



City of Petersburg Update

*A Briefing for the
Joint Subcommittee on Local Government
Fiscal Stress*

Richard D. Brown
Secretary of Finance
Commonwealth of Virginia

June 15, 2017

City of Petersburg's Request for Technical Assistance

- **May 27, 2016:** Informal request for technical assistance received from Petersburg Acting City Manager
- **June 10, 2016:** Formal request for technical assistance received from Petersburg Acting City Manager with copy to City Council
- **June 13, 2016:** State team began work on-site with City staff
 - State Finance Team:
 - Dr. Sheryl Bailey, Office of the Secretary of Finance
 - Deborah Eggleston, Office of the State Inspector General
 - Eris Jones, Office of the State Inspector General
- **June 30, 2016:** City Council passed ordinance authorizing the City Manager, on behalf of City Council, to request additional technical assistance past June 30, 2016. Governor's Office granted assistance through July 29, 2016.

Initial Findings and Observations

- **Long-Term Structural Imbalance and Budgeting Issues**
 - Nearly \$16M cumulative overspending in FY 2012 – FY 2016
 - Mid-year budget amendments
- **FY 2017 Adopted Budget Imbalance**
 - Estimated \$12M budget gap
- **Liquidity Challenges (Cash)**
 - Little to no cash reserves for several years, annual tax anticipation notes used to help with insufficient liquidity
 - Short-term financing problems in FY 2017
 - Extreme difficulty paying essential bills
- **Financial Management and Reporting**
 - Minimal checks and balances and inadequate monthly cash flow tracking

Response Strategy

The Robert Bobb Group (RBG) commenced work with the City on November 25, 2016. RBG's work is divided into three phases:

- **10/25/16** to **03/24/17** – Short-term Financing and Emergency Response
- **03/25/17** to **06/30/17** – Long-term Financing and Fiscal Plan
- **07/17/17** to **09/30/17** – Technology, Data and Processes

Update on Key Issues

- City of Petersburg's Outstanding Obligations
- FY 2018 Budget
- Leadership Recruitment Progress
- School Funding
- State Financial Assistance

City of Petersburg's Outstanding Obligations

- Reduced FY 2016 outstanding obligations of \$18.8M to \$5.8M.
- Current Outstanding Obligations:
 - \$1M Vendor Payments
 - \$1.8M Storm Water Fund
 - \$1.9M School System
 - \$1.5M VRS (to be paid in full by calendar year end)
 - \$ 775K South Central Waste Water Authority (to be paid within two years)
- Other Outstanding Obligations (to be paid in full by calendar year end)
 - Crater Criminal Justice Academy, Crater Youth, Riverside Regional Jail Authority
 - Central Virginia Waste Management Authority
 - Health Department
 - District 19 Community Services Board

FY 2018 Budget

- The FY 2018 Budget represents the comprehensive set of priorities for the City, and defines how the City will spend and manage resident funds.
- Based on meetings with each department leader, discussions with Council members, and data reports from OpenGov.
- Proposed \$6M liquidity event will become part of unassigned fund balance. Potential sale of several properties owned by the City.
- City Council approved the budget on June 6.
- Anticipate \$3M short-term financing for public safety vehicles in FY 2018.
- Anticipate \$24M bond refunding in FY 2018.
- Possible revenue anticipation note in Fall 2017.

Leadership Recruitment Progress

- **City Manager**
 - New City Manager hired, start date TBD
- **CFO/Deputy City Manager**
 - Interviews in progress, new City Manager will hire
- **Deputy City Manager (Operations)**
 - New City Manager will hire
- **Finance Director**
 - New Finance Director hired, starts July 10
- **Police Chief**
 - New Police Chief hired, starts July 10

School Funding

- During pre-audit preparation work the City of Petersburg discovered a cash transfer practice dating back to at least 2006.
- Five payments made in FY 2017 accrued back to FY 2016, leaving \$1.9M remaining to be paid to the schools for FY 2017.
- Secretary of Finance coordinated a meeting with City and school officials, Department of Education, Department of Planning and Budget, and the State Council of Higher Education for Virginia to identify solutions.
- City leaders are working with school officials to establish a payment plan to get caught up on payments to the school system. City leaders are committed to ensuring compliance with state funding requirements.

Financial Assistance

- Item 257.C of House Bill 1500 (2017) authorizes the Secretary of Finance to disburse up to \$500K during FY 2017 from the State's general fund to conduct intervention and remediation efforts in situations of local fiscal distress.
- The City of Petersburg has submitted a request for funding that currently is being reviewed by the Secretary of Finance.

City of Petersburg Emergency Financial & Operational Restructuring

Presentation to Petersburg City Council

The Robert Bobb Group, LLC

October 2, 2017

FINAL PRESENTATION

Agenda

1. Forensic Audit Report – PB Mares, LLC
2. RBG Report on Deliverables Completion
3. 5 Year Financial Plan
4. Internal Auditor
5. Collector Transition Plan
6. RBG Accomplishments
7. Technology Framework for the City
8. Opportunities for the City
9. Closing Statement
10. Transparency

Forensic Audit Executive Summary

PB Mares, LLC Forensic Audit Summary

Forensic Audit Executive Summary

- The City contracted with PB Mares in April 2017 after a competitive Request for Proposals (RFP) procurement process conducted by the City. Six proposals were received from national and local firms.
- **NOTE: Forensic Audit scope did not include** an examination to determine what caused Petersburg to decline into a fiscal crisis. And, it did not include a forensic audit of all City Departments, Agencies.

Forensic Audit Executive Summary

- **Auditors Applied the “Fraud Triangle:”**
 - **Opportunity: ability for a person to engage in misconduct or fraud.**
 - *“Petersburg’s internal controls have traditionally not been strong and there are many employees who have been in roles for lengthy periods of time (some exceeded 30 years), such that they were able to tell us ways in which existing internal controls might be circumvented...”(p.4)*
 - **Rationalization: person’s ability to internally justify wrongful actions**
 - *“We found the perception of “ethical tone” in Petersburg was not strong/positive, with many historical instances or allegations of misconduct reported to us and or identified in public records of investigations of misconduct of Petersburg Officials, Leaders and/or employees...” (p.5)*
 - **Pressure: relates to a financial need within a person’s life that they do not perceive can be shared with an employer**
 - *“one person we interviewed, who has access to cash, takes home slightly over \$1,000 per month, making it extraordinarily difficult for that person to meet just his/her essential living needs...”(p.5)*

Forensic Audit Executive Summary

• Examination of Water and Waste Water Billings and Collections

- *“Findings are based solely on interviews of some current employees who were involved with that contract (at lower levels), as well as a review of relevant documents and data.”*
- *“Our examination did not identify any red flags indicative of a quid-pro-quo or misconduct associated with the procurement process (which was changing amid this time-period) and final selection of the vendor for the water meter replacement contract..” (p.6)*
- *“It appeared that the objectivity and judgment of the Public Works personnel assigned to the procurement committee for the water meter contract could have been affected in favor of the project’s ultimate winner.” (p.6)*
- *“Nonetheless, it appeared that the firm that won this contract was capable and qualified and was the lowest bidder of the two most apparently qualified bidders identified by the City in the procurement process.” (p.6)*

Forensic Audit Executive Summary

• Implementation of the Water Meter Contract

- *“Our examination found that it was an extraordinarily complex project for which the City personnel involved did not appear prepared for or experienced in managing. The project appeared to have been very poorly planned and managed by Public Works, but not by the vendor.” (p.6)*

- *“While there were no indicators of misconduct, fraud, waste or abuse noted during our examination of the water meter replacement contract, we did find that some Public Works employees had relationships with the vendor that would ordinarily violate a “Conflict of Interest” and/or “Gifts and Gratuities” policy. Some of the actions referred to included:” (p.7)*
 - *payment by the vendor for meals or entertainment of Public Works employees, sharing of*
 - *information about other job opportunities, and allowing a Public Works employee to*
 - *attend conferences under the vendor’s contract (apparently to avoid paying the*
 - *conference registration fee).*

We encourage the City Manager and the City Council to carefully review and implement the detailed recommendations in Section VI on pages 47 – 61.

Forensic Audit Executive Summary

City Management directed us to file a complaint with the Federal Bureau of Investigation (FBI) on behalf of the City. We provided all the relevant information to the FBI and were authorized by the City to assist them if so requested.

• Treasurer's Office

- *“We identified within the Treasurer’s Office two relatively significant dollar value thefts and a possible much larger scheme whereby many tens of thousands of dollars could have been misappropriated.” (p.7)*
- *“As it concerned the theft(s), they involved the stealing of \$2,371.44 in petty cash in the Treasurer’s Office.” (p.8)*
- *“Internal controls in the Treasurer’s Office are weak and all six (6) of the employees within that office had access to petty cash.” (p.8)*
- *“Ultimately, the City Treasurer admitted to us that he had stolen the petty cash.” (p.8)*
- *“...City Treasurer would inappropriately waive tax penalties, interest, and sometimes principal (effectively an “abatement” of taxes). Of prime concern was that doing so in such manner would have allowed the City Treasurer to misappropriate portions of or whole cash tax payments while concealing it on the City’s books and records.” (p.8)*
- *The City Treasurer admitted to us that he had done these waivers knowing that it was impermissible and/or a violation of the Code of Virginia, but denied that he had misappropriated any City funds other than petty cash.” (p.8)*

RBG Report on Deliverables Completion

**RBG Report on
Deliverables Completion**

RBG Deliverables: What We Found

- It has been our great honor to serve you and the City of Petersburg in its financial and operational restructuring.

- **Our focus Since Day 1 on October 25, 2016:**
 1. Structurally Balanced Budget & Stabilized Overall Financial Operations
 2. Debt Restructuring and Access to Capital Markets
 3. Public Safety
 4. Full Transparency of all Data and Information
 5. Focus on Operational Efficiency
 6. Identified Weaknesses and Recommended Improvements in Technologies (i.e. OpenGov, CitiWorks, etc.)
 7. Pay Vendors including Negotiating Payment Plans with State and Regional Partners
 8. Managed day-to-day operations
 9. Reviewed past analytical work to determine path forward (i.e. PFM, Government's Technical Team)

Financial Operations – What We Found

When RBG started work on 10/25/16, we observed no understanding of the staffing challenges created by the challenged leadership and the institution of the 10% reduction of salaries. We observed a lack of data analytics in decision-making, a lack of internal controls for cash management/accounts payable, and the erosion of basic processes and accounting principles for financial management.



This is a picture of real “checks in the drawer” for unpaid bills going back to January 2016. Checks were issued but not released to the vendor due to lack of sufficient cash balance.

Financial Operations – What We Did

RBG instituted a weekly process to review batches of invoices and determine what checks are to be paid, while validating the availability of cash. This must be signed off by Interim DCM/Finance Director. The result is that there are no more checks in the drawer waiting to go out!



RBG developed a vendor repayment plan to repay outstanding obligations over the next 12 months (starting in March 2017).

RBG Report on Deliverables Completion

- **Since Day 1, we delivered 20+ Council Presentations.**
- **We committed to full transparency from the very beginning. All of our reports can be found at: <http://www.petersburgva.gov/index.aspx?NID=846>**
- All RBG deliverables, presentations and data analysis are posted to the City's Dropbox account titled "City of Petersburg - Data Room." The folder is titled "The Robert Bobb Group, LLC Deliverables."
- **Those reports, including tonight's presentation, should be archived as part of the City's permanent record.**
- Tonight we present our deliverable reports. These reports state our contractual list of deliverables and include additional deliverables we provided to the City.

RBG Key Accomplishments (1 of 2)

1. Cleared Hurdles that threatened Insolvency
2. Stabilized the financial situation by securing a cash flow note (RAN), Drew Capitalized Interest, Negotiated Settlements with Vendors and Authorities
3. Amended FY 2017 Budget for the 2nd Time and Developed Structurally Balanced and Conservative Budget for FY 2018
4. Developed a Capital Budget and 5-Year Capital Improvement Plan that incorporated financing and funding mechanisms to enable implementation
5. Restructured Debt for Immediate Budgetary and Cash Flow Flexibility

RBG Key Accomplishments (2 of 2)

6. Improved Credit Rating Outlook from “Negative” to “Stable” which has already resulted in improvement interest rates and costs of short term borrowing (RAN)
7. Secured financing for critical emergency vehicles
8. Undertook a comprehensive evaluation of the City’s utility system to include a rate study, infrastructure plan, and billing & collections strategies (which have increased collection rates from 70% to 86%)
9. Provided a Plan with recommendations and alternatives for a significant liquidity event to bolster the City’s financing that would have increased reserves and enhance City’s bond rating in near term (i.e. PPEA process, selling excess water capacity, and a plan to accelerate sale of real estate to include over \$4.0M in real estate transactions)
- 10. One-Time Revenues or Cost Avoidances equal to \$10.0M**

RBG Impact: Savings & Cost Avoidance Over \$10 Million

Item Description	Amount
VRA Capitalized Interest Returned to the City	\$1,300,000
Department of Social Services State Reimbursement	\$625,000
State Funding Assistance	\$420,210
DEQ Grant	\$200,000
Match Requirement Waived	\$3,300,000
Regional Jail Penalty Waived	\$60,000
Debt Service Restructuring	\$2,000,000
Sale of Surplus Vehicles	\$60,000
Resolved Impasse over Fire Programs to Receive Funds	\$280,000
Additional Annualized Revenue from Increase in Utilities Billing Collections	\$1,500,000
Increase Landfill Revenues	\$30,000
Savings from Implementing New Health Care Plans in the FY 2018 Budget	\$300,000
TOTAL RBG SAVINGS AND COST AVOIDANCE	\$10,075,210

RBG Phase 1 Deliverables

City of Petersburg Financial Emergency Turnaround – Key Project Activities

Short Term Financing: 10/25/16 – 12/2/16

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

Financial Stabilization: 12/5/16 – 1/27/17

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

Long Term Financing: 1/30/17 – 3/31/17

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

RBG Phase 2 Deliverables – Contracted

RBG Extension – 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 of 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. **Implement new Real Estate Sale Process & realize revenue**
9. **Implement Workforce Reorganization**
10. **Optimize City Technologies for data and reporting**
11. **Create repeatable data & reporting for Financial Reports**
12. **Develop and Execute Policies for Controls and Reporting**
13. **Develop Standard Operating Procedures (SOPs)**
14. **Manage and Measure Financial and Purchasing Policies**
15. **Provide Executive Coaching to New Hires**

RBG Phase 2 Deliverables – Delivered

1. Implement the Long-Term Debt Restructuring Plan
2. Develop plan to pay off current 2017 Revenue Anticipation Note (RAN)
3. Complete and Implement the FY 2018 Budget Proposal
4. Develop Water Utility Repair Plan
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. Implement New Real Estate Sale Process & Realize Revenue
9. Implement Workforce Reorganization
10. Optimize City technologies for data and reporting
11. Create Repeatable Data & Reporting for Financial Reports
12. Develop and Execute Policies for Controls and Reporting
13. Develop Standard Operating Procedures
14. Manage and Measure Financial and Purchasing Policies
15. Provide Executive Coaching to New Hires
16. Finalize Recruitment of the CFO
17. Complete Financing for Police & Fire Vehicles
18. Submitted Proposal to State for Funding Assistance for RBG Contract Extensions
19. Develop the Plan for Pre-Audit Work for FY17.
20. Initiated New Billing and Collections Process and Begin Collecting Delinquent Revenues
21. Conduct a Comprehensive Assessment of the Utility Billing Processes
22. Evaluate Utilities Meter Reading and Billing Technologies
23. Evaluate Johnson Controls contract with Forensic Audit Team
24. Manage a Successful Presentation to Standard & Poor's in Petersburg on July 14th

RBG Phase 3 Deliverables – Contracted

RBG Extension – City of Petersburg Financial Emergency Turnaround – Key Project Activities

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

1. **Develop the 5-Year Financial Plan**
2. **Develop and Implement the 5-Year Capital Improvement Program**
3. **Develop and Implement Financial and 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. **Implement a Budget Transition Plan**
11. **Provide structured Executive Coaching for New Hires**

RBG Phase 3 Deliverables – Delivered

1. Develop the 5-Year Financial Plan
2. Develop and Implement the 5-Year Capital Improvement Program
3. Develop and Implement Financial and 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. Implement a Budget Transition Plan
11. Provide structured Executive Coaching for New Hires
12. Assist the Management Team to implement FY16 CAFR findings
13. Research and Design the Collector of City Taxes functions & present to City Council
14. Conduct process redesign and reorganization for the City Collector's Office.
15. Improve the Utility Billing Collections rate to greater than 80%
16. Support the City to receive \$3M in General Obligation (GO) Bonds to provide new money and refund existing debt for budgetary savings. A key result was this bought the new public safety vehicles and saved \$2M in FY 2018.
17. Develop an Action Plan for implementing the recommendations for improving Utility Billing functions based on the Severn Trent report.
18. Advise the City Manager on the Final Organization Design of City Administration

5 Year Financial Plan Executive Summary

5 Year Financial Plan Executive Summary

5 Year Financial Plan: Overview

- **The purpose of this Five-Year Financial Action Plan is to provide areas of emphasis for the City of Petersburg’s leadership, including the City Council and City management, as they continue to improve the City’s financial condition and build on the work that was performed by the Robert Bobb Group (RBG).**
- **The Five-Year Financial Action Plan is more than a financial forecasting exercise. It showcases the major policy decisions facing the City Council over the next few years.** The plan outlines the Top 15 actions the City must take to advance, as well as a financial review of each fund and goals and strategies for each fund to continue the success.

Top 15 Actions The City Must Take

- 1. Ensure Diligent Budget Management.** If the City leadership manages within the current appropriation for FY 2018, the City could experience as much as a \$2.0 million surplus in the General Fund.
- 2. Establish a Financial Advisory Board.** There are too many authorities, bondholders and elected officials statewide that want to see a continuation of progress and not a retreat to past practices. **This includes ensuring bond proceeds are used for the intended purpose.**
- 3. Continue to improve the City's bond rating by following recommendations laid out by Standard & Poor's.** While the movement from a 'negative outlook' to a 'stable outlook' was an incredible achievement in just nine short months, the City leadership should maintain a sense of urgency and diligence to move the City's bond rating upward.
- 4. Achieve and Adhere to Adopted Finance Policies.** The City leadership, including the City Council, should monitor the City's adherence to its adopted financial policies.

Top 15 Actions The City Must Take

5. **Effective Transition to City Collector.** At the request of City Council, the RBG has developed a transition plan to move from a City Treasurer-led collections function to a Council-approved City Collector—a circumstance where the collections function is the responsibility of the City Manager.
6. **Improve City-Wide Collection Efforts, including the Utility Fund.** Per Council resolution, the Utility Fund must report a collection rate of at least 90 percent by January 2018 or the rate increase approved for FY 2018 is rescinded.
7. **Eliminate the need for Revenue Anticipate Notes (RANs) by increasing cash flow and improving fund balance.** Until the City is able to carry enough cash balances to pay its accounts payables in a timely fashion, it will need to rely on RANs.
8. **Pursue Liquidity.** Whether it is the sale of City-owned properties, the sale of its excess capacity of water, or privatizing the utility system, the City should continue to pursue one-time revenues that will help to restore the Fund Balance and provide the necessary cash flow to eliminate the need for a RAN and increase the City's credit rating. The City owns in excess of 300 properties.

Top 15 Actions The City Must Take

9. **Keep Engaged with Regional Partners for Collaboration and Funding Opportunities.** A concern that was apparent upon the RBG's arrival in October 2016 was the City's failure to participate in regional meetings.
10. **Increase use of Data Analytics for Decision-Making and Invest in Technology Infrastructure.** The City did not and currently does not have the analytical power or tools to be able to think more strategically, effectively and efficiently.
11. **Remedy the CAFR Audit Findings; Eliminate the Qualified Opinion on the Utility Fund; and Address the Items Identified in the Forensic Audit.** City management needs to actively work the list of findings to reduce the number of findings in the future and eliminate the qualified audit opinion on the Utility Fund.
12. **Working with the contracted Internal Auditor, continue to develop solid financial and business policies, practices and procedures.** While the RBG did significant work in this area, particularly related to policy development for financial/budgetary, procurement, Accounts Payable and grant management, continued discipline is needed.

Top 15 Actions The City Must Take

13. **Work to eliminate any outstanding payables and determine path forward for repaying misused urban allocation funds and inappropriate loans made from the Perpetual Care Fund.** The City management and City Council should determine the best path forward to repaying the dollars.
14. **Develop a structurally balanced FY 2019 Budget.** The largest challenge that will face the City in FY 2019 is addressing continued pay issues, aging infrastructure and a significant 45 percent requested increase to the Petersburg City Schools appropriation.
15. **Continue to invest in City Council training and professional development to ensure the City Council has the right tools to hold its direct reports accountable.** The City Council should ensure that it is represented annually at the Virginia Municipal League's conference and should engage in ongoing professional development activities. The City Council should hold and appropriately schedule annual performance reviews for its direct reports and tie pay increases to performance.

General Fund Forecast

GENERAL FUND	FY 18		5-Year Forecasting					AA Growth	
Revenues	Approved	Adjusted	FY 19	FY 20	FY 21	FY 22	FY 23	5 Year	
Property Taxes	34,864,542	34,864,542	35,213,187	35,565,319	35,920,972	36,280,182	36,642,984	1%	
Local Taxes & Fees (sales, meals, etc.)	15,419,000	15,419,000	15,727,380	16,041,927	16,362,766	16,526,393	16,691,658	2%	
Permits, Fees, and Licenses	472,500	472,500	477,225	481,997	486,817	491,685	496,602	1%	
Fines & Forfeitures	683,000	683,000	689,830	696,728	703,696	710,733	717,840	1%	
Rental of Property	151,312	151,312	151,312	151,312	151,312	151,312	151,312	0%	
Charge for Services	2,497,520	2,497,520	2,572,446	2,649,619	2,729,108	2,810,981	2,895,310	3%	
Misc.	6,070,000	70,000	70,000	70,000	70,000	70,000	70,000	0%	
Recovered Costs	75,000	75,000	75,000	75,000	75,000	75,000	75,000	0%	
Transfer from Transit	246,000	246,000	246,000	246,000	246,000	246,000	246,000	0%	
Transfer from Utilities	280,000	280,000	183,750	367,500	551,250	735,000	750,000	24%	
Transfer from CDBG	200,000	200,000	200,000	200,000	200,000	200,000	200,000	0%	
Revenue from Other Agencies (e.g. State)	17,266,625	17,501,300	17,938,833	18,387,303	18,846,986	19,318,161	19,801,115	3%	
Total General Fund Revenues	78,225,499	72,460,174	73,544,963	74,932,707	76,343,907	77,615,447	78,737,821	2%	
Expenditures	FY 18 Approved	FY 18 Adjusted	5-Year Forecasting FY 19	5-Year Forecasting FY 20	5-Year Forecasting FY 21	5-Year Forecasting FY 22	5-Year Forecasting FY 23	AA Growth 5 Year	
General Government	13,155,997	13,230,997	13,627,927	14,036,765	14,457,868	14,891,604	15,338,352	3%	
Constitutional Offices	4,457,934	4,457,934	4,591,672	4,729,422	4,871,305	5,017,444	5,167,977	3%	
Police	11,058,230	11,058,230	11,389,976	11,731,676	12,083,626	12,446,135	12,811,519	3%	
Fire	7,277,842	7,277,842	7,496,177	7,721,063	7,952,694	8,191,275	8,437,014	3%	
Courts & Other Public Safety	332,891	332,891	342,877	353,163	363,758	374,671	385,911	3%	
DPW	2,519,963	2,519,963	2,595,561	2,673,428	2,753,631	2,836,240	2,921,327	3%	
Utilities - Refuse	1,921,311	1,921,311	1,978,949	2,038,318	2,099,467	2,162,451	2,227,325	3%	
Soc Services	12,513,119	12,513,119	12,888,512	13,275,168	13,673,423	14,083,625	14,506,134	3%	
Leisure & Cultural Affairs	1,976,298	1,976,298	2,035,586	2,096,654	2,158,553	2,224,340	2,291,070	3%	
Planning, ED & Code	1,894,632	1,894,632	1,951,471	2,010,015	2,070,315	2,132,425	2,196,397	3%	
Debt Service	5,432,520	3,249,395	3,512,062	3,933,512	3,964,887	3,973,441	3,848,343	2%	
One-Time Revenue (Liquidity)	6,000,000	-	0	0	0	0	0	0%	
Rebuild Fund Balance	750,000	2,092,800	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0%	
Pay-As-You-Go	-	-	-	-	-	-	-	-	-
Capital	100,000	100,000	200,000	225,000	250,000	275,000	300,000	13%	
Schools	8,474,762	9,474,762	12,255,300	12,439,100	12,625,700	12,815,100	13,007,327	2%	
Transfer to Mass Transit	300,000	300,000	300,000	300,000	300,000	300,000	300,000	0%	
Total General Fund EXPENDITURES	78,225,499	72,460,174	76,166,076	78,563,287	80,626,232	82,723,756	84,746,691	2.8%	
Surplus or (Deficit)	0	0	(2,621,113)	(3,630,580)	(4,282,325)	(5,108,308)	(6,008,870)		

It is critical to Rebuild the Fund Balance. FY 2018 will require diligence and very active management to get there.

See pgs. 16-19 for the Key Assumptions that make up the 5 Year Financial Plan

General Fund: Goals and Strategies

1. **Real Property Tax Goal:** Reduce Real Estate Tax Rate to Statewide Average for Cities by 2030
2. **Salary and Benefits Goal:** Ensure salaries and benefits remain competitive regionally and statewide at all levels of government and qualified employees are recruited and retained
3. **Fleet Management Goal:** Develop a financing plan to replace emergency and non-emergency vehicles to maximize efficiency and provide quality service delivery
4. **School Investment Goal:** Invest in the Petersburg City Public Schools and look for opportunities for consolidation of resources
5. **Debt Service Goal:** Improve General Obligation rating to investment grade in order to have greater access to the capital markets to fund the City and PCPS capital needs.
6. **Fund Balance Goal:** Improve the Funds Balance to the Adopted Policy level of 10 percent of General Fund expenditures and School Fund (net of City's local transfer)
7. **Risk Reduction Goal 1:** Implement and monitor claims to reduce costs to the City. **Goal 2:** Implement observations and findings from CAFR, Internal Audit reporting and the Forensic Auditor report. **Goal 3:** Improve working conditions for employees.

See pgs. 20-25 for the General Fund Strategies aligned with these Goals in the 5 Year Financial Plan

Other Funds: Goals and Strategies

- **SPECIAL REVENUE FUNDS: GOALS AND STRATEGIES**
- **Goal:** Adhere to the adopted Grants Processing policy that can be found on p. 155 of the Adopted Budget

- **STORMWATER FUND: GOALS AND STRATEGIES**
- **Goal:** Ensure that the Stormwater Utility adheres to the City's stormwater management plan and any rules and regulations from the Commonwealth's Department of Environmental Quality (DEQ)

- **MASS TRANSIT FUND: GOALS AND STRATEGIES**
- **Goal:** Ensure that the level of funding for PAT is understood and consistent with the Commonwealth's Department of Rail and Public Transportation (DRPT)

See pgs. 26-29 for the General Fund Strategies aligned with these Goals in the 5 Year Financial Plan

Stormwater Fund Forecast

			5-Year Forecasting					AA G 5 Years
	FY 18 Adopted	FY 18 Adjusted	FY 19	FY 20	FY 21	FY 22	FY 23	
Stormwater Fees	1,181,967	1,181,967	1,181,967	1,181,967	1,181,967	1,181,967	1,181,967	0
Transfer from General Fund	100,000	0	0	0	0	0	0	0
Total Revenues	1,281,967	1,181,967	1,181,967	1,181,967	1,181,967	1,181,967	1,181,967	0
Personnel	212,731	166,221	171,208	176,344	181,635	187,084	192,696	3%
Non-Personnel	427,711	427,711	440,542	453,759	467,371	481,392	495,834	3%
Debt-Service	641,525	92,616	146,617	147,770	148,861	147,391	148,040	0%
Total Expend's	1,281,967	686,549	758,367	777,873	797,867	815,867	836,571	3%
Surplus (Deficit)	0	495,418	423,600	404,094	384,100	366,100	345,396	-5%

This transfer was to offset the misallocation of bond funds. This was fixed during the July 2017 refunding and the transfer is no longer required. This action also remedies one of the FY 2016 CAFR audit findings.

See pgs. 16-19 for the Key Assumptions that make up the 5 Year Financial Plan

Golf Course Fund Forecast

	FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	AA Growth
Salaries/Benefits	\$427,044	\$439,855	\$453,051	\$466,643	\$480,642	\$495,061	3%
Other Non-Personnel	\$310,613	\$316,825	\$323,162	\$329,625	\$336,218	\$342,942	2%
Total Expenditures	\$737,657	\$756,681	\$776,213	\$796,268	\$816,859	\$838,003	3%
Total Revenues	737,657	759,787	782,580	806,058	830,239	855,147	3%
Net Income— Modest/Reactive Growth		3,106	6,368	9,790	13,380	17,144	
Scenario 1: Increase local play by 10% annually		\$14,490	\$15,939	\$17,533	\$19,286	\$21,215	
Scenario 2a: Add and Retain 60 Lost Members		\$112,800	\$112,800	\$112,800	\$112,800	\$112,800	
Scenario 2b: Increase and Retain Membership by 5 memberships each year		\$9,400	\$18,800	\$28,200	\$37,600	\$47,000	
Scenario 3: Increase out of town play by 10% annually		\$82,110	\$90,321	\$99,353	\$109,288	\$120,217	
Net Income— Full/Proactive Growth		\$221,906	\$244,228	\$267,676	\$292,355	\$318,376	11%

# of Golf Rounds Used in Scenario Analysis	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
21,000 rounds per year for baseline year	21,000	23,100	25,410	27,951	30,746	33,821
# of rounds added annually		2,100	2,310	2,541	2,795	3,075
17,850 rounds from Out-of-Towners (85% of total)	17,850	1,785	1,964	2,160	2,376	2,613
3,150 are City residents (15% of total)	3,150	315	347	381	419	461

**See pgs. 31-32 for the Key Assumptions that make up the 5 Year
Financial Plan**

Golf Course Fund: Goals and Strategies

- **GOLF COURSE FUND: GOALS AND STRATEGIES**
 1. **Goal:** Ensure that the golf course fees cover the cost of the service and are kept competitive with the region so not to reduce usage.
 2. **Goal:** Create a large enough surplus in the Golf Course Fund so that General Fund cash is not subsidizing the operations in any one month.
 3. **Goal:** Have a City Council and community goal to promote the success of the golf course, as it is a new facility that was developed and financed from the General Fund
 4. **Goal:** Continue to explore the feasibility of entering into a public-private partnership, or other mechanism, to eliminate the City from having financial and management oversight of the facility

See pgs. 33-34 for the Golf Course Fund Strategies aligned with these Goals in the 5 Year Financial Plan

Utility Fund Forecast

Fiscal Year:	Projected/ Budget (1) 2017	Preliminary Budget (2) 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
REVENUES						
Recoveries & Rebates	68,275	68,275	68,275	68,275	68,275	68,275
Cut Off Fees	59,816	59,816	59,816	59,816	59,816	59,816
Delinquent Charges	0	250,000	250,000	250,000	250,000	250,000
Sale of Water & Sewer - Residential	5,141,500	6,522,600	8,037,000	9,859,200	11,338,400	13,040,000
Sale of Water & Sewer - Industrial	451,500	573,300	706,500	866,400	996,800	1,145,600
Sale of Water & Sewer - Commercial	2,951,200	5,165,300	6,363,750	7,806,400	8,978,400	10,324,800
Connection Fees(3)	904,068	0	0	0	0	0
Total Revenues	9,576,359	12,639,291	15,485,341	18,910,091	21,691,691	24,888,491
EXPENSES						
Salaries and Fringe Benefits (4)	1,615,377	1,699,151	1,741,630	1,785,171	1,829,800	1,875,545
SCWWA Payment (4)	4,796,539	4,800,000	4,920,000	5,043,000	5,169,075	5,298,302
SCWWA Payment (4)	0	513,036	0	0	0	0
ARWA Payment (4)	1,523,954	1,525,000	1,563,125	1,602,203	1,642,258	1,683,315
Other Operational Expenses (4)	1,176,760	1,381,622	1,416,163	1,451,567	1,487,856	1,525,052
Repair Contingency (4)	0	878,091	878,091	878,091	878,091	878,091
PILOT (5)	0	0	183,750	367,500	551,250	735,000
Total Expenses	9,112,630	10,796,900	10,702,758	11,127,531	11,558,330	11,995,304
Revenues Available for Debt Service	463,729	1,842,391	4,782,582	7,782,559	10,133,361	12,893,186
Less: Debt Service Payments						
Existing Debt Service (6)	1,087,512	1,080,841	945,988	967,562	1,150,479	1,150,102
Projected Debt Service						
- City CIP (7)	0	0	1,428,663	2,211,091	2,936,935	3,623,755
- DEQ Loan	0	0	0	37,500	37,500	37,500
- ARWA (8)	0	0	0	0	301,849	301,849
- SCWWA (9)	0	0	0	0	0	3,405,476
Total Existing and Projected Debt Service	1,087,512	1,080,841	2,374,651	3,216,153	4,426,763	8,518,682
Surplus (Deficit)	(623,783)	761,550	2,407,931	4,566,406	5,706,598	4,374,504
Debt Service Coverage	0.43	1.70	2.01	2.42	2.29	1.51

See pgs. 36-37 for the Key Assumptions that make up the 5 Year Financial Plan

Utility Fund: Goals and Strategies

- **UTILITY (Water / Wastewater) FUND: GOALS AND STRATEGIES**
 1. **Goal:** Adhere to the pro forma for the water/wastewater utility.
 2. **Goal:** Develop a funding strategy for the necessary upgrades to the system

See pgs. 37-38 for the Utility Fund Strategies aligned with these Goals in the 5 Year Financial Plan

Blandford Cemetery: Goals and Strategies

- **BLANDFORD CEMETERY PERPETUAL CARE FUND: GOALS AND STRATEGIES**
 1. **Goal:** Settle the outstanding “loan” due to the Perpetual Care Fund.
 2. **Goal:** Ensure that the Perpetual Care Fund is sustainable and can be used to offset the cost of maintenance on the Cemetery

See pgs. 40-41 for the Cemetery Fund Strategies aligned with these Goals in the 5 Year Financial Plan

5 Year Financial Plan – Closing Statement

1. The Council Committees and the Financial Advisory Board are the organizational structures to provide the executive oversight of the Financial Plan.
2. Not only does the City Council and City management team need to set an ethical tone as recommended by the Forensic Audit, but it also must also transform its organizational culture that hasn't been sufficiently accountable in the past.
3. In addition, the City must change its community's culture, which has not experienced the consequences of not paying its bills to the City in a timely fashion.
4. The Appendix references key supporting documents that are on the City's website or will be added to the City's website.

5 Year Financial Plan – Closing Statement

1. APPENDICES

1. Standard & Poor's Credit Rating Report
2. City Collector Transition Plan
3. 38-Point Plan for Remedying the Utility System
4. Severn Trent Report
5. CAFR Audit Findings
6. Forensic Audit Report and Findings
7. Letter from VRA about non-compliance
8. Utility System Rate Study

Internal Auditor

CliftonLarsonAllen LLP is the
new Internal Auditor

Scope of the New Internal Auditor

- **CliftonLarsonAllen LLP is the new Internal Auditor**
- They will ensure progress on the implementation of recommendations as well as the monitoring of controls for:
 1. **Comprehensive Annual Financial Report (CAFR) Findings**
 2. **Forensic Audit Report Findings**
 3. **City Council Adopted Financial Policies**
 4. **Other Recommendations Provided In:**
 - a. **5 Year Financial Plan**
 - b. **Collector Transition Plan**

Council should review and approve its resolution to implement the Citizen Advisory Auditing Committee as sponsored by Councilwoman Wilson-Smith

Scope of the New Internal Auditor

- **The Internal Auditor will also bring Government Finance Officers Association (GFOA) Best Practices:**
- “A formal internal audit function is particularly valuable for those activities involving a high degree of risk (e.g., complex accounting systems, contracts with outside parties, a rapidly changing environment).”
- “The internal audit function should be established formally by charter, enabling resolution, or other appropriate legal means..”
- It is recommended that internal auditors of state and local governments conduct their work in accordance with the professional standards relevant to internal auditing contained in the U.S. General Accounting Office’s publication *Government Auditing Standards*, including those applicable to the independence of internal auditors..”

Collector Transition Plan Executive Summary

Collector Transition Plan Executive Summary

Purpose of this Document

This document provides a 20 Point Transition Plan to guide the redesign of the City's Billing & Collection operations.

Background: In July 2017, City Council approved the reinstatement of a City Collector based on Section 3.14 of the City Charter. This action transitions collection functions from the Treasurer's Office to the chartered City Collector. In August 2017, the City Manager decided to combine Utility Billing with the new City Collector's scope. This Transition Plan focuses on a consolidated Office of The City Collector and Utility Billing.

Contents

- **Guiding Principles**
- **Executive Summary of 20 Point Action Plan**
- **RBG Framework for the Redesign**
- **New Billing & Collections Office Organization Chart**
- **Review of New Billing & Collections Operations**
 1. Customer Service Delivery
 2. Business Processes
 3. Technology
 4. Data & Reporting
 5. Controls & Governance
 6. Staffing
- **Appendix**
 1. RBG Restructuring Checklist

Guiding Principles – “Guard Rails”

1. **The City Cannot Retreat:** It is critical that the City’s day to day billing, payments and collections activities do not stop or be negatively impacted. Any disruption to billing and collections will recreate the same dire financial scenario as in 2016 when Utility Billing did not occur. Not maintaining the current state minimum level of payment and collections could risk making Payroll and paying vendors.
2. **This Effort Requires Strong Executive Oversight:** The Implementation Team must include, in addition to the new Director of Billing & Collections, the City Manager, the Chief Financial Officer, the Procurement Officer, and other staff or consultants as needed.
3. **A fully integrated Cross Functional Team Will Take Time:** Utility staff must learn City Tax, Revenue and Collections payments and former Treasurer staff must learn Utility billing. This team will need strong financial controls, policies and procedures. Combining billing, payments and collection operations into one office can incentivize fraudulent behavior without strong controls and management.

Transition Plan Executive Summary

The Transition Plan is based on 20 Action Items detailed in this document.

- 1. Create the Implementation Team and Act With Urgency:** The revenue scope is \$100+ Million from all City funds. This is a “Start Up” business enterprise where URGENCY is a Top Priority. The new City Collector Office can potentially result in a significant increase in revenues.
- 2. Establish One Consolidated Office Space for Utility Billing and Treasurer Staff in City Hall:** this includes 6 staff and the Director (total 7 FTEs).
- 3. Create an Employee Training Plan:** The Director must develop a Plan for Employee Training that includes cross training for a fully integrated Billing and Collections Office.
- 4. Implement a Staffing Policy:** The Director must have a Staffing Policy that manages staff attendance to ensure customer service delivery.
- 5. RFP Process for all Delinquent Collections Services:** We recommend the City issue a comprehensive RFP for a “One Stop Shop” for all delinquent Collections services by November 15TH.

Note: Per the Comp Board, the Treasurer can keep 2 positions. Our plan assumes the other 2 positions join the Collector Office.

Transition Plan Executive Summary

- 6. Start the Real Estate Tax Sale process and cancel the Propel contract.**
Send the data file to Sands Anderson and kick start the Real Estate Tax Sale process. Per the Propel contract: *“The Treasurer agrees to repay all principal amounts unpaid to Propel by the Taxpayer..”*
- 7. Pursue Delinquent Utility Billing Collections:** The City lacks a process for collecting delinquent accounts. AS400 data shows an average monthly ~\$200,000 uncollected utility revenue. The FY2016 CAFR reports \$1.5M in Utility Accounts Receivable. The City must understand this difference.
- 8. Implement the Comprehensive Recommendations from the Severn Trent Report:** The Director should implement the recommendations to reforming the Utility Billing office based on the Severn Trent Report.
- 9. RFP Process for all Banking Services.** Currently, SunTrust provides all banking services for the City. This service should be competed and fees negotiated to ensure the best service to the City.
- 10. RFP Process for Security Services.** Security system similar to a bank and approved by the Police Department, security personnel onsite.

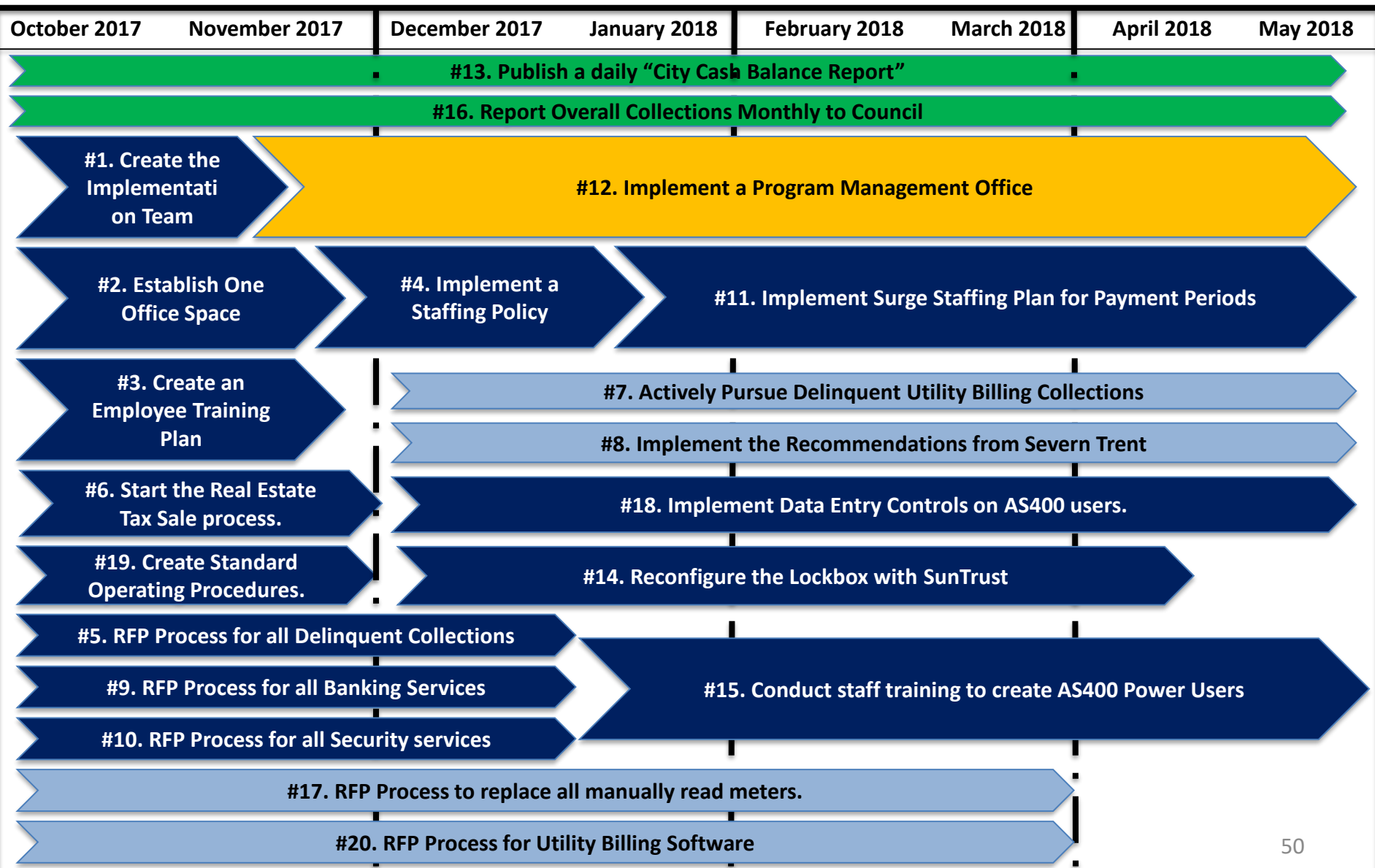
Transition Plan Executive Summary

- 11. Implement a Surge Staffing Plan for Peak Payment Periods:** Staff must create a “Surge Staffing Plan” during Peak Payment Periods (e.g., March and June due dates).
- 12. Implement Program Management Office (PMO)** to manage the entire transition, including a jointly staffed PMO including the Meters Supervisor and the Collector.
- 13. Publish a daily “City Cash Balance Report”** and the City Collector and Finance Director should review it daily.
- 14. Reconfigure the SunTrust Lockbox** to reduce errors and manual processes associated today with online bill payment.
- 15. Conduct training for all staff (6 Staff and 1 Director) to access data in AS400, write queries and make everyone a “Power User.”**

Transition Plan Executive Summary

16. **Report on overall collections monthly to Council** including Payments to the City, Collections Remitted, Utility Billings & Collections, delinquent account reporting (what was sent to vendor and what was collected).
17. **RFP Process to replace all manually read meters and all commercial meters.** Manage through the Joint Meters & Billing PMO.
18. **Implement Controls on ALL Staff users of AS400.**
19. **Develop Business Process Documentation that includes financial policies and Standard Operating Procedures (SOP's).**
20. **RFP Process for Utility Billing Software** that includes at a minimum:
Ability to run a Run a 90 Day Delinquent Report, Run a Cut Off Report, and view entire customer history – all with 1 Click of a Button

Transition Project Plan: 4 Stages



RBG Approach

Framework for the Redesign of
Billing & Collections

RBG Framework for the Redesign

It is critical that for each area Policies, Practices & Procedures are well defined

RBG's Transition Plan for the redesigned office for City Collections is based on 6 key areas:

Customer Service Delivery

Service Delivery: focus on how staff serve customers and stakeholders

Business Processes

Business Processes: focus on how staff and customers manage the money

Technology

Technology: focus on the underlying systems that support the business

Data & Reporting

Data & Reporting: focus on data in/out of the systems, and reporting

Controls & Governance

Controls & Governance: focus on ensuring financial integrity and compliance

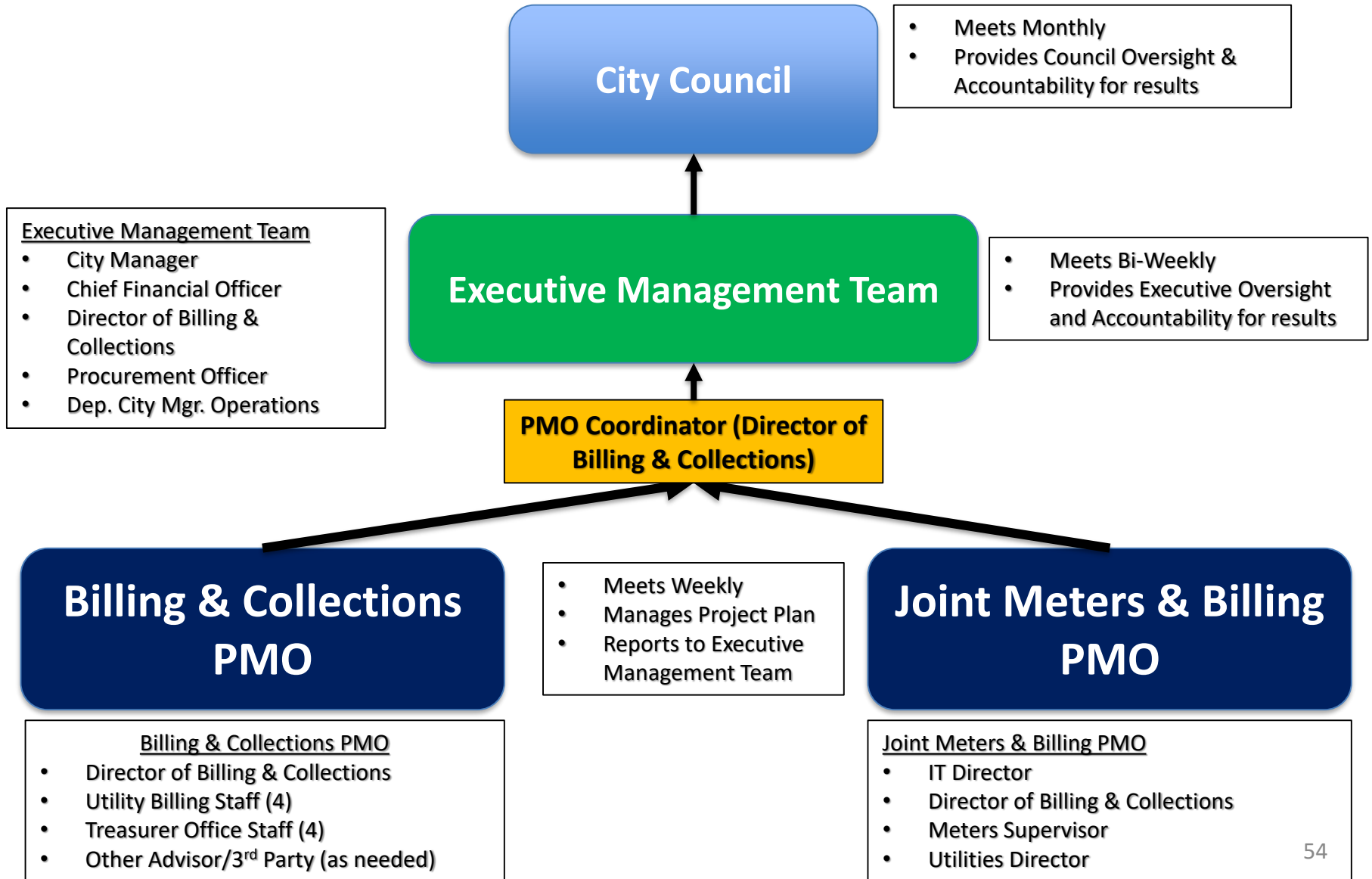
Staffing & Training

Staffing: focus on People, their roles and skill sets

Create an Implementation Team

- Create an **Implementation Team** and **Act With Urgency**
- The Implementation Team includes the **Director of Billing & Collections, City Manager, the Chief Financial Officer, the Procurement Officer**, and other critical resources (e.g., 3rd parties).
- The scope of revenues is \$100+ Million from all City funds. This is a “Start Up” business enterprise where URGENCY is a Top Priority. The new City Collector Office can potentially result in a significant increase in revenues.
- **THERE IS A HIGH RISK OF IMPLEMENTATION FAILURE**

Structure for Management Oversight



Structure for Executive Management

- **Executive Management Team:**
 1. Provides high-level oversight, direction, and support
 2. Ensures the PMO executes on the Transition Plan
 3. Provide resources as needed
- **Attendees**
 1. City Manager
 2. Chief Financial Officer
 3. Director of Billing & Collections
 4. Procurement Officer
 5. Dep. City Mgr. Operations
- **Meets Bi-Weekly**

Structure for Billing & Collections PMO

- **Billing & Collections PMO:**
 1. Manage Project Plan for Transition
 2. Manage Reporting to Executive Management Team
 3. Manage Risk to Implementation

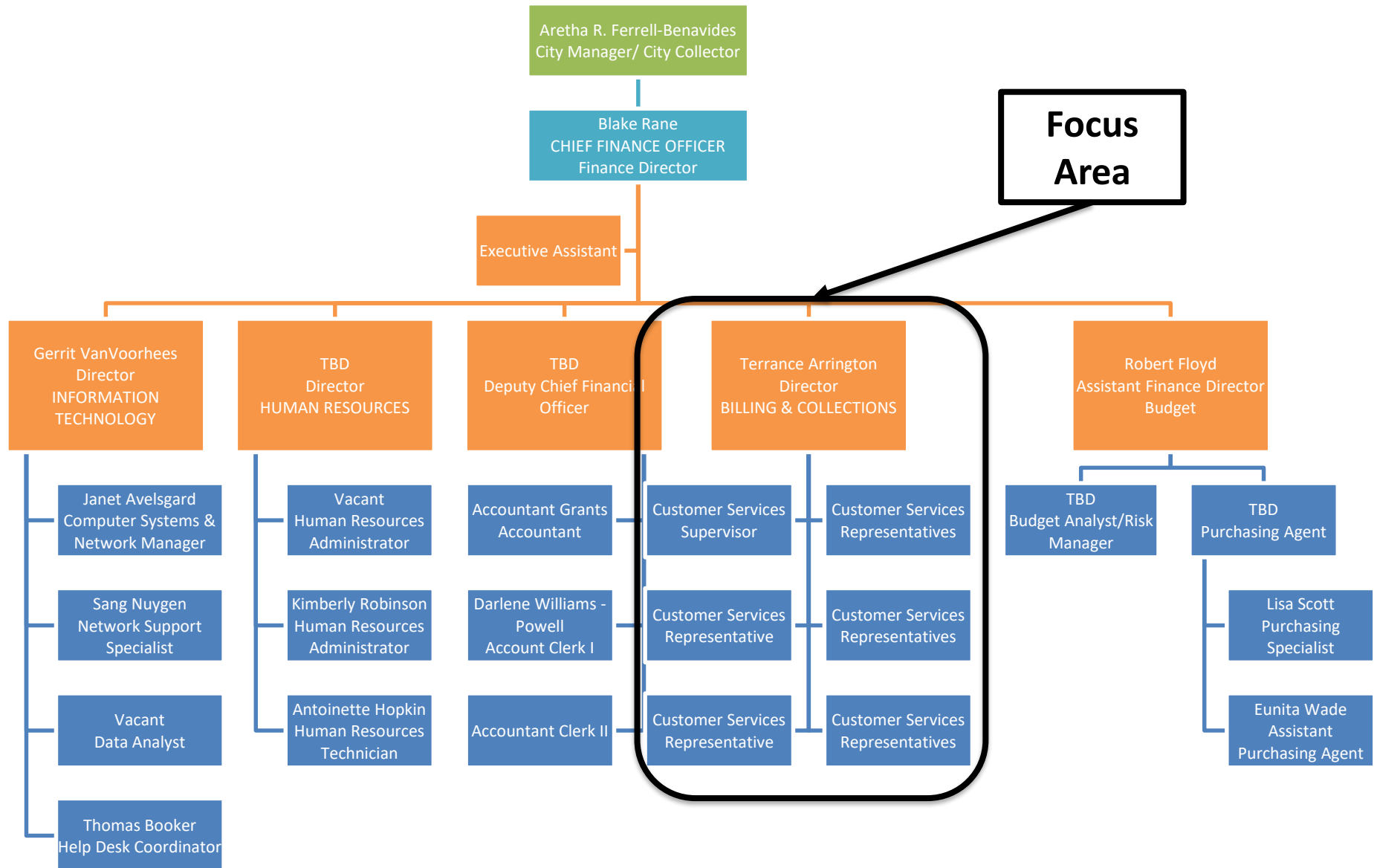
- **Attendees**
 1. Director of Billing & Collections
 2. Utility Billing Staff (4)
 3. Collector Office Staff (4)
 4. Other Advisor/3rd Party (as needed)

- **Meets Weekly**

Structure for Joint Meters & Billing PMO

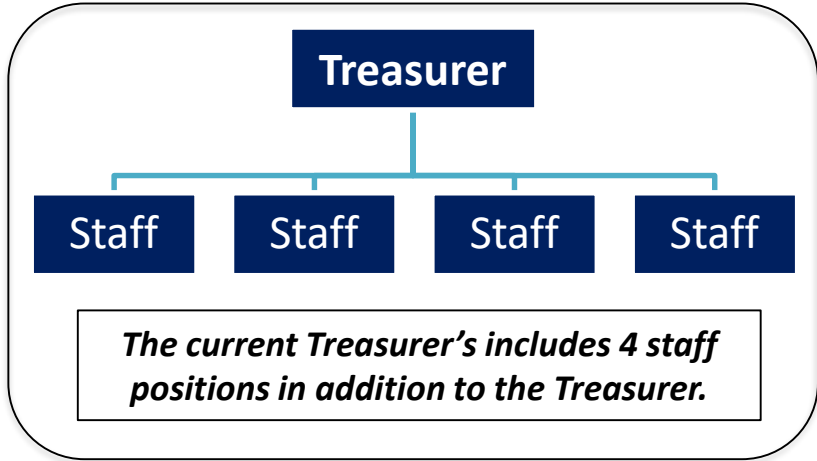
- **Joint Meters & Billing PMO:**
 1. Manage Project Plan
 2. Reports to Executive Management Team
 3. Manage Risk to Implementation
- **Attendees**
 1. IT Director
 2. Director of Billing & Collections
 3. Meters Supervisor
 4. Utilities Director
- **Meets Weekly**

Finance Org Chart with Collector Office



Budget Planning – Treasurer

Current Treasurer Org Chart (Before Transition)

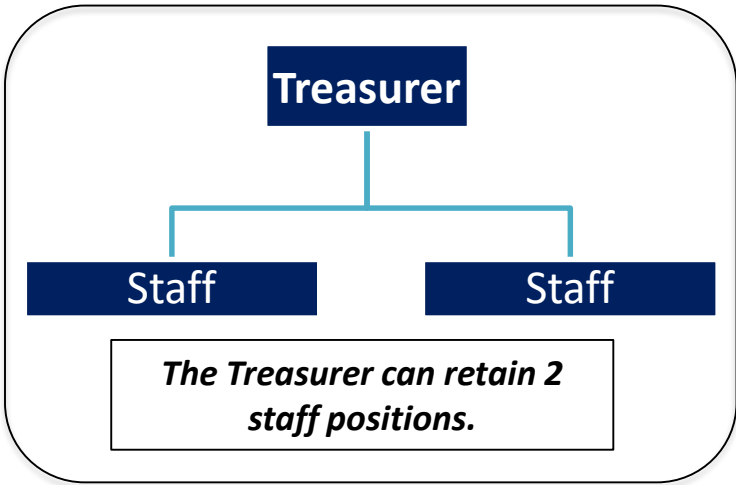


Current State	FY 2018 Budget	FY18 Reimbursable by Comp Board	City Responsibility
Full Time Salaries (5 positions)	211,432	106,929.04	104,502.96
FICA	16,175	8,180.07	7,994.93
V.R.S.	25,393	2,277.59	23,115.41
Hospitalization/Medical Plans	36,789		36,789.00
Group Insurance	2,770	299.40	2,470.60
Legal Fees - Delinquent Real Estate	2,500		2,500
Credit Card Fees	720		720
Other Contractual Services	161,096		161,096
Contractual Services-Adm Fees	68,464		68,464
Advertising	2,400		2,400
Travel	500		500
Office Supplies	25,000		25,000
Comp Board Cost Recoveries		(2,056.38)	
Total	553,239	115,629.72	435,552.90

Original Treasurer Budget included \$435,552.90

Budget Planning – Treasurer

Treasurer Org Chart (After Transition)



Note: City Administration needs to present to Council a Budget Amendment that defines the budget of the new Collector office based on the reorganization. Finance needs to work with the Comp Board to understand the compensation changes.

Start October 1 City Collector		FY 2018 Budget Revised to Reflect CB Min	FY18 Reimbursable by Comp Board (Oct. 1)	City Responsibility
City Treasurer	Full Time Salaries (3 positions)	122,592	99,023	23,569
	FICA	9,378	7,575	1,803
	V.R.S.	14,723	2,109	12,614
	Hospitalization/Medical Plans	22,073		22,073
	Group Insurance	1,606	277	1,329
	Legal Fees - Delinquent Real Estate			
	Credit Card Fees			
	Other Contractual Services			
	Contractual Services-Adm Fees	68,464		68,464
	Advertising			
	Travel			
	Office Supplies	5,000		5,000
	Comp Board Cost Recoveries			(2,056)
	Total	243,837	106,928	134,853

The Treasurer's Budget reduces to \$134,853

Budget Planning – New Collector

Start October 1 City Collector	Budget Item	FY 2018 Budget Revised to Reflect CB Min	FY18 Reimbursable by Comp Board (Oct. 1)	City Responsibility
City Collector	Full Time Salaries (3 Positions)			106,581
	Part-Time			12,518
	FICA			9,111
	V.R.S.			12,800
	Hospitalization/Medical Plans			22,073
	Group Insurance			1,396
	Legal Fees - Delinquent Real Estate			5,000
	Credit Card Fees			720
	Other Contractual Services			195,000
	Advertising			4,000
	Travel			500
	Office Supplies			25,000
	Comp Board Cost Recoveries			
	Total			-
	\$16K moved from \$110K to Pay for Council Directed Salary Increases			16,000
	Total City Spend (has to be below F17 to stay in Balance)			545,553

Utility Billing Staff (4) are funded from the Enterprise Fund. *Note: A portion of the Director salary may need to come from this fund.*

A net new 1 person is included in this office and staff will need to monitor the City-wide budget to ensure that all positions have a source of funding.

There is \$394,700 currently available in the City Collector budget to offset the costs of the Transition.

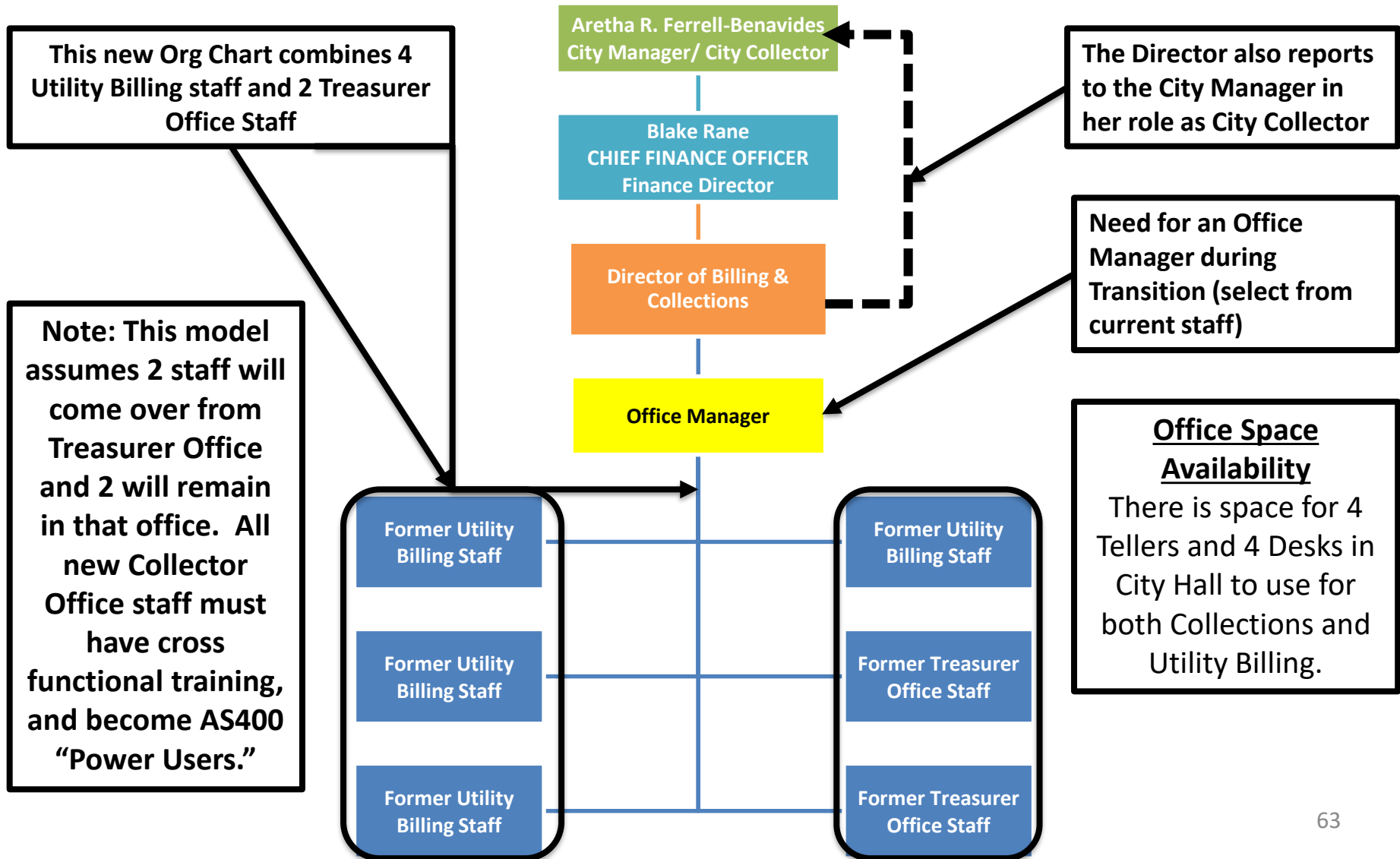
The Budgets for the Treasurer’s Office and the new Collector’s Office should be sufficient to support the Transition.

Note: In the event of other staff changes, the assumed staff budget will change.

One Space for Billing & Collections

- **Centralize all 6 staff and Director in City Hall**
- This includes 4 Utility Billing staff, 2 Treasurer Office staff and the Director (total 7 FTEs).
- Elected Treasurer retains 2 staff positions
- There are 4 cashier terminals available for payments with connectivity to AS400.
- By centralizing all Billing & Collections operations, customers and staff can solve billing related questions and make payments without moving between different buildings.

Recommended Structure for a Consolidated Office of The City Collector



What Will the New Office Look Like?

- The new Billing and Collections Office will combine **4 staff** from Utility Billing with **2 staff** from the Treasurer's Office. **Total 6 staff including 1 director.**
- The scope of work for the new office will combine:
 1. **Treasurer cashier activities** for all revenues and taxes
 2. **Treasurer collection activities** for all revenues and taxes
 3. **Utility Billing activities** for all accounts (residential and commercial)
 4. **Utility Collections activities** for all accounts (residential and commercial)

Need for Cross Training for Staff

- **The Director must develop a Plan for Employee Training** that includes cross training for a fully integrated Billing and Collections Office
- **It is Critical for the Director** to cross train all staff across all Billing and Treasurer's functions
 - Cashiering, AS400 data entry, Lockbox
 - Utility Bills, 90 Day Delinquencies, Cut Offs
 - Customer Engagement

CAUTION: A realistic Training Plan that includes BAI resources is critical to accomplish this Action Item.

Need for Staffing Policy

1. We identified a need for a Staffing Policy that ensures **office “power users” are present** in the office during business hours, or back filled with advance notice
2. “Power users” refer to key staff in Utility Billing and the Treasurer’s Office who can pull data from AS400, query customer accounts and manage data updates in the system
3. Staffing and Attendance are within the domain of the Human Resources department so RBG will defer to HR to provide this policy

Critical 3rd Party Services – One RFP

We recommend the City issue one comprehensive RFP for a “One Stop Shop” for all Collections services

Guiding Principles for RFP Development

1. Strong recommendation to re-compete the current contracts for performance based contracts
2. Robust emphasis on data reporting
3. Analytics
4. Key Performance Indicators (KPI's)
5. Technology driven

The RFP should include EVERY area in which revenues are earned by the City including (e.g., Meals Tax, Business Taxes, Business Licenses, Hotel Occupancy Taxes, etc.)

Critical 3rd Party Services - Treasurer

Send the Data File to Sands Anderson to start the Real Estate Tax Sale process. Cancel the Propel contract immediately. *Per the Propel contract: “The Treasurer agrees to repay all principal amounts unpaid to Propel by the Taxpayer..”*

1. **TACS:** signed December 2015, TACS provides collections services on delinquent accounts; gets paid 20% of any collections made to the City (TACS gets paid at collections)
2. **Propel:** signed December 2015, Propel provides loans (up to 14% interest) to delinquent taxpayers. **Note: per their contract with the Treasurer, the City must repay any delinquent loans IN FULL to Propel so Propel is not at risk and also not incentivized to seek repayment**
3. **Sands Anderson:** conducts real estate auctions after the appropriate legal waiting period based on a data file sent from. **Action: send the data file to Sands Anderson to start the tax sale process for accounts past the normal TACS collections process.**

The City should issue an RFP for any critical 3rd party services By November 15th

Critical 3rd Party Services - Treasurer

- These contracts were signed without competition and we strongly recommend they are re-competed.
- The same firms may offer a better arrangement with a more rigorous procurement process and that includes Sands Anderson.
- Finally, managing one comprehensive vendor when possible is better than coordination with several.

Critical 3rd Party Services – Utility

- **Actively Pursue Delinquent Utility Billing Collections: The City does not currently have a process for collecting delinquent Utility accounts.**
- Utility Billing AS400 data shows on average monthly ~\$200,000 in uncollected utility revenue owed by customers.
- The FY2016 CAFR reports \$1.5M in Utility Accounts Receivable. The City must understand this difference.
- **Include within scope of comprehensive RFP for Collections**

The City should issue an RFP for any critical 3rd party services by November 15th

~\$200,000 in Uncollected Utility Bills

Monthly Average of ~\$200,000 Delinquent Utility Bills

June 2017

- 0 delinquent statements
- 27 “cut offs”
- 25 “turn ons”
- **\$22,223.02 received**

August 2017 (16%)

- 369 delinquent statements
- 157 “cut offs”
- 38 “turn ons”
- **\$47,354.65 received**

July 2017 (10%)

- 250 delinquent statements
- 50 “cut offs”
- 23 “turn ons”
- **\$28,694.55 received**
- 501 Fund (Utility Fund)

**Total Delinquent
Due in August 2017:
\$297,089.23**

Critical 3rd Party Services – Utility

- **Key Recommendation: The Director should implement the recommendations to reforming the Utility Billing office based on the Severn Trent Report.**
- RBG presented its Action Plan for implementing the Severn Trent report recommendations to Council during its July 31, 2017 presentation. Contained on pages 32-43, we presented a comprehensive set of actions to address each of the report's recommendations.
- The key areas of focus include ensuring each staff member is a “power user” of AS400 (e.g., can run multiple types of data queries and respond to customers), business processes for billing, delinquent accounts, cut offs and technologies for simplifying manual spreadsheet work.

The City should issue an RFP for any critical 3rd party services by November 15th

Source: Utility Billing Deep Dive conducted with Janell Sinclair on 9/7/17

Critical 3rd Party Services – Banking

- **Key Recommendation: Issue RFP for all Banking Services. Currently, SunTrust is the City's banker and responsible for the Lockbox which was poorly implemented (i.e., data configuration does not account for customer only bill payment)**
- SunTrust is the current credit card processor. The RFP should include in its scope a renegotiation of each merchant credit card (e.g., Mastercard, Visa, American Express, Discover) and recommend which credit cards are best for the taxpayer.
- Areas to explore: can residents pay at any SunTrust branch in the metro area? Can payment kiosks be placed in the Transit station, Walmart or other areas of major foot traffic?

Critical 3rd Party Services – Security

- **Key Recommendation: Issue RFP for comprehensive suite of security services that includes:**
 - Armed transportation for daily cash deposits (currently done by City staff)
 - Camera system similar to a bank
 - Security personnel onsite at the City Collector’s Office (especially during peak payment periods)
- **The security system should be reviewed and approved by the Petersburg Police Department.**

Today Staff Make Bank Deposits

Recommendation: Contract a security service (e.g., Dunbar) to deposit cash

- Treasurer staff personally drive locked bags of daily cash deposits SunTrust Bank in Colonial Heights
- Brinks Service was cancelled in March 2016
- **The Daily Process:**
 1. Transit delivers daily revenues
 2. Staff prepares previous day's cash
 3. staff take cash in locked bags to the City's corporate account in Sun Trust located in Colonial Heights
 4. SunTrust counts, processes and deposits

Service Delivery

Customer Service Delivery

Create a Surge Staffing Plan

Key Recommendation: Staff must create a “Surge Staffing Plan” during Peak Payment Periods (e.g., March and June due dates)

Customers can pay using the following payment methods:

- Cash, Check, Credit Cards, Lockbox
 - SunTrust is the credit card processor
 - PayPal is an option
- ***Note: Problem of incorrect E-check; no system of kicking back wrong routing numbers***
- Per staff, many customers pay in person by money order (if do not have bank accounts), or they want paper receipts
- **March Payment Crunch: in March first half of Personal Property (end of Feb & June 10th) & Real Estate (Real Estate Quarterly: Sept/Dec/Mar/June) & Water Bills Every Month**
- **Decals for Cars: get by June 10th (2nd payment for Personal Property); most will pay 8th, 9th, 10th**

Customer Payment Schedules

Customer Payment Methods

Create a Program Management Office

Key Recommendation: The Director should create a Program Management Office (PMO) to centralize and manage the entire suite of services offered.

- Utilize PMO software such Microsoft Project Server or Clarizen
- Utilize structured project plans that includes specific start dates and end dates, assigns specific owners
- Manage all work, staffing, payment, billing, collections schedules through this single system.
- Hold Staff Accountable for their Work

Business Processes

Business Processes

Daily Cash Processes

Key Recommendation: Staff should create a daily “City Cash Balance Report” and the City Collector and Finance Director should review it daily

- The report should include accruals, daily counts, reporting, methodologies, cash security policies
- **Implement the following control: Monitor and Report on employee data entry for any modifications to AS400 data (e.g., recording and updating cash payments)**
- **Background:**
 - SunTrust in Petersburg cannot take corporate accounts; need to go to Colonial Heights branch
 - SunTrust selected by RFP process (they were only bid)
 - **Average City Balance varies daily: \$5,000 to \$35,000**
 - **Average Daily Balance for Transit: ~\$1,100 (mostly coins); has Locked Bag #**

Reconfigure the Lockbox with SunTrust

The Lockbox Implementation did not integrate Online Bill Payment

- **Lockbox:**

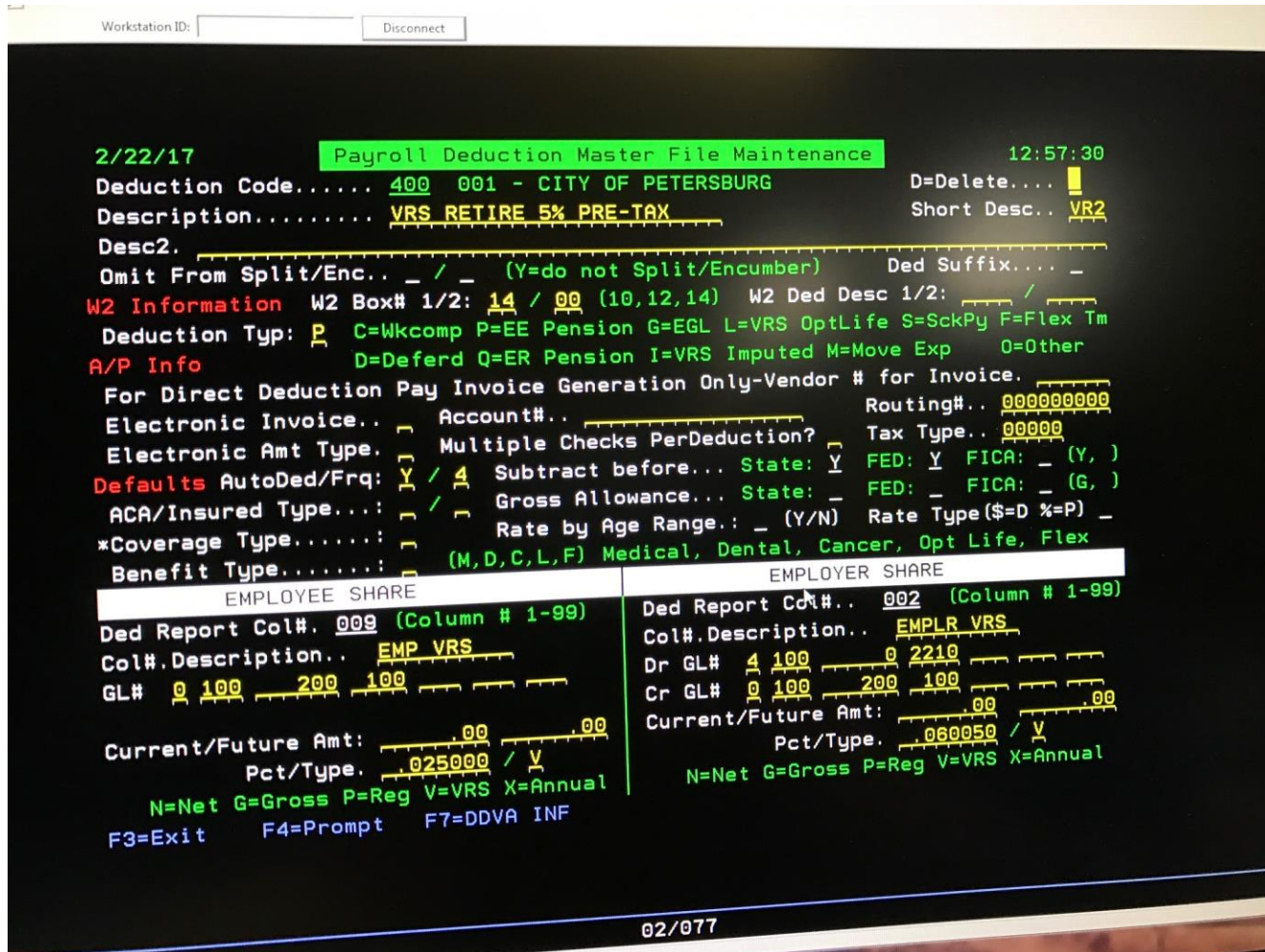
- Implementation was rushed and did not include data integration for customer online bill pay (Lockbox consists of a scanner designed for preset bill forms, e.g., customer account number in a fixed location)
- Online bill pay systems mail checks to Lockbox, which get sent to exclusion file, and must be posted manually
- Lockbox only works with bar codes (for Water Bill; on bottom left) and account numbers (for real estate and personal property)
- **Recommendation: Reconfigure the Lockbox with SunTrust to incorporate Customer online bill pay from any bank**

Technology

Technology

Only a few staff can access AS400 data

Screenshot of Payroll Module (Utility Billing screenshot unavailable)



Make All Staff AS400 Power Users

There are 2-3 Power Users of AS400 in the new office with 9 staff

- Immediately conduct training for all staff (6 Staff and 1 Director) to access data in AS400, write queries and view customer accounts
- **Make all 6 staff and the new Director a “Power User” so each employee can:**
 1. **field customer inquiries regarding Utility Billing and accounts**
 2. **manage data entry for payments directly into AS400**
 3. **manage updates based on collections remittances**

Data & Reporting

Data & Reporting

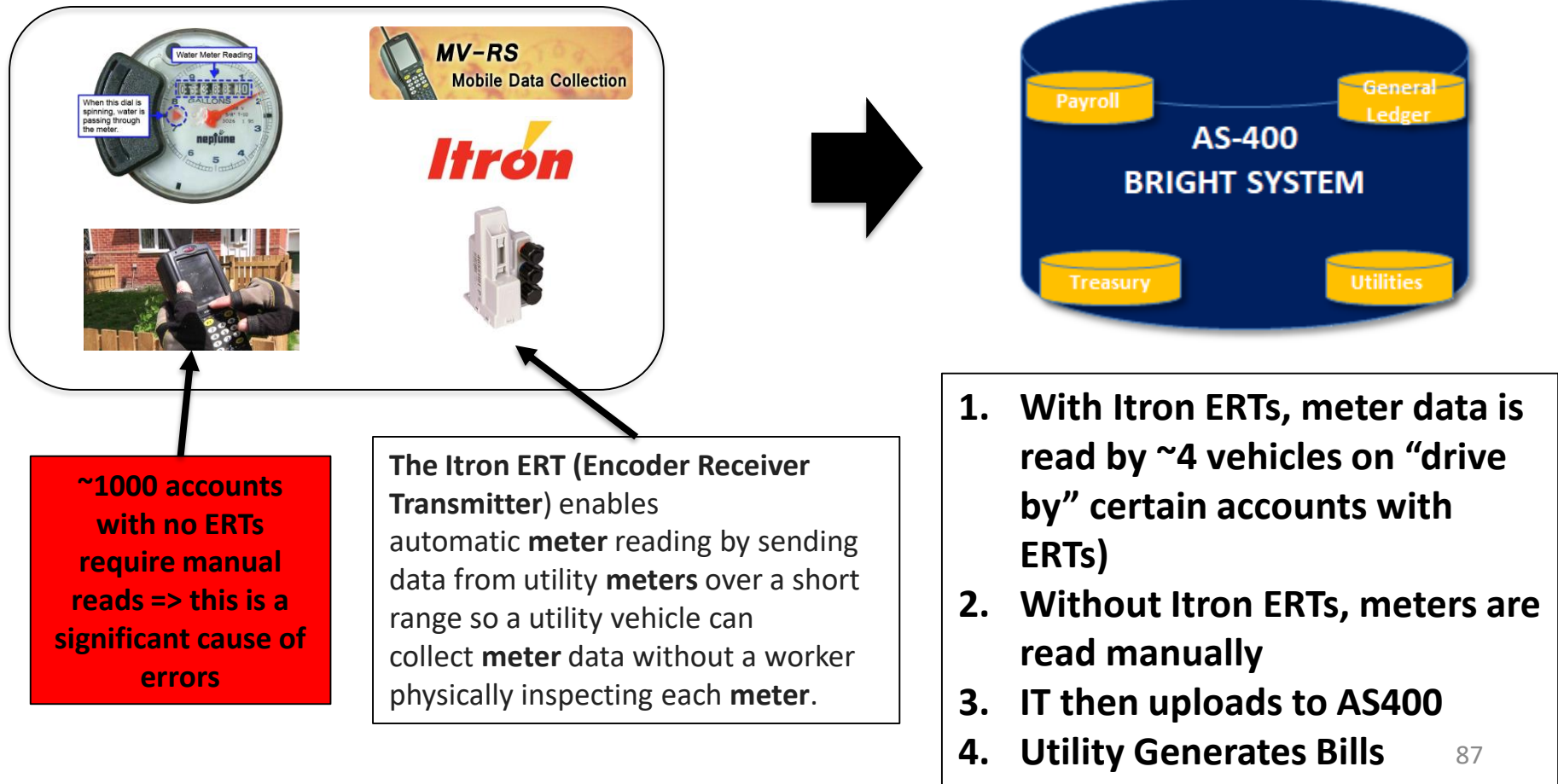
Report to Council Monthly

Key Recommendation: Report Billing and Collections Activities, Improvements and Revenues Monthly

- The new Billing and Collections Office is a \$100+ million “start up business” and the City has a significant opportunity to increase revenues
- Council should monitor progress of this Office through monthly reporting
- **Monthly reporting should include:**
 1. Utility Billings Generated
 2. Utility Revenue Earned
 3. Taxes Paid
 4. Collections Remitted to City
 5. Payments made to 3rd parties (Banking, Security, Collection Agencies)
 6. Utility Billing Process Improvements

Issue an RFP to replace all manually read meters and all commercial meters

This Project reports to the Joint Meters & Billing PMO (*see PMO Structure*)



Controls & Governance

Controls & Governance

Monitor & Report on all Data Changes

Key Recommendation: Implement Controls on ALL Staff users of AS400.

Control Needed to monitor unauthorized changes to customer accounts

- The Director should ensure all staff understand policies and procedures for ensuring customer data and information security

No Documented Controls for Data Entry or Data Changes were observed

- This will help ensure financial data is accurate and compliance with federal and state regulations

CAUTION: We have a strong concern with someone who would have access and training to both billing and collections. The Forensic Audit documented fraudulent behavior by the Treasurer who had access to petty cash and AS400 data entry. THIS REQUIRES A VERY STRICT CONTROL.

Implement Detailed Policies & Procedures

Each of the 6 Areas should have detailed Policies and Standard Operating Procedures

- **Key Recommendation: Create and issue each current any new employee a binder of Standard Operating Procedures (SOP's).**
- **Employee Training**
 - There is training (2 days) by Treasurer's Association of Virginia
 - Only Collectors have gone to the Training
- **Standard Operating Procedures**
 - Write Standard Operating Procedures (SOP's) for each of the 6 areas in the framework
 - Any new employee should enter the Office and receive a binder of documentation

Staffing

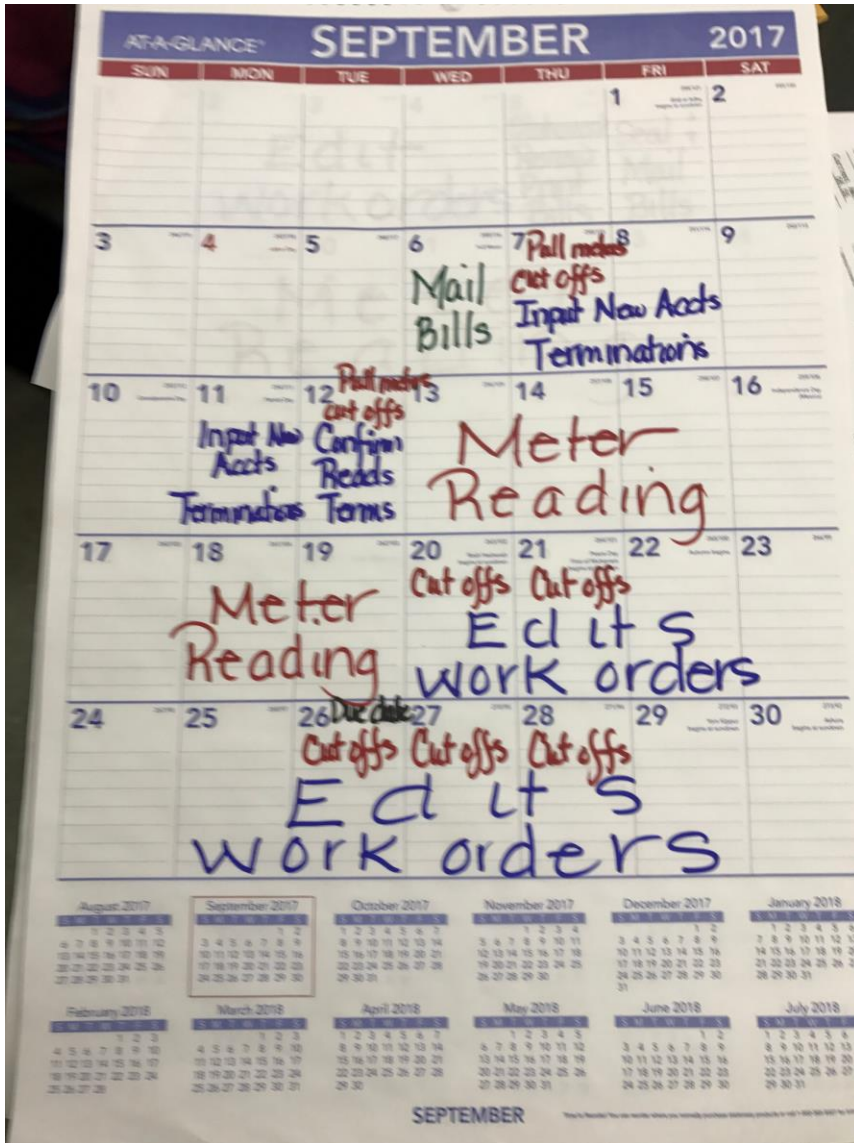
Staffing

Remove Manual Processes used by Staff

People, Process, Technology

1. The new Office will have a combined staff of 6 employees (4 from Utility and 2 from the previous Treasurer's Office) and 1 Director
2. The team will be cross functional: to manage tasks in either Utility or Treasurer's Office
3. All staff will become "Power Users" of AS400
4. All staff will follow strict controls for data entry
5. By combining Utility Billing and overall Payment and Collection operations, the City will realize greater process efficiency and revenues

Utility Billing – Manual Business Processes



1. The monthly billing and meter reading schedule is paper based and manual
2. Actual dates to mail bills, conduct meter readings and edit work orders vary month to month
3. Cut off reports are developed manually using spreadsheets downloaded from AS400

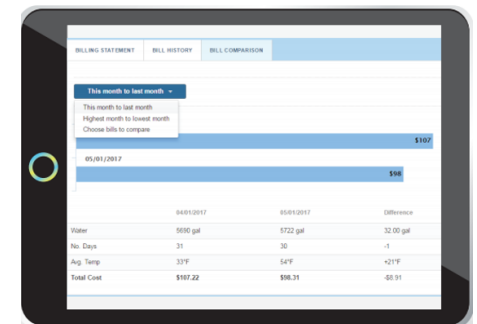
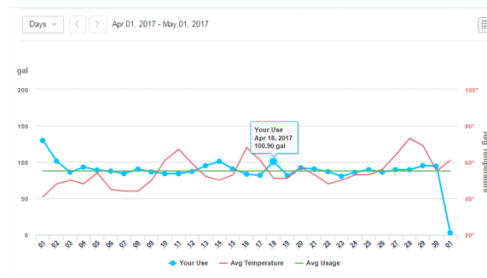
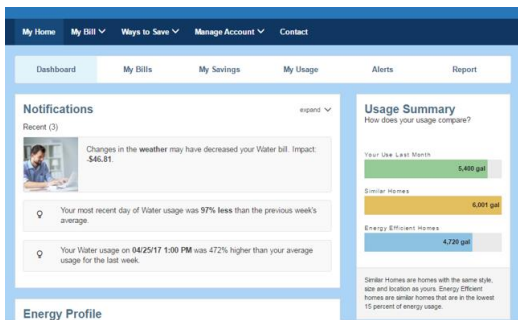
Urgent Need for Utility Technology

According to Severn Trent's Final Report to the City:

1. **Reports out of the system are not adequate to provide management with a complete overview. They provide limited customer information by transaction.** For example:
 - a. *The detailed general ledger transaction report list does not contain any unique customer information. If there is a large adjustment in error, you can only see the source, date of transaction and amount.*
2. **Access to specific reports are not properly identified to provide the proper oversight.**
3. **All employees do not have access to canned reports within their scope of work built in the system. The current setup requires staff to requests reports from IT personnel on a regular basis just to perform daily tasks. The staff does not appear to be equipped with the necessary tools to perform their daily jobs because of programming and setup limitations of the billing system.**

Issue an RFP for Utility Billing Software

- Both Utility Billing staff and customers need easier and faster data visibility to:
 1. Run a 90 Day Delinquent Report with 1 Click of a Button
 2. Run a Cut Off Report with 1 Click of a Button
 3. View Entire Client History with 1 Click of a Button



The City should issue an RFP for any critical 3rd party services by November 15th

RBG Accomplishments

Summary of RBG
Accomplishments

RBG Accomplishments

- 1. Balanced the FY17 Budget for the first time since 2009**
- 2. Restored the 10% Pay Cut in FY17**
- 3. DSS State Reimbursement**
 - a. RBG requested and received \$625,000 back to the City's Department of Social Services.
- 4. Settled SCWA Lawsuit**
 - a. \$1.3M settlement with South Central Wastewater Authority
- 5. Positioned the City to secure \$6.5 Revenue Anticipation Note (RAN)**
- 6. Ensured City Payroll in November – December 2016**
- 7. Council approved reducing the rehab tax credit from 10 years to 5 years.**

RBG Accomplishments

- 8. Sold 70+ Surplus Physical Assets for Auction (e.g., unused police and fire vehicles)**
- 9. Conducted Real Estate Showcase to streamline sale of eligible city owned real estate properties**
- 10. Completed a nationwide Executive Search to find permanent City Manager, Director of Finance, Police Chief, Fire Chief**
- 11. Forensic Audit completed report due by end September 2017 (RFP received 6 proposals from nationwide)**
- 12. Implemented OpenGov to build the FY18 Budget, and establish monthly financial reporting**

RBG Accomplishments

13. Sold the Petersburg Generals baseball team for \$100K

14. Created Standing Committees to tackle key issues

- a. Public Safety
- b. Fiscal Policy
- c. Education

15. Implemented CityWorks for Utilities Department to track work orders, repairs, cost of repairs, staffing

16. All authorities were made whole by the end of June 2017.

VRS and SCWWA will be paid off December 2017 and FY 2019, respectively. The remaining two have been appropriated in the FY 18 budget.

RBG Accomplishments

- 17. \$8M for funding for parking garage. The City did not have to come up with a previously required \$3M match.**
- 18. DEQ Grant for Water Utility funding: DEQ waived \$200,000, and turned into zero interest grant. Balance of \$550K DEQ grant is a zero interest loan. We helped the City achieve another zero interest loan of \$2 Million.**
- 19. Resolved Impasse to Receive Future Fire Funds of \$280,000**
- 20. Utility Collections Rate improved from 70% to an average of 86%**

RBG Accomplishments

- 21. Landfill revenues increased by an additional \$30K**
- 22. Created a new Contract for Internal Audit Services with a nationally recognized firm CliftonLarsonAllen**
- 23. Utility Rate Increases have now put the City on sound footing for revenue stream to meet current needs**
- 24. Established a \$500K reserve for unforeseen utility repairs**
- 25. Successfully enabled funding for Public Safety Vehicles**

RBG Accomplishments

- 26. VDOT 2040 Transportation Plan initially had no projects for Petersburg. Two (2) projects are now included: VSU Gateway and Collier Yard Access.**
- 27. Reduced Employee head count within the City Manager's scope to enable a balanced FY18 Budget**
- 28. Avoided an extra \$300K in healthcare costs by implementing new health care plans in FY18**
- 29. Helped the City secure a 2017 – 2018 Revenue Anticipation Note (RAN) with a rate of 3% and 50% fees reduction**

Technology Framework for the City

Technology Framework for the City

The Problem With AS400

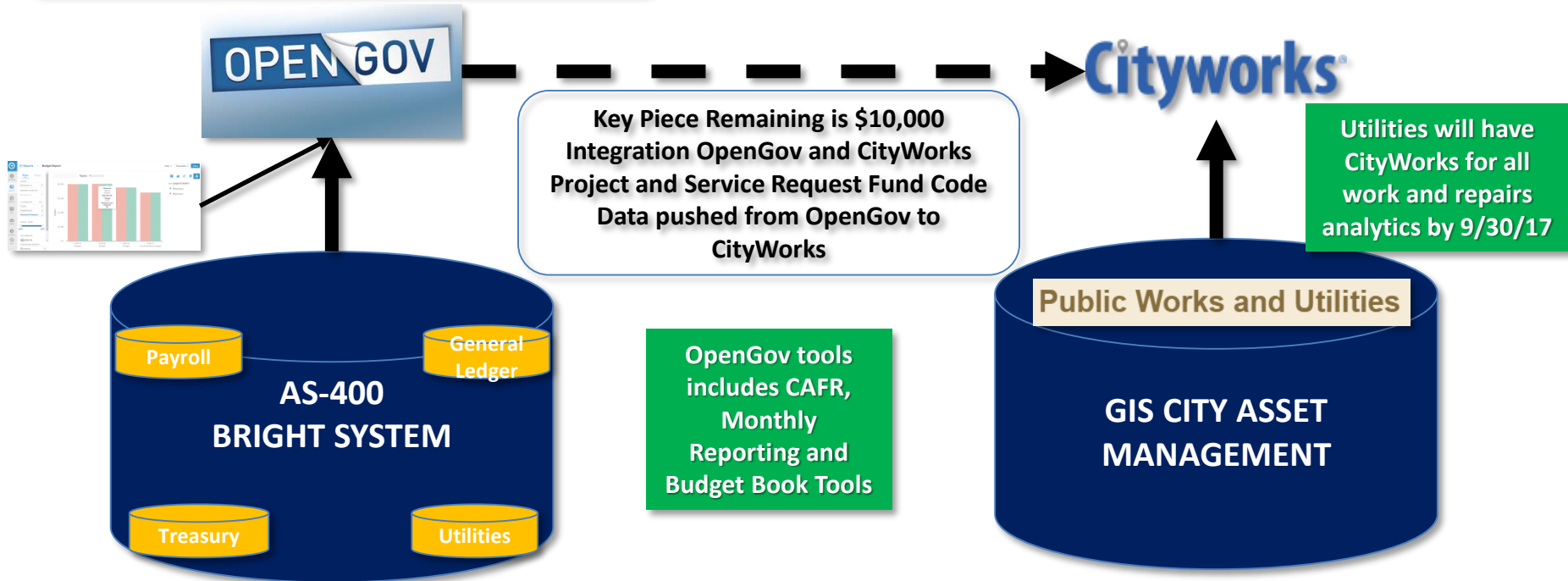
- **Tribal Knowledge:** only a few City staff are power users, and most of them will retire in 3 years.
- **Reporting:** data is extracted out of AS400 as a spreadsheet; analysis takes place in spreadsheets instead of software
- **End of Life System:** BAI experts are retiring and the community of users gets smaller annually

The City will eventually need to replace AS400 soon. This document defines a target state architecture for City technology and a plan to get there.

What the Technology Architecture Looks Like Today

OpenGov provides financial data reporting based on AS-400 Chart of Accounts. The City built its FY18 Budget in OpenGov. City will automate integration between AS-400 and OpenGov by 9/30/17.

Cityworks manages repairs, cost of repairs and staff work assignments and utilizes the City's GIS investment built by Timmons. 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.

What is the Leading Practice?

Leading Practice for State and Local Governments Today is:

1. Moving business applications for General Ledger, Payroll, Treasury, Utilities and other critical applications to a **cloud based architecture**.

EXAMPLE:

NETFLIX

Netflix has a huge amount of data and hosts their entire streaming service on Amazon Web Services

2. Designing Technology Architecture with a customer service approach: **One Click of a Button**. Payments, reports, data queries. An Approach that prioritizes Simple, Fast, Easy.

EXAMPLE:

UBER

Uber mastered the concept of getting transportation with "One Click of a Button."

3. Customers should have greater smartphone access: either mobile friendly (you can easily view City websites) or app based (reading your Utility Bill at least, pay bills, view usage/consumption).

Target State: 21st Century Ecosystem

A New Technology Platform

The Need for a New Technology Ecosystem

Building a 21st Century Technology Ecosystem Will Improve Accountability

1. A return to past financial practices and management is a guaranteed road back to another fiscal crisis for the City. **RBG emphasizes the need for a paradigm shift towards data based accountability and decision making.**
2. Cities today are moving to **cloud based technologies that make customer engagement easier, that makes bill payment easier, and that makes transparency and reporting easier.**
3. RBG believes the technology focus for City leaders should be on building an “ecosystem:” **utilizing a cloud based architecture, in which Financial systems, the GIS system, and other department tools seamlessly share data, staff and customers can access data with “One Click of a Button,” and data reporting is fast and simple.**

Advantages to Moving to the Cloud

- 1. Agility:** Cloud systems make it easier to change business applications as business needs change. The City should not be held “hostage” to a single vendor and forced to pay escalating annual maintenance costs.
- 2. Security:** Cloud systems are on the hook to ensure the City’s data and applications are safe from loss of data 24x7x365.
- 3. Reliability:** Cloud systems can save data onto multiple servers. If a single server goes down due to a power outage or other issue, the data is available on another server.

Challenges to Moving to the Cloud

- 1. Adopting New Technologies**– Government agencies have ingrained cultures that are slow to change. This shift from locally-based servers to the cloud can be slow and tedious for this reason.
- 2. Technical Know How-** Cloud platforms require specialized knowledge to administer. Many government agencies lack the necessary experts to oversee a migration to the cloud.
- 3. Can Be Expensive:** Migration to the cloud can involve expensive initial costs for project planning and set up costs. Project funding should anticipate higher start up costs that then reduce during steady state operations.



Target State Architecture for the City

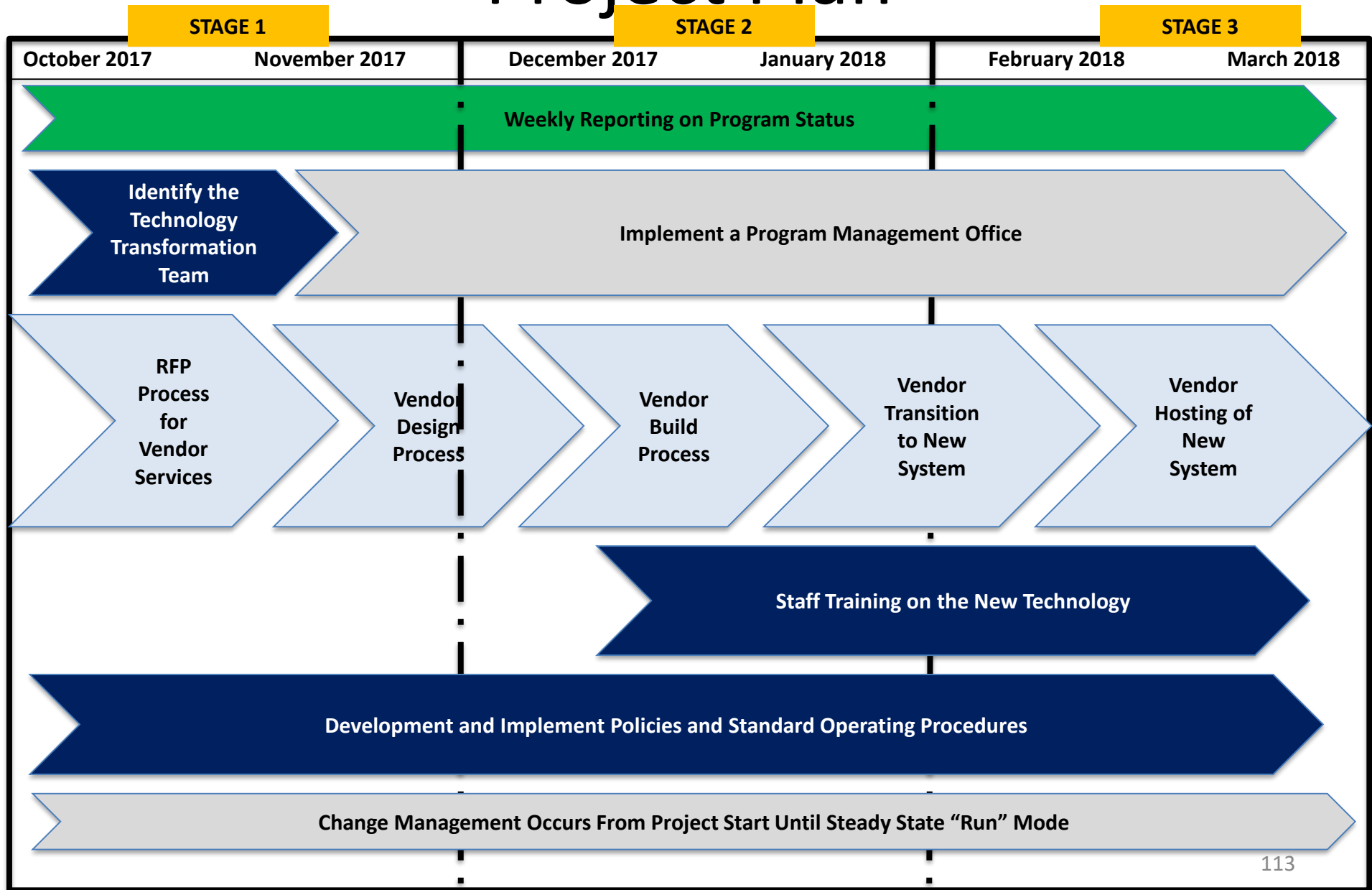
Cloud Based Infrastructure with SaaS based modules

- All of the City's Data Should be easy to work with.
- Target State Technology Architecture is a cloud-based platform that aggregates data from the City's two primary databases (AS400 and GIS).
- The City should have intuitive applications that are easy to use and quick to implement.
- This will mean less reliance on IT resources, more customer satisfaction, service reliability, quality and operational efficiency

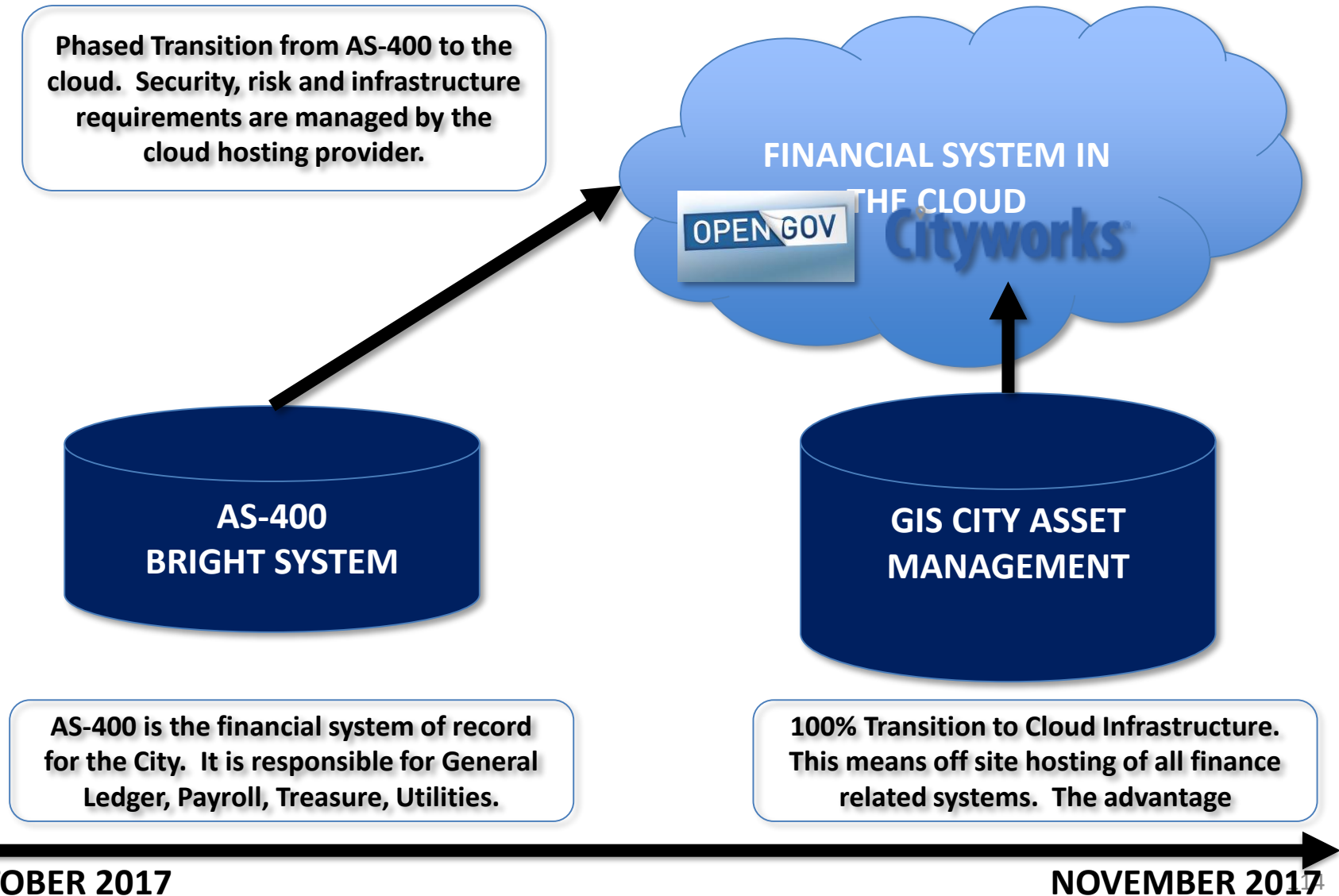
How To Realize This Vision: Project Plan

Project Plan

Project Plan



Technology Architecture – Target State



AS-400 Target State: Cloud Based Infrastructure with SaaS based modules

Assumptions: Each module in AS-400 can be migrated to a SaaS based system that can interface via API to the cloud based database.



AS-400 is the financial system of record for the City. It is responsible for General Ledger, Payroll, Treasure, Utilities.



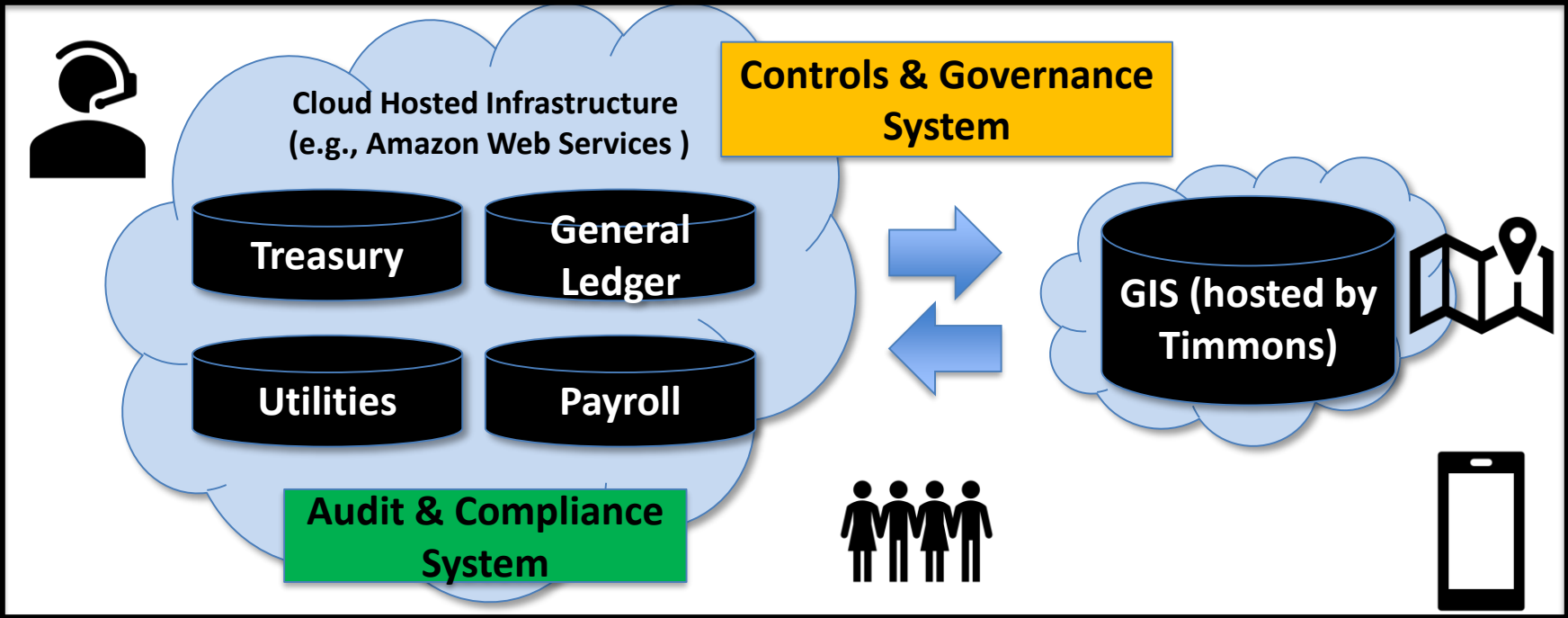
100% Transition to Cloud Infrastructure. This means off site hosting of all finance related systems.

Phased Transition from AS-400 to the cloud. Security, risk and infrastructure requirements are managed by the cloud hosting provider.

Flexible Architecture: “System of Systems”

Business & Customer User Access Layer: Dashboard for Reporting, Data Analytics Interface

Data Transformation Layer: Individual Application Data is extracted, transformed and loaded in this layer



Mobile Applications for Customers to Pay Bills, Analyze Utility Consumption, Create a Service Ticket

Target State: 21st Century Ecosystem

- The architecture to replace AS400 is a system of systems to avoid dependency on a single vendor. Single vendor would customize and then manage creating a similar AS400 situation years from now. The "system of systems" model is based in the cloud, has no critical dependency on a vendor, but would need a managed hosting service.
- Target State: system of systems plugged together using APIs, with a unifying data transformation layer that pulls from all the systems and allows Dashboard reporting.
- Advantage: as processes mature, as the business evolves, they can add or remove financial applications, GIS applications, Police/Fire applications
- The Dashboard Level is the Business User and the Customer Level. They can view data, slice and dice, run analytics, etc., but never interact with the "Production" Data level (the guts of the systems).

The new Technology Ecosystem will usher in a new age of transparency and accountability increasing access to all staff and customers.

Issue an RFP for a new System

- **Invest in Technology Infrastructure.** While the City's AS-400 (or BAI) system is functional, it is not user friendly and impedes the City's ability to analyze key functional areas like billing and collections.
- The City, once it stabilizes its staffing under the portfolio of the Chief Financial Officer, should pursue the use of a new financial system.
- However, in the interim, continued exploration of platforms such as OpenGov that can ease in the collection and dissemination of data from the mainframe system is necessary and should continue.

Opportunities for the City

Opportunities for the City

Future Opportunities for Immediate Focus

1. VSU Gateway
 2. Parking garage
 3. Dominion Ops Center
- Each is a multi-million opportunity where we are tapping grants or private contributions to do something important for the city.
 - Each one requires a driver that will push the project to completion.
 - **None require significant city tax dollars.**

Closing Statement

Closing Statement

What Needs to Happen Next

1. ACT With Urgency: Don't take the foot off the gas pedal, keep driving and building to a future state where City has a strong Fund Balance, sound financial policies and controls and sound billing and collections processes
2. ACT Because Failure is Not an Option: the residents, the City's Youth, the Region, the State...depend on you to sustain the improvements we have made
3. ACT so that Financial Operations Remain Stable:
 - Develop a Structurally Balanced Budget for FY 2019
 - Implement Standard Operating Procedures
 - Continue to maintain stable financial operations to maintain the City's Bond Rating

Petersburg has been alive for 300+ years and it will continue. Show the region and the state that the City, despite its high poverty, and the past financial troubles, it can grow and be a City on a Hill.

Transparency

- All RBG presentations are available on the City's website:
<http://www.petersburgva.gov/index.aspx?NID=846>
- 1. The following reports must be added to the City's website:
- 2. **Standard & Poor's July 2017 Credit Rating Report**
- 3. **City Collector Transition Plan**
- 4. **38 Point Action Plan for Remediating the Utility System**
- 5. **Severn Trent Final Report on Utility Billing**
- 6. **CAFR Audit Findings & Recommendations for Remediation**
- 7. **Forensic Audit Report and Findings:**
<http://www.petersburgva.gov/DocumentCenter/View/2882>
- 8. **Letter from VRA about non-compliance**
- 9. **Utility System Rate Study**

All of these Reports have been developed and handed over are included in the City of Petersburg's Data Room stored on Dropbox