	-	
Dominion Virginia Power	110,975.22	-	
First Vehicle Services, Inc	680,984.17	372,502.84	
GRTC	50,000.01	-	
Internal Loans From Other Funds	4,157,133.28	2,346,968.00	
Mansfield Oil Company	20,261.85	-	
Misc Vendors Past Due Invoices (includes Final June checkrun & Treasurer's Refund Batch)	3,208,545.43	1,183,559.01	
Motorola Solutions, Inc	110,492.15	-	
Other Utility Payments	7,561.29	-	
Petersburg City Public Schools	2,831,992.00	-	
Petersburg Health Dept	450,839.68	-	
Riverside Regional Jail	1,726,683.00	-	
RMT Construction	201,935.15	-	
South Central Wastewater Authority	367,680.99	-	
Southside Emergency Crew	46,050.00	-	
Stormwater CIP Projects	37,517.09	-	
TAN	4,481,888.96	-	
VACORP	357,184.13	-	
VEC	25,951.16	-	
Verizon	17,540.71	-	
Virginia Concrete	28,539.10	28,539.10	
VRA-CIP Project	57,667.65	-	
VRS	1,912,265.05	1,411,583.94	
FY16 Outstanding Obligations as of 06/30/16	\$ 23,321,617.48	\$ 5,577,741.34	
TAN Paid 06/30/16	(4,481,888.96)		
Total FY16 Outstanding Obligations as of 06/30/16	\$ 18,839,728.52	\$ 5,577,741.34	

NOTE: Balance may vary due to voided checks paid on Pcard.

Source: RBG Analysis, February 7, 2017

City of Petersburg – VRS Contributions

The City has an outstanding VRS payments balance of \$2.7M to be paid by December 2017

Background:

- The City stopped making payments to VRS in September 2016 and October 2016
- We began making payments in November 2016
- Note: Petersburg City Schools Teacher Employer Group also has an outstanding balance of **\$1.3M which the schools must pay by December 2017**

Approximately \$300,000 per month are needed for the City pay its balance by December 2017

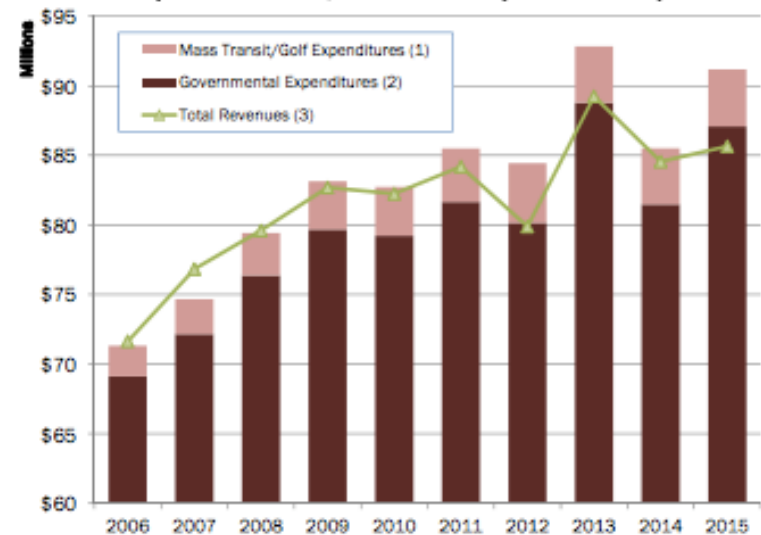
Background & Reminder

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)

The City began its deficit in 2009 and continued it to the current fiscal year

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

FY15 Auditor Report

Key Points from the Auditor's Report:

1. The City's general fund had \$34 million: \$13 million in liabilities, unavailable revenue of \$7.5 million, and fund balance amounts in \$13 million. **The more impactful message is this: the Undesignated fund balance was negative \$5 million.**

"Within the general fund under the liabilities is what is called a reconciled overdraft. That is a negative cash of \$7 million dollars which is not a good thing. I want you all to pay attention to that. That's a huge number." – Auditor

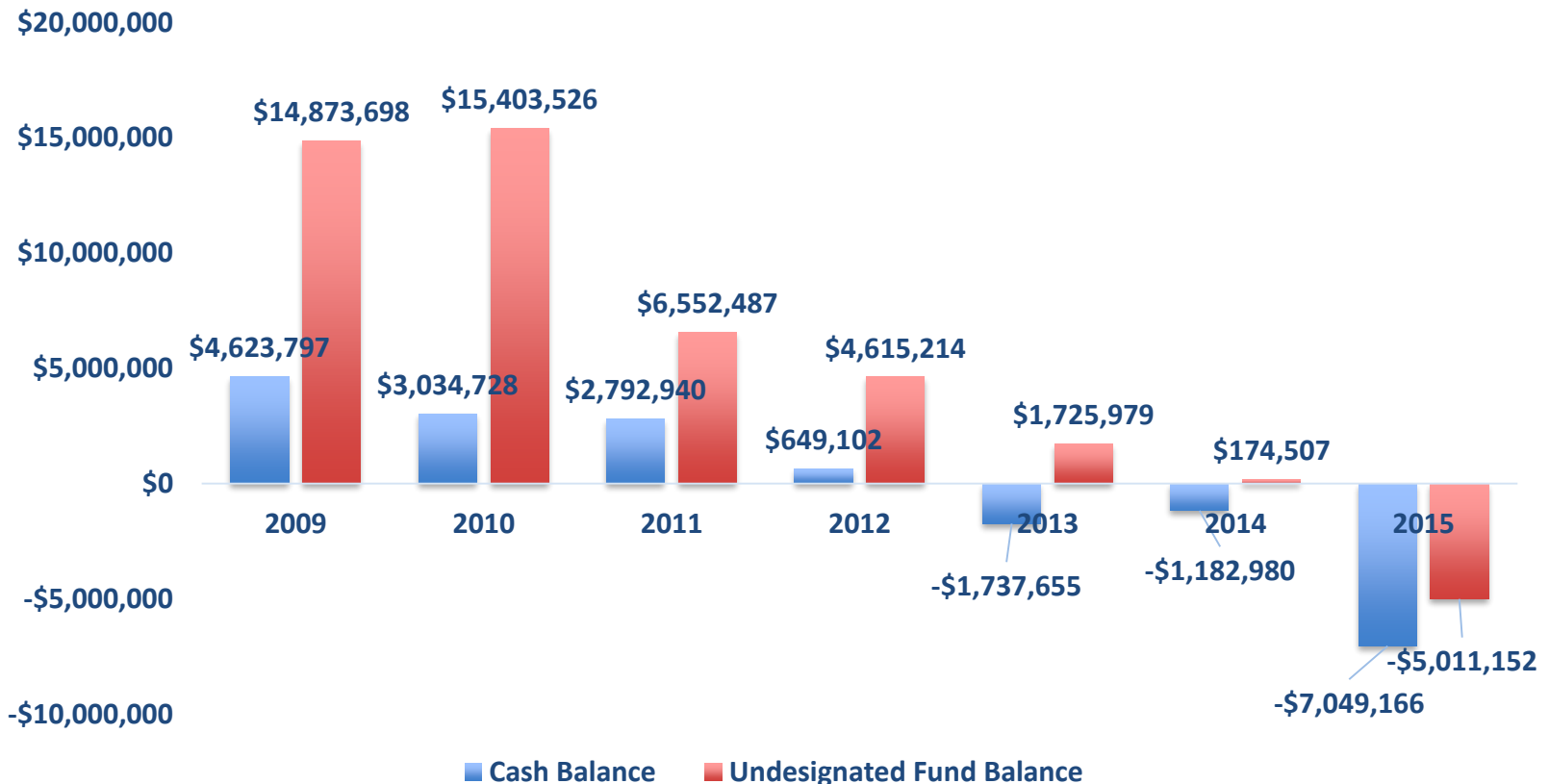
2. The general fund for FY15 had \$76,978,947 in revenues and \$82,936,405 in expenditures. Total deficiency of revenues over expenditures of almost **\$6 million dollars.**

It will take several years to get back in good solid financial conditions. I am sorry that this is all bad stuff but I think it is very important that you understand where you are.

FY15 General Fund Ended \$7 Million in the Red

The FY15 Undesignated Fund Balance was Negative \$5 Million

The FY15 Cash Balance was Negative \$7 Million

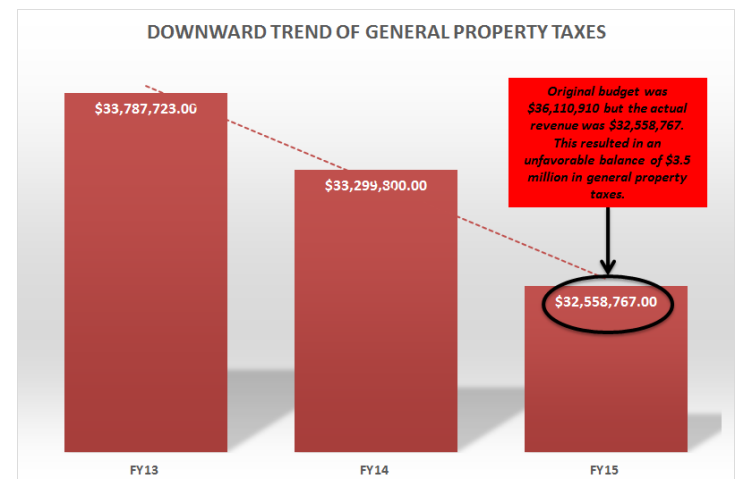


FY15 Auditor Report

Key Points from the Auditor's Report:

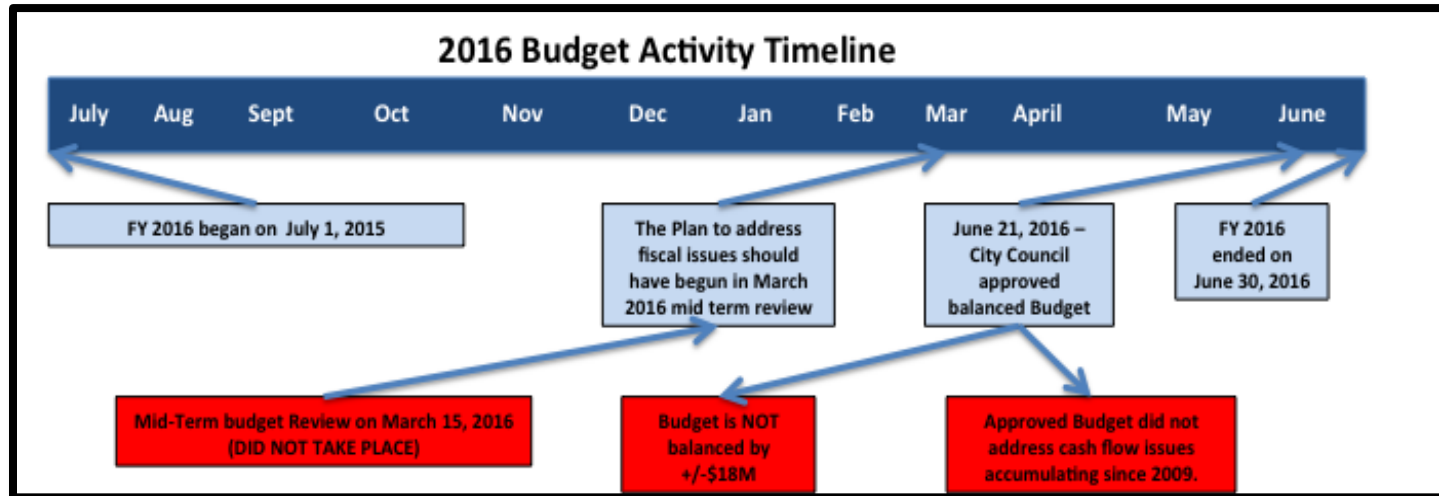
3. The final budget was \$81,053,866, but actual expenditures were \$82,936,405. **Budget was over spent by \$1,882,539.**
4. The largest revenue the City has is general property taxes.
 - a. There are outstanding delinquent taxes of \$5.3 million. Compared to prior years it is a lot higher. So you have a lot of property tax revenue that hadn't been collected that is out there for you.

"The reason that I am pointing these things out is that it is an area of concern that we have and I don't think you all can stand another year like this. This is very, very important that you understand these numbers and look at them and try to improve where you can. This is going to take years to get your financial condition back up to where it should be." - Auditor



2016 Budget Activity Timeline

- RBG was contracted by the City using an emergency procurement process on October 25, 2016



- The city faced a financial emergency of +/- \$18M in accumulated arrears up to the period ending June 30, 2016
 - This did not include +/- \$6.0M in unpaid bills for the current year
 - *“The Fiscal House Was on Fire”*
- As Davenport’s report warned on Aug 3, 2016, the S&P downgraded the city’s rating from BBB to BB with negative outlook ***risking the ability to pay for essential services such as police, fire and EMS***

By not addressing growing structural deficits since 2009, the city faces great risk in funding essential and critical public services. The fiscal crisis deepens.

General Fund Budget Synopsis

This table includes General Fund budget information ONLY.

	FY16 ADOPTED	FY16 ACTUALS (UNAUDITED)	FY17 APPROVED	FY17 1 st AMENDMENT	FY17 2 nd AMENDMENT (PROPOSED)
EXPENDITURES	\$73,971,213.00	\$76,745,882.00	\$69,784,841.00	\$61,845,024.00	\$68,411,677.00
REVENUES	\$74,150,190.00	\$67,248,804.00	\$70,018,220.00	\$64,834,925.00	\$68,411,677.00
BALANCE	\$178,977.00	-\$9,497,078.00	\$233,379.00	\$2,989,901.00	\$0.00

Departments overspent their budgets.

Revenues did not perform.

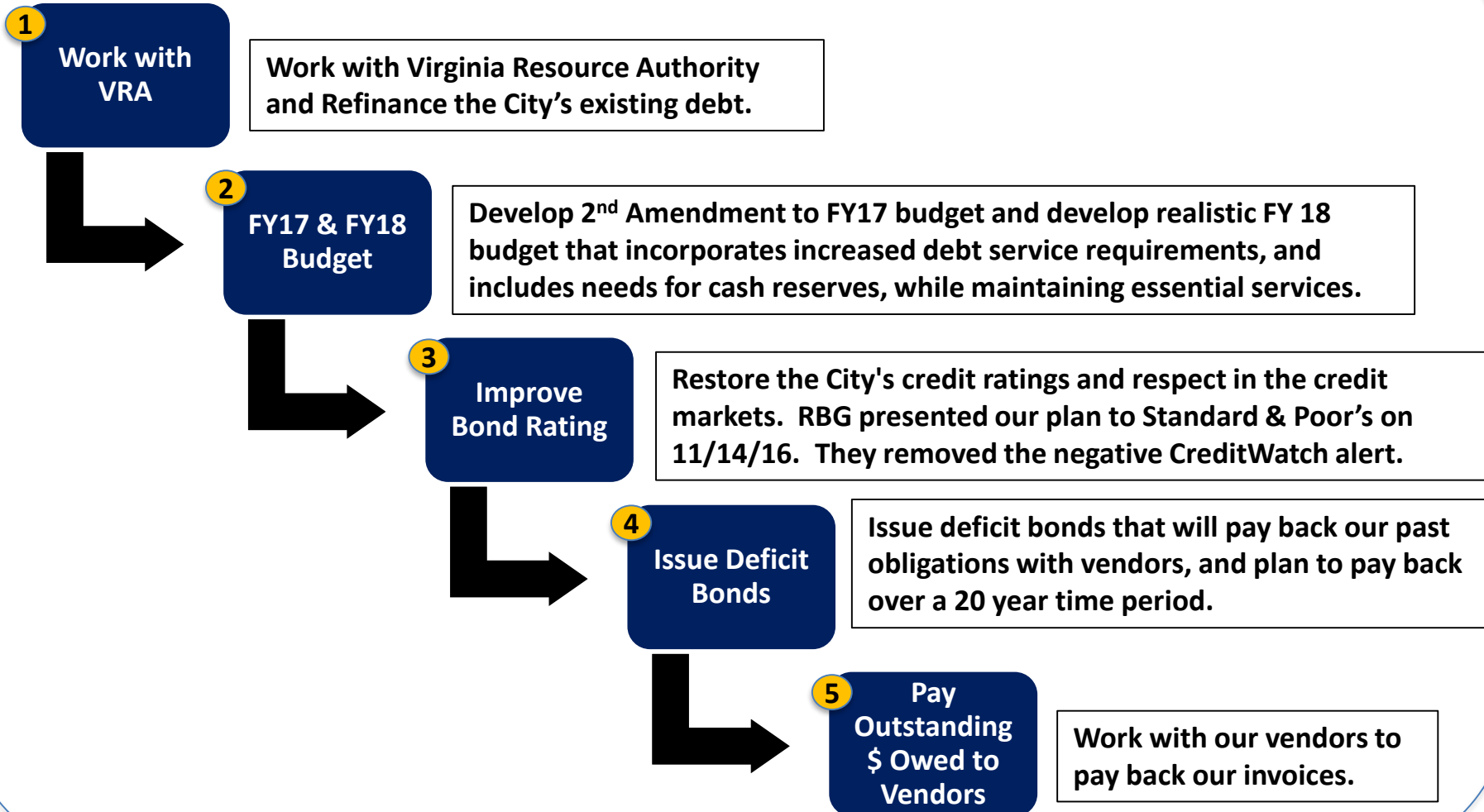
FY16 Actuals (Unaudited) revealed a budget deficit of \$9.5M

These are PROJECTED budget figures with inaccurate assumptions on revenue and tax collections. They are NOT REALISTIC.

The proposed 2nd Amendment to the FY17 Budget creates a realistic and balanced budget between Expenditures and Revenues.

Long Term Financial Restructuring

Sequence of Activities



5 Month Plan

Complete

In Progress

#1 Priority for Phase 1 was securing the RAN to address the short term fiscal crisis. Phases 2 & 3 will focus on long term financial stability.

Financial Emergency Turnaround – Key Activities

Phase 1: 10/25/16 – 12/2/16

Phase 2: 12/5/16 – 1/27/16

Phase 3: 1/30/16 – 3/31/16

Strategic Theme 1: Short Term Financing

Strategic Theme 2: Long Term Financing and Fiscal Plan

Strategic Theme 3: Technology, Data and Process Platform

1. Finalize list of Outstanding Invoices from FY16 and Prior.
2. Secure Revenue Anticipation Note (RAN).
3. Pay current FY17 obligations with RAN.
4. Develop a long-term financing strategy to deal with the deficit.
5. Validate the FY17 budget, audit cell phone bills and utility bills.
6. Conduct benefits eligibility audit.
7. Conduct document reviews to build on previous work: Report by VA Secretary of Finance, Aug 3, 2016, PFM Report.
8. Identify Capital Funds that can be deferred.
9. Develop Internal/External Communications Plan.
10. Prioritize workforce compensation issues and review salary survey.
11. Appropriate, by Council action, Amended FY 17 budget.

1. Determine the revenue cycle and what billing cycles should change to help cash flows, including state-shared revenues.
2. Provide a budget to actual assessment of FY 17 to Council.
3. Determine critical positions to hire.
4. Issue RFP for the City's CAFR/Auditing responsibilities.
5. Review the city's economic development plan and individual agency plans.
6. Conduct organizational assessment, and identify resource gaps.
7. Conduct business process reviews for financial operations, create standard operating procedures & policies.
8. Start recruiting critical hires.
9. Conduct technology assessment and define a robust and scalable platform.
10. Map process flows for Accounts Payable.
11. Publish a 2018 Budget Calendar that includes CIP.

1. Provide recommendations for upgraded systems/procedures to track cash.
2. Implement long-term financing strategy to deal with the deficit.
3. Make recommendations for process improvement, roles & responsibilities.
4. Establish a long term financial operating platform based on Phase 2's technology assessment.
5. Fill key positions and make recommendations for key positions (HR Director has been hired).
6. Identify additional cost savings and lines of revenue.
7. Implement technologies that enhance financial transparency.
8. Recommend a draft FY18 capital and operating budget.
9. Conduct mid year FY17 budget review
10. Hand off knowledge repository to city & submit our Exit Plan.

Proposed Amended Rules of Council

- In our previous Council meeting, Council Member Hart requested RBG's recommendations on standing committees, rules of formation, and staffing.
- Based on our observations of Council Meetings, RBG also reviewed current City Council's rules with the Council Clerk. We reviewed other jurisdictions – including Richmond, Lynchburg, District of Columbia – and developed the following proposed amended rules for Council.
- The following slides show key points from our proposal.

Closed Meetings

Section 2. Closed Meetings.

- A. Council may hold closed meetings only for the purposes set forth in Virginia Code § 2.2-3711. No closed meeting shall be held unless Council has taken an affirmative recorded vote in an open meeting approving a motion that (i) identifies the subject matter, (ii) states the purpose of the meeting and (iii) makes specific reference to the applicable exemption from open meeting requirements provided in Virginia Code § 2.2-3707 or Virginia Code § 2.2-3711(A). The matters contained in such motion shall be set forth in detail in the minutes of the open meeting. A general reference to the provisions of the Virginia Freedom of Information Act, the authorized exemptions from open meeting requirements, or the subject matter of the closed meeting shall not be sufficient to satisfy the requirements for holding a closed meeting.

Decorum of Council Members

Section 7. Decorum of Council Members.

- Council Members shall refrain from private discourse or other acts tending to distract the attention of Council from the business before it. In debate, a Council Member shall confine remarks to the pending question and avoid use of personalities. A Council Member, in referring to another Council Member, should avoid using the Council Member's name, rather identifying that Council Member by ward, as the Council Member who last spoke, or by describing the Council Member in some other manner. It is not the person but the measure that is the subject of debate, and it is not allowable to question or impugn the motives of a Council Member, but the nature or consequences of a measure may be condemned in strong terms.

Decorum of Members of the Public

Section 8. Decorum of Members of the Public.

Persons appearing before Council will not be allowed to:

- A. Campaign for public office;
- B. Promote private business ventures;
- C. Use profanity or loud, vulgar, threatening or abusive language or gestures;
- D. Use language which insults or demeans any person or which, when directed at a public official or employee is not related to his or her official duties; however, citizens have the right to comment on the performance, conduct and qualifications of public figures;
- E. Commit any act or disruptive behavior tending to impede or distract the attention of Council from the business before it, including interrupting other speakers, applauding, cheering or jeering;
- F. Make non-germane or frivolous statements; or
- G. Address Council on issues that do not concern the services, policies or affairs of the City of Petersburg.

The presiding officer shall preserve order and decorum at Council meetings.

Rules of Discussion & Debate

Section 5. Rules of Discussion and Debate.

- **A. Obtaining the Floor.** A Council Member who wishes to speak, give notice, make a motion, submit a report, or obtain the floor for any other purpose, shall address and be recognized by the presiding officer before addressing Council.
- **B. Time Limits.** No Council Member may be recognized more than once to debate or make a motion relating to a pending matter until all Council Members who wish to speak have been recognized. A Council Member may speak no more than three (3) minutes during the first round of debate on a pending matter, and no more than two (2) minutes during a subsequent round. A Council Member may yield all or part of his or her time provided by this section to another Council Member. The presiding officer may in his or her discretion modify time limitations with respect to specific matters scheduled for debate.

Standing Committees

- **Section 2. The Standing Committees.** The following Standing Committees are established:
 - A. **Education, Health and Human Services**
 - B. **Economic Development, Tourism, Land Use and Housing**
 - C. **Judiciary and Public Safety**
 - D. **Committee of the Whole**
- **Section 3. Composition; Selection; Vacancies.** Section 3 of Rule VII shall not apply to the Committee of the Whole. At the organizational meeting of Council at the beginning of each Council period, the Mayor shall nominate the Chairperson and Vice Chairperson of each Standing Committee. The Mayor shall also nominate a sufficient number of Council Members to serve on each Standing Committee based on the anticipated needs of the City of Petersburg for the Council period.

Take Action on Market Opportunities

Our surplus property disposal process delays or ignores valid bid offers resulting in missed opportunities for revenue.

\$5 - \$9.5M

*Combined Estimated Missed Opportunities**

Adopt a new approach

**The current process is unclear and inconsistently applied.
Our recommendation will organize and formalize a
process for disposal of City owned real estate.**

*~300 parcels of land in our scope**

We request a public hearing on 2/21/17 to declare certain public properties as surplus. We will provide data on the potential revenue opportunity to the City. We will also share a revised process for disposition of public property.

Real Estate Showcase on Feb 16th at 2pm

Below is a list of properties recommended for sale

	Parcel ID	Premise	Street	Owner	Gross Building Area (sf)	Land Area (ac)	Zoning	Current Use	EZone
1	024-180001	1004	Commerce St	COP	209,187	2.00	M-1	Titmus Parking Lot	Y
2	024-140014	1015	Commerce St	COP		2.62	M-1	Former Titmus	Y
3	096-010001	3645	Halifax Rd	COP		8.70	M-2	Interstate Industrial Park	Y
4	022-170003	106	Halifax St	COP		0.80	B-3	Halifax Triangle	Y
5	022-160001	140	Halifax St	COP		0.41	B-3	Halifax Triangle	Y
6	022-170002	116-122	Halifax St	COP		0.23	B-3	Halifax Triangle	Y
7	011-290004	10	Jefferson St N	COP	44,724	1.09	B-3	Former VEC Site	Y
8	011-250002	20	Tabb St W	COP		0.28	B-3	Historic Hotel	Y
9	022-060004	29	UNION ST S	COP		0.41	B-3	Historic Commercial Building	Y
10	022-060005	41	UNION ST S	COP	4,212	0.09	B-3	Historic Commercial Building	Y
11	011-290007	125	Washington St E	COP		1.67	B-3	Former VEC Site	Y
12	012-140001	501	Washington St E	COP		1.77	B-2	Former Holiday Inn Site	Y

According to Disposition Ordinances provided by the City Attorney, the Disposition of 1004 and 1015 Commerce Street was approved 6/3/14, 14-Ord-50.

Disposition was also approved for 106, 116-122, and 140 Halifax Street 2/22/16 16-Ord-08.

Disposition has not been approved by Council for the remaining 7 properties since 2013.

Proposed Agenda

1. Welcome and Purpose
2. Developer Presentations on Successful Projects
3. Development Opportunities - Featured Properties
4. Deal making/Disposition and Development process
5. Networking Reception

PPEA Process Update

PPEA Proposals received from Aqua Virginia and American Water Virginia

- **City of Petersburg Team**
 - Tangela Innis, Project & Procurement Lead
 - Tom Tyrrell, Interim City Manager
 - Robert Bobb, The Robert Bobb Group
 - Jack Berry, Interim Deputy City Manager
 - Nelsie Birch, Interim Deputy CM/Finance
 - Joe Preston, City Attorney
- **Technical Team**
 - Timmons Group
- **Financial Team**
 - Davenport & Co.
- **Legal Team**
 - Sands Anderson, PC

We are recommending a Citizens Advisory Group composed of residents from each Ward to give the community the voice it wants. This group would report to City Manager.

Recommendation for PPEA Advisory

With Transparency our #1 priority, we want to establish an advisory committee as we consider proposals for the privatization of our water system.

Purpose:

The Committee would serve as an advisory committee for the purpose of providing additional independent evaluation of Proposals and related information and advising and making recommendations to the City Council and the Negotiating Team on Proposals submitted.

Membership:

The Committee would consist of seven (7) members. Each member of City Council would have the right to appoint one member to the Committee (not a member of Council).

Note: The Committee is advisory only and is authorized to act only within the scope of authority expressly stated in this Resolution.

PPEA Process – Timeline (1 of 2)

- December 7, 2016 - City receives unsolicited proposal from Aqua Virginia, Inc. under the Public-Private Education Facilities and Infrastructure Act of 2002 (**the "PPEA"**) to purchase the City's water and wastewater utility assets dated December 7, 2016 (**the "Aqua Proposal"**).
- December 9, 2016 - City Purchasing Manager sets forth findings of City as to proceeding with competitive negotiation PPEA procedures rather than competitive bidding PPEA procedures
- December 13, 2016 - City Council accepts Aqua Proposal for consideration. City already has retained Timmons engineering firm under general contract, and Timmons will provide independent analysis regarding the specifics, advantages, disadvantages, and the long- and short-term costs of the Aqua Proposal and any competing proposals that are submitted
- Prior to December 23, 2016 - City posts "Public Notice by the City of Petersburg, Virginia of Receipt of Unsolicited PPEA Proposal and Invitation for Competing Proposals (17-0008)" (**the "Public Notice"**) on the City website; Public Notice is also published in newspapers of general circulation in the City, in *Virginia Business Opportunities* and on the Commonwealth's electronic procurement website. The Public Notice states that copies of the more detailed Receipt of Unsolicited PPEA Proposal and Solicitation of Competing Proposals (17-008) (**the "Receipt and Solicitation"**) are available from the City's Purchasing Office; the Receipt and Solicitation was also posted on the City's website.
- December 23, 2016 to January 30, 2017 - any proposal in competition with the Aqua proposal is to be posted and published within 10 days of receipt in the same manner that the Aqua Proposal was posted and published.
- January 30, 2017 (2:30 p.m.) – any competing proposals to the Aqua Proposal are to be submitted to the city (as stated in the Receipt and Solicitation).

PPEA Process – Timeline (2 of 2)

- January 31, to April 4, 2017 – City to receive any written comments on PPEA proposals
- January 31 and February 7, 2017 - publish a Notice of Public Hearing in the local newspaper of general circulation, for February 21, 2017 public hearing on all PPEA proposals received.
- February 21, 2017 - City Council holds public hearing on all PPEA proposals received
- February 21, 2017 – City Council votes on whether to proceed and negotiate a Comprehensive Agreement with Aqua or with another proposing company, or not to proceed with negotiations.
- February 22 to March 14, 2017 – negotiate Comprehensive Agreement
- March 7, 2017 - publish a Notice of Public Hearing in the local newspapers of general circulation, for March 21, 2017 public hearing on disposition of real property involved in sale of water and sewer system assets.
- March 15, 2017 – post final form of negotiated Comprehensive Agreement on City website, and publish in local newspapers of general circulation summary of Comprehensive Agreement and location where copy of Comprehensive Agreement is available for public inspection.
- March 21, 2017 - City Council holds public hearing on disposition of real property involved in sale of water and sewer system assets.
- April 4, 2017 - City Council votes on approval of Comprehensive Agreement (subject to approval of transaction as required by existing agreements and applicable state statutes and regulations) (three-fourths of all members elected to Council must vote in favor).
- April 5, 2017 - Must make PPEA procurement records available upon request.
- April 5, 2017 to May 4, 2017 - submit a copy of the Comprehensive Agreement to the Commonwealth's Auditor of Public Accounts.

70 Vehicles Ready for Auction or Scrap

Motleys Asset Disposition Group has been contracted to hold a public and online auction for vehicles dating from 1919 to 2010.



Surplus Vehicles Ready for Auction

Vehicles for Special Purpose

We have identified a few vehicles we may decide to repurpose for a special purpose.



1919 American LaFrance

Proposals Received for Forensic Audits

- **6 Proposals Received from local and national firms**
- **Forensic Audit Focus:**
 - Purchase Cards
 - Commissioner of Revenue Office
 - Office of the Treasurer
 - Special Funds
 - Enterprise Funds
 - Surplus Vehicles

**Target Start Work Date:
Within 2 weeks**

City Council Vision Session for FY18 Budget

We will hold an FY18 Budget Vision Session for Council on March 4th. The purpose of this session is to create a space for Council to imagine and dream about the City they want to build.

Vision

We will build the FY18 Budget around this vision.

Plan for Next Council Meeting on 2/21/17

On 2/21/17, we will consider the Disposition of Surplus Property. Council will vote if they agree with the designation of “surplus property.”

We will propose a new process for the disposition of public property to establish a routine, repeatable process for long term.

We will conduct a Public Hearing under PPEA for acquisition and operation of City of Petersburg Water and Wastewater Utility Assets.

Transparency

- FY13 – FY15 CAFR Analysis

Understanding the Fiscal Crisis

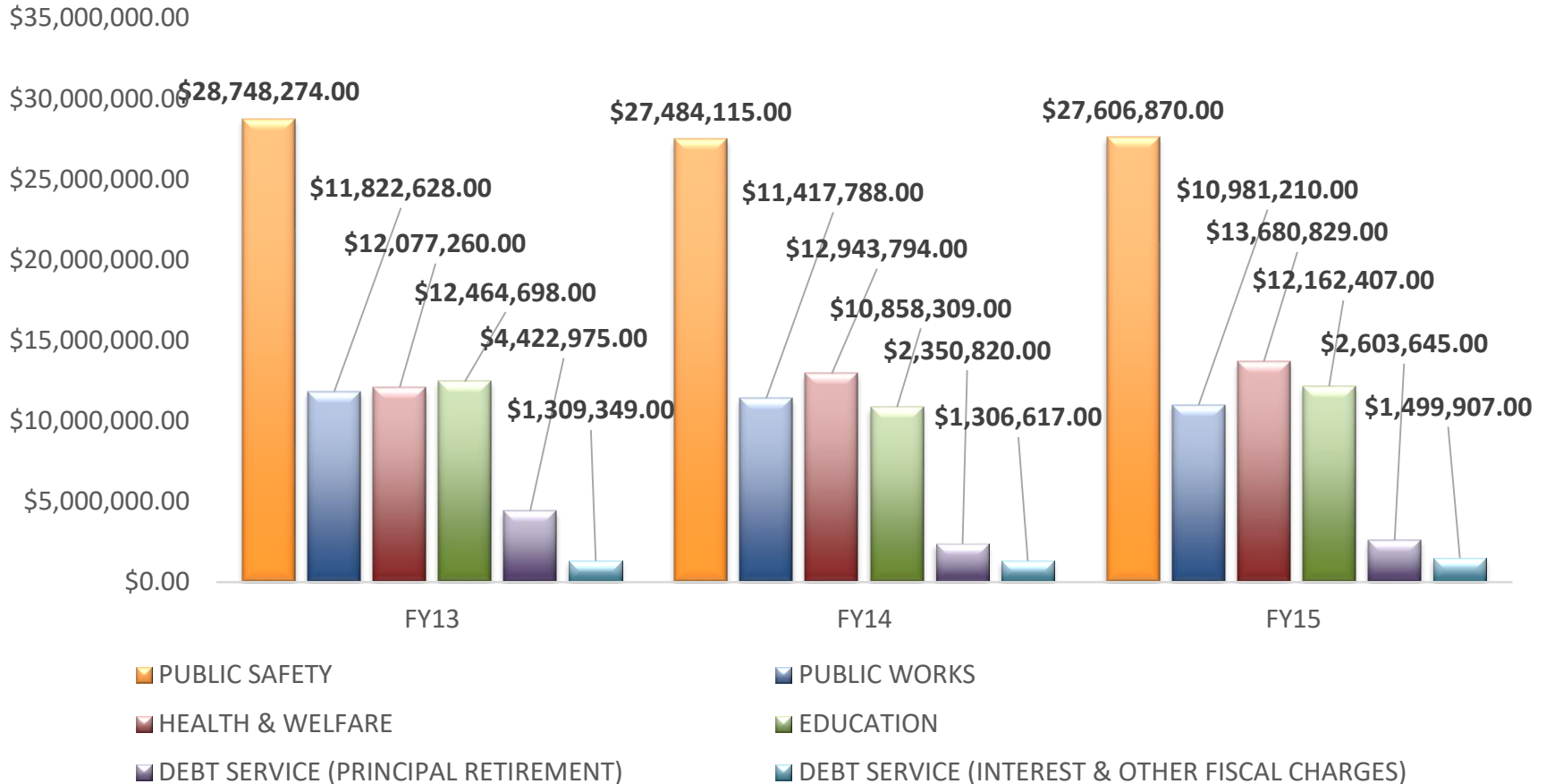
The following graphs are based on FY13 – FY15 CAFR data and illustrate our biggest financial problem:

WE SPEND MORE THAN WE EARN!

The Comprehensive Annual Financial Report (CAFR) for FY16 was not completed by the Finance Department. The City is obligated to complete the CAFR annually by December. RBG recently procured the services of the pre-audit team to complete the FY16 CAFR by April 2017.

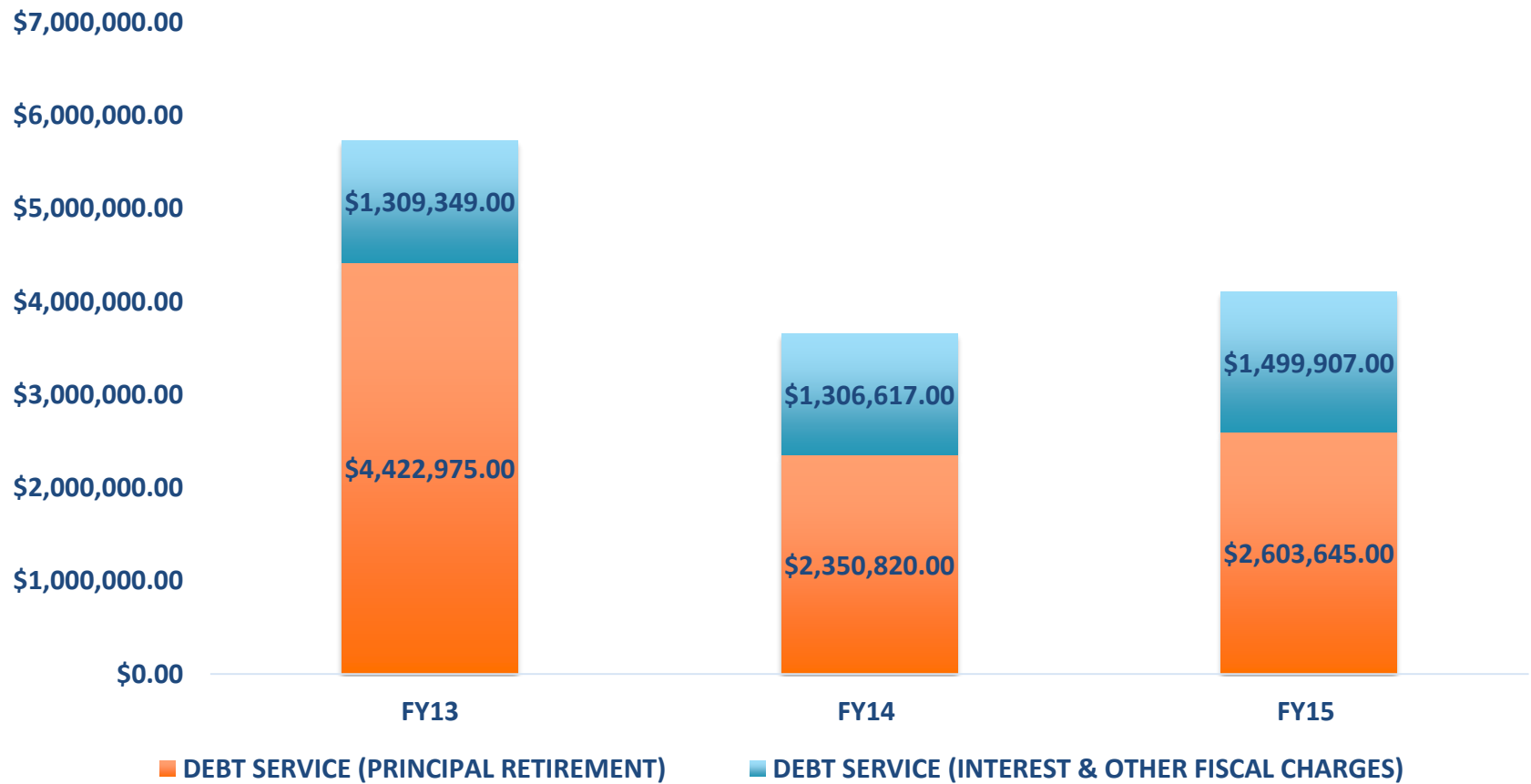
While the largest City Expenditures are relatively stable year over year...

KEY CITY EXPENDITURES FY13 - FY15

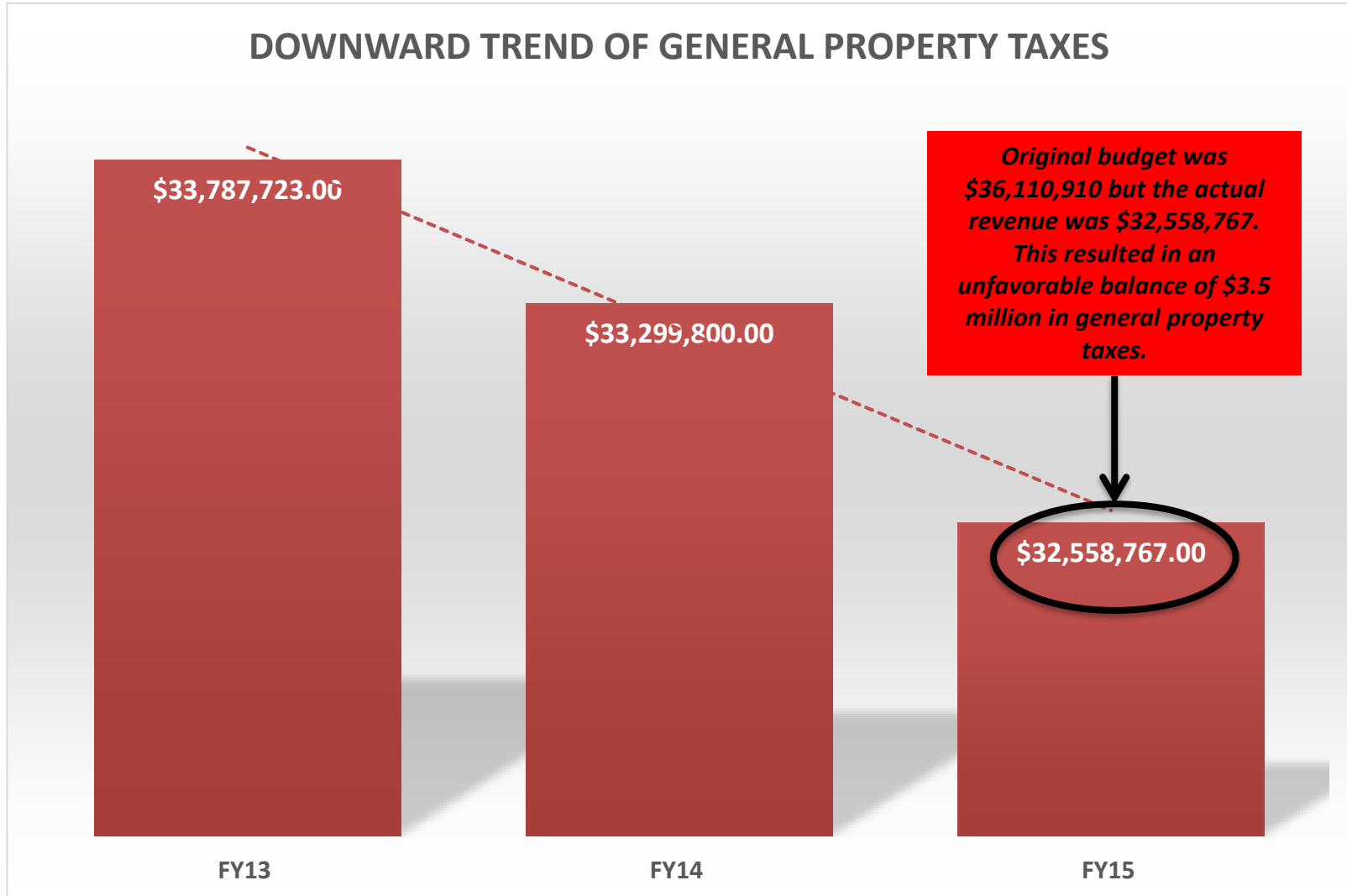


Debt service is relatively low

DEBT SERVICE PAYMENTS

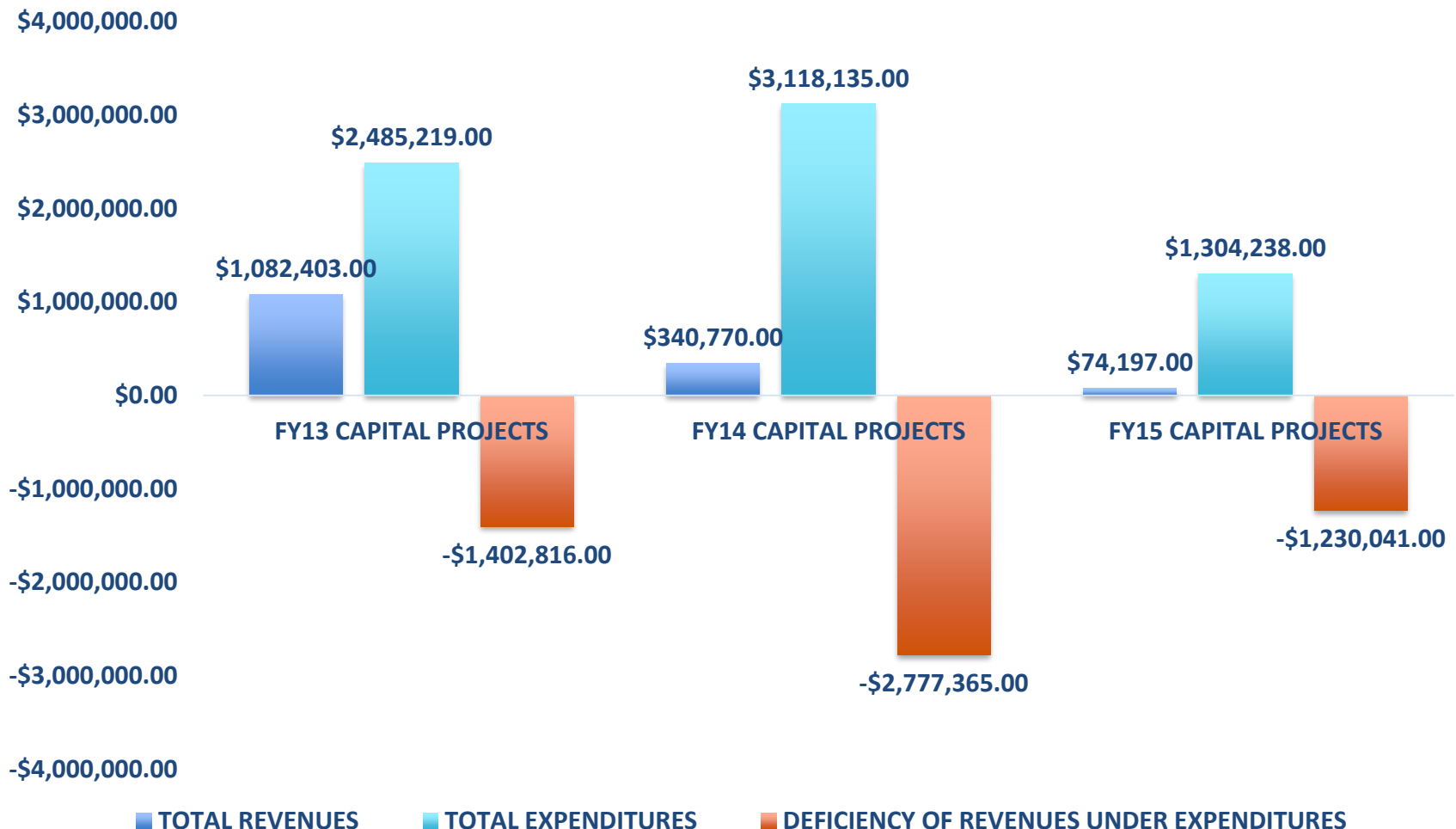


General Property Taxes Continue to Decline...

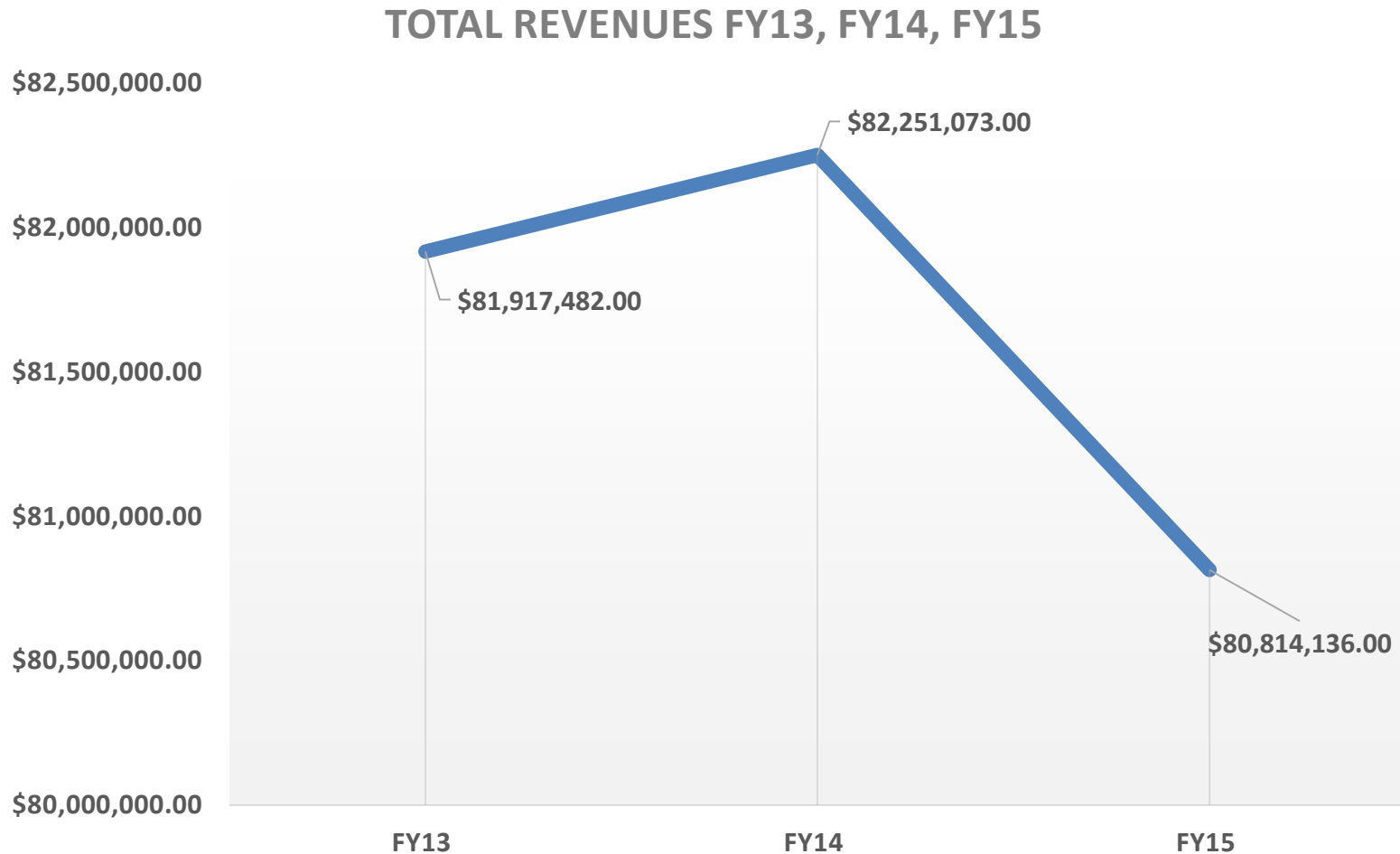


We Continue to lose State Reimbursements for Capital Projects...

CAPITAL PROJECT FUNDS

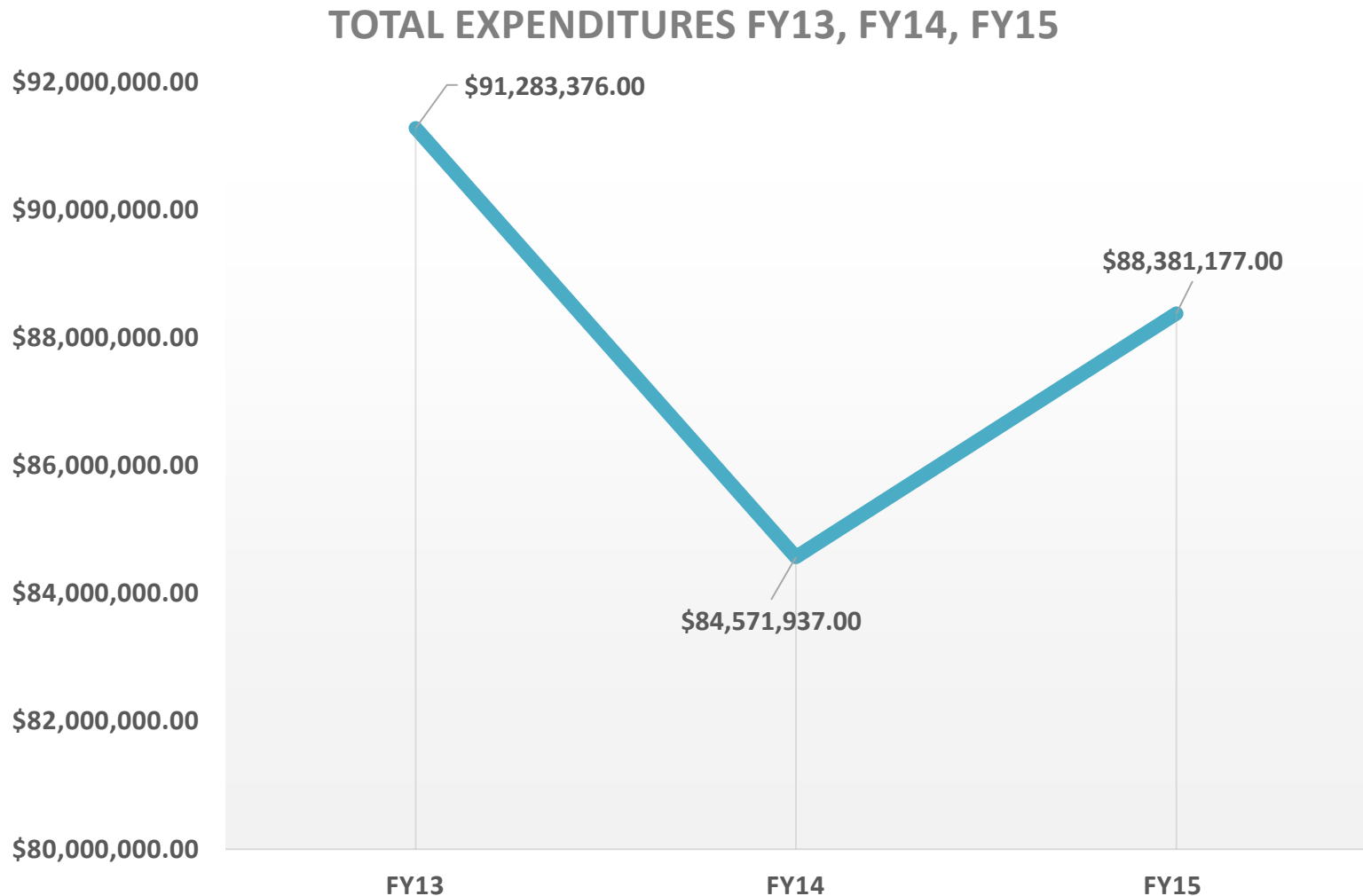


Total Revenues Continue to Decline...



Source: City of Petersburg Comprehensive Annual Financial Reports for FY13, FY14 and FY15

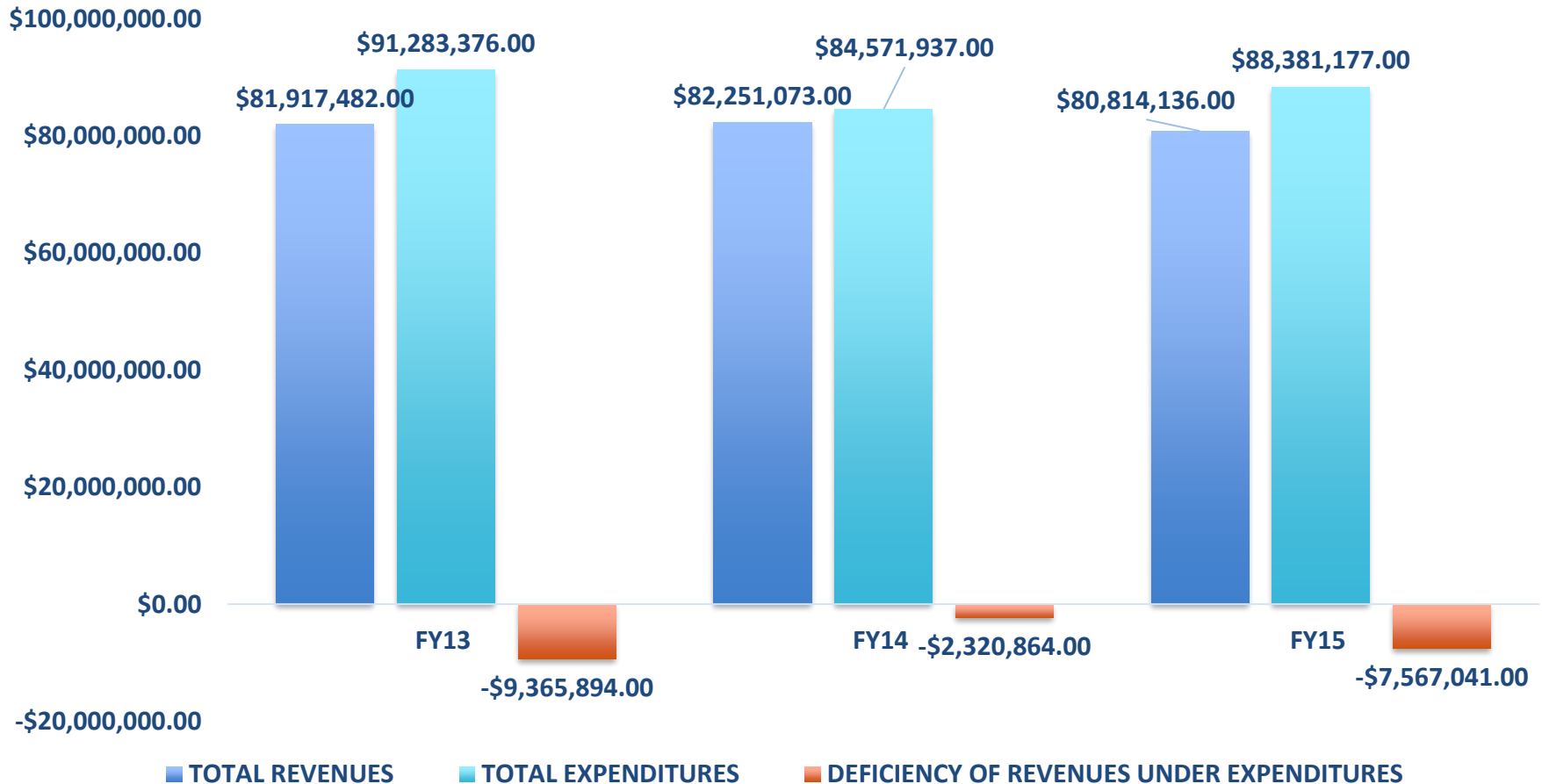
While Total Expenditures Continue to Increase...



Source: City of Petersburg Comprehensive Annual Financial Reports for FY13, FY14 and FY15

Expenditures Continue to Exceed Revenues

FY13 - FY15: Total Government Funds



The City has an emergency need for a cash event such as the privatization of the water system utility.

Source: City of Petersburg Comprehensive Annual Financial Reports for FY13, FY14 and FY15