Work Session Agenda
Staunton City Council
Caucus Room
December 12, 2019
5:00 p.m.

Invocation/Moment of Silence—Dull

5:00 p.m.	**1.**	**Consideration of Work Session and Regular Meeting Agendas**
5:05 p.m.	**2.**	**Discussion of the City's 2020 Legislative Program with Senator Emmett W. Hanger, Jr. and Delegate-Elect John Avoli**
5:35 p.m.	**3. & B**	**Discussion of a Request by Staunton-Augusta-Waynesboro Habitat for Humanity for the Waiver of Fees Related to the Construction of Three New Homes on Heydeneich Street and One New Home on West Johnson Street**
5:40 p.m.	**4.**	**FY 2019 Year End General Fund Financial Overview and Fund Analysis**
5:55 p.m.		**Break**
6:15 p.m.	**5. & D**	**Discussion of 2020 Virginia Trees for Clean Water Grant Application**
6:20 p.m.	**6. & E**	**Discussion of Afton Express Transit Service Commitment of Support**
6:30 p.m.	**7.**	**Closed Meeting for Consultation and Discussion with Legal Counsel Requiring the Provision of Legal Advice by Such Counsel Pertaining to: (i) Specific Land Use and Zoning Matters; (ii) Law Enforcement's Role and the Legal Risk Management in Matters Involving Possible Emergency Custody and Involuntary Temporary Detention; and (iii) Discussion or Consideration of**

the Possible Acquisition of Real Property(ies) or Interests in Real Property(ies) for Public Purposes as to Property in the City of Staunton for Use by the City for Operations, Where Discussion in an Open Meeting Would Adversely Affect the Bargaining Position or Negotiating Strategy

7:15 p.m. **Break**

Regular Meeting Agenda
Staunton City Council
Council Chambers
December 12, 2019
7:30 p.m.

Call to Order

Pledge of Allegiance

Mayor's Report

Proclamation—Augusta Garden Club Centennial

Additional Items by Members of Council

Approval of Minutes

Special Called Meeting of November 7, 2019

Work Session and Regular Meeting of November 14, 2019

REGULAR MEETING

A. Public Hearing and Consideration of a Request by Christ Evangelical Lutheran Church to Rezone 2807 N Augusta Street from R-2, Low Density Residential District to B-1, Local Business District Conditional

B. Consideration of a Request by Staunton-Augusta-Waynesboro Habitat for Humanity for the Waiver of Fees Related to the Construction of Three New Homes on Heydeneich Street and One New Home on West Johnson Street

C. Presentation by City Auditors on the FY 2019 Comprehensive Annual Financial Report

D. Consideration of 2020 Virginia Trees for Clean Water Grant Application

E. Consideration of Afton Express Transit Service Commitment of Support

F. Consideration of an Ordinance Amending Sections 3.15.010, Definitions; 3.15.020, Authorized; and 3.15.030, General Eligibility

Requirements, of Chapter 3.15, Real Estate Exemption for Elderly and Disabled Persons, of Title 3, Revenue and Finance, to Align with Changes to the Code of Virginia as Enacted by the General Assembly and to Make Clarifications

G. Consideration of an Ordinance Amending Section 3.17.010, General Eligibility Requirements, of Chapter 3.17, Real Estate Tax Exemption for U.S. Military Veterans, of Title 3, Revenue and Finance, to Align with Changes to the Code of Virginia as Enacted by the General Assembly

H. Consideration of an Ordinance Amending Section 6.05.010, Definitions, of Chapter 6.05, In General, of Title 6, Animals and Fowl, to Align with Changes to the Code of Virginia as Enacted by the General Assembly

I. Consideration of an Ordinance Amending Section 8.30.230, Penalty for Violation of Article, of Chapter 8.30, Solid Waste, of Title 8, Health and Safety, to Establish Civil Penalties for Repeated Violations Regarding the Failure to Remove or Properly Dispose of Trash, Garbage, Refuse, Rubbish, Litter and Other Like Substances

Matters from the City Manager

Matters from the Public

Adjournment

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**City Council**
Item #	**1**	
Ordinance #		
Department:	**City Council**	
Council Vision:	**Responsive, Efficient Government**	
Subject:	**Work Session and Regular Meeting Agendas**	

Background: Consistent with Procedural Memorandum No. 3, attached are draft meeting agendas for City Council's consideration and for approval as Council prefers.

Suggested Motion: I move to approve the Work Session agenda and the Regular Meeting agenda [as presented] [with the following changes: as to the Work Session, the addition/deletion of _____; as to the Regular Session, the addition/deletion of _____].

City Manager: Steven L. Rosenberg

Work Session Agenda
Staunton City Council
Caucus Room
December 12, 2019
5:00 p.m.

Invocation/Moment of Silence—Dull

5:00 p.m.	**1.**	**Consideration of Work Session and Regular Meeting Agendas**
5:05 p.m.	**2.**	**Discussion of the City's 2020 Legislative Program with Senator Emmett W. Hanger, Jr. and Delegate-Elect John Avoli**
5:35 p.m.	**3. & B**	**Discussion of a Request by Staunton-Augusta-Waynesboro Habitat for Humanity for the Waiver of Fees Related to the Construction of Three New Homes on Heydeneich Street and One New Home on West Johnson Street**
5:40 p.m.	**4.**	**FY 2019 Year End General Fund Financial Overview and Fund Analysis**
5:55 p.m.		**Break**
6:15 p.m.	**5. & D**	**Discussion of 2020 Virginia Trees for Clean Water Grant Application**
6:20 p.m.	**6. & E**	**Discussion of Afton Express Transit Service Commitment of Support**
6:30 p.m.	**7.**	**Closed Meeting for Consultation and Discussion with Legal Counsel Requiring the Provision of Legal Advice by Such Counsel Pertaining to: (i) Specific Land Use and Zoning Matters; (ii) Law Enforcement's Role and the Legal Risk Management in Matters Involving Possible Emergency Custody and Involuntary Temporary Detention; and (iii) Discussion or Consideration of**

the Possible Acquisition of Real Property(ies) or Interests in Real Property(ies) for Public Purposes as to Property in the City of Staunton for Use by the City for Operations, Where Discussion in an Open Meeting Would Adversely Affect the Bargaining Position or Negotiating Strategy

7:15 p.m. **Break**

Regular Meeting Agenda
Staunton City Council
Council Chambers
December 12, 2019
7:30 p.m.

Call to Order

Pledge of Allegiance

Mayor's Report

Proclamation—Augusta Garden Club Centennial

Additional Items by Members of Council

Approval of Minutes

Special Called Meeting of November 7, 2019

Work Session and Regular Meeting of November 14, 2019

REGULAR MEETING

A. Public Hearing and Consideration of a Request by Christ Evangelical Lutheran Church to Rezone 2807 N Augusta Street from R-2, Low Density Residential District to B-1, Local Business District Conditional

B. Consideration of a Request by Staunton-Augusta-Waynesboro Habitat for Humanity for the Waiver of Fees Related to the Construction of Three New Homes on Heydeneich Street and One New Home on West Johnson Street

C. Presentation by City Auditors on the FY 2019 Comprehensive Annual Financial Report

D. Consideration of 2020 Virginia Trees for Clean Water Grant Application

E. Consideration of Afton Express Transit Service Commitment of Support

F. Consideration of an Ordinance Amending Sections 3.15.010, Definitions; 3.15.020, Authorized; and 3.15.030, General Eligibility

Requirements, of Chapter 3.15, Real Estate Exemption for Elderly and Disabled Persons, of Title 3, Revenue and Finance, to Align with Changes to the Code of Virginia as Enacted by the General Assembly and to Make Clarifications

G. Consideration of an Ordinance Amending Section 3.17.010, General Eligibility Requirements, of Chapter 3.17, Real Estate Tax Exemption for U.S. Military Veterans, of Title 3, Revenue and Finance, to Align with Changes to the Code of Virginia as Enacted by the General Assembly

H. Consideration of an Ordinance Amending Section 6.05.010, Definitions, of Chapter 6.05, In General, of Title 6, Animals and Fowl, to Align with Changes to the Code of Virginia as Enacted by the General Assembly

I. Consideration of an Ordinance Amending Section 8.30.230, Penalty for Violation of Article, of Chapter 8.30, Solid Waste, of Title 8, Health and Safety, to Establish Civil Penalties for Repeated Violations Regarding the Failure to Remove or Properly Dispose of Trash, Garbage, Refuse, Rubbish, Litter and Other Like Substances

Matters from the City Manager

Matters from the Public

Adjournment

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**City Council**
Item #	**2**	
Ordinance #		
Department:	**City Council**	
Council Vision:	**Responsive, Efficient Government**	
Subject:	**Discussion of the City's 2020 Legislative Program with Senator Emmett W. Hanger, Jr. and Delegate-Elect John Avoli**	

Background: Each year, City Council adopts a legislative program which is transmitted to the Governor, local General Assembly members, the Virginia Municipal League (VML), and Virginia First Cities. City Council adopted the City's 2020 Legislative Program (a copy of which is attached) at its regular meeting on November 14, 2019. At that time, members of Council expressed an interest in meeting with state legislators in person to discuss their legislative priorities for the upcoming General Assembly session. Senator Emmett Hanger and Delegate-Elect John Avoli have confirmed their attendance and will join Council to discuss the 2020 Legislative Program during Council's work session on December 12, 2019.

City Manager's Recommendation: Not applicable.

Suggested Motion: Not applicable.

City Manager: Steven L. Rosenberg

RESOLUTION ESTABLISHING THE CITY OF STAUNTON'S 2020 LEGISLATIVE PROGRAM

The Mayor and City Council of the City of Staunton, Virginia, governing from a position closest to the City's citizens and desiring to make City government more responsive to Staunton citizens, believe it is important to advise the City's representatives in the Virginia General Assembly of the City's legislative positions.

THEREFORE, BE IT RESOLVED by the Council of the City of Staunton that the legislative principles adopted by the Virginia Municipal League (VML) are hereby endorsed:

The Governor and General Assembly should not:

- Restrict further local revenue authority or sources.
- Impose new funding requirements or expand existing ones on services delivered by local governments.
- Shift state funding responsibilities onto local governments.
- Impose state fees, taxes or surcharges on local government services.
- Place additional unfunded mandates and other administrative burdens on local governments.

BE IT FURTHER RESOLVED that City Council respectfully requests that the General Assembly **support** legislation regarding the following issues:

A. Education

1. The General Assembly should fully fund public education—funding all mandated programs and services of education on the basis of realistic costs; increasing Standards of Quality funding, coming from general fund revenues, appropriated to elementary and secondary education; providing for flexibility in the use of those funds to meet unique local needs; and supporting specialized training, professional development and extended contracts for staff in challenged schools.

2. The General Assembly should fully fund the Virginia Preschool Initiative.

3. The General Assembly should continue to support the revisions of the system of accountability to encompass balanced assessments and expand the implementation of problem-based assessments for greater validity and more cost-effective sampling techniques, and continue the implementation of expedited test retakes to more accurately reflect student achievement, sense of inquiry, and love of learning.

4. The General Assembly should enact legislation to double the sales and use tax revenue distribution statewide to provide funding for capital for new or renovated school building projects, using the same formula for sales and use tax distribution as is used currently for distribution for Standards of Quality funding.

5. The General Assembly should provide new avenues for funding public school construction and renovation costs, including the creation of a pilot program of competitive grants using funds from the Virginia Public Building Authority to offset new construction costs for publicly owned and operated K-12 schools.

B. Pediatric Cancer Research

City Council is appalled by the lack of cancer research coordination, the glacially slow FDA new treatment approval process, and the totally inadequate level of federal funding for pediatric cancer research. Less than 4% of all cancer research spending is for pediatric cancer and only two treatments are currently approved by the FDA. Council requests that the Virginia General Assembly petition the federal government to make pediatric cancer a real priority in order to save the lives of countless children who cannot speak for themselves or vote.

C. Certificates of Public Need

Council supports Virginia's Certificate of Public Need (COPN) program as an important component of the Commonwealth's health care system and encourages the General Assembly to retain COPN in its current form.

D. Chesapeake Bay Water Quality

City Council requests that the Commonwealth increase Stormwater Legal Assistance Fund (SLAF) funding to at least $80 million and Agricultural BMP Cost-Share Program funding to at least $100 million.

E. Transportation

1. City Council supports improvements to railroad infrastructure to increase freight shipment capacity and reduce truck traffic and impacts on Interstate 81.

2. City Council supports a Primary Seatbelt Law.

3. City Council supports a generally applicable ban on handheld cell phone use by operators of moving motor vehicles, not limited to construction zones.

4. City Council supports the use of non-motorized transportation, including trails, pathways and green corridors, for health, energy conservation and cost reasons for all Virginians.

5. City Council supports increased federal and state funding for public transit; policies that allow for the equitable distribution of such funding; and dedicated sources for such funding.

F. Libraries

City Council supports efforts to maintain and increase State Aid to Public Libraries as mandated by the Code of Virginia to strengthen funding for public library materials and programs that target childhood literacy and STEM instruction.

G. Virginia State Parks

City Council encourages the Governor and General Assembly to support additional land acquisition for state parks, outdoor recreation and natural areas.

H. Broadband Expansion

City Council supports the expansion of broadband to all areas of the Commonwealth.

I. Solar Tax Incentives

City Council supports state tax incentives for private homeowners, businesses and the solar energy industry to incentivize an increase in the use of clean solar energy systems, to reduce dependence on extractive fossil fuels and emissions and increase energy independence.

J. Predatory Lending

City Council continues its nine-year long fight against predatory lending. Council supports:

1. A return to the usury law (36% interest rate cap inclusive of all fees) that Virginia had prior to 2002.

2. Vigorous enforcement by the Attorney General of the ban on illegal internet loans.

3. If the Senate and the House refuse to act, swift approval by the General Assembly of a statewide referendum on an interest rate cap.

K. Equal Rights Amendment

City Council supports passage of the Equal Rights Amendment (ERA) and urges the General Assembly to take the necessary steps to put this matter before the citizens of the Commonwealth of Virginia.

L. Opioids

City Council supports any efforts to curb opioid use and abuse, including state programs that partner with local governments to deal with the effects of this continuing epidemic.

M. Fair Elections

Like many of our citizens, members of City Council regard with concern the reports received from other states and regions of apparent attempts on the part of government officials to suppress voter turnout. Reductions in voting locations, malfunctioning voting machines, preemptory removal of citizens' names from voting rolls, and other such strategies for unfairly influencing the outcome of an election reflect an abandonment of the democratic principles upon which our nation and commonwealth were founded.

Council urges our representatives in the General Assembly to make every effort to ensure that Virginia elections are fair, secure, accurate, accessible, and transparent. Further, Council urges the General Assembly to explore and implement additional strategies for encouraging voter turn-out, including:

- automatic registration
- expanded voting hours
- establishment of election day as a state holiday

N. Public Notice, Public Hearing and Public Procurement

The General Assembly should support legislation to reduce required, expensive newspaper advertising for public notices, public hearings and public procurement including legislation to give localities the option to use electronic or other forms of notification as an alternative to newspaper advertising.

O. Behavioral Health and Development Disability

1. The General Assembly should provide full funding for the System Transformation Excellence and Performance (STEP-VA) initiative of the Virginia Department of Behavioral Health & Developmental Services during the 2020-2022 biennial budget.

2. The General Assembly should increase the Medicaid Early Intervention case management reimbursement rate to its data-determined adequacy.

3. The General Assembly should fund 800 additional Family and Individual Supports (FIS) Waivers and 250 Community Living (CL) Waivers.

4. The Valley Community Services Board has proposed a community crisis center that will offer both detox and crisis intervention services. And while the needs of our citizens are great, the closest center is 29 miles away in Harrisonburg. For instance, the suicide rate in our area is higher than both the Virginia and national averages and drug induced deaths are 16.6 per 100,000 as compared to 10.6 statewide. The General Assembly should provide the necessary funding and support this new center that will better serve our City and region.

P. State Aid to Localities for Law Enforcement - HB599

The City of Staunton requests the General Assembly fully fund HB599 for law enforcement as mandated by the Code of Virginia.

Q. Jail Staffing/Compensation Board

The City of Staunton requests the General Assembly fund required staffing positions for the Middle River Regional Jail (MRRJ). In 2018, the Virginia Department of Corrections published a staffing analysis for MRRJ based on an average daily population (ADP) for 2017 of 775 member jurisdiction inmates. This resulted in a recommendation for an additional 76 jail officer positions and 17 support positions. The member jurisdiction ADP for 2018 was 857, exceeding the 2017 ADP that resulted in the recommendation of additional fully-funded staff positions and demonstrating the continued need.

R. Local Option Regulation of Disposable Plastic Bags

The City of Staunton supports legislation to allow local option authority to develop incentives or regulations to decrease or otherwise regulate the distribution, sale, or offer of disposable plastic bags.

S. Mental Health of First Responders

In 2018, the Code of Virginia was amended to require mental health awareness programs for fire and EMS personnel, prescribing specific actions and training that must occur. Trauma and PTSD are realities in the lives of all first responders, yet vital funding to implement the required programs did not follow the mandates. City Council requests that the

General Assembly add funding that can be accessed by localities in order to better offer vital services, including access to providers who specialize in the needs of first responders and much needed training.

T. Economic Development

1. Because site readiness, characterization and development are key to Virginia's and the City of Staunton's economic development efforts, City Council supports increased funding for the Virginia Business Ready Sites Program (VBRSP).

2. City Council supports maintenance of funding for GO Virginia that will encourage collaboration among Virginia's localities in order to spur economic growth, diversification and higher paying jobs.

U. Plastics Recycling Facility

On April 1, 2019, the City stopped collection of plastic of any sort for recycling. Because of a stressed recycling market and a processing capacity that has become very limited in the past year, plastic is now ending up in the landfill as trash. This is very undesirable for the environment, our citizens and our economy. Therefore, City Council requests that the General Assembly provide funding or offer incentives so a plastic recycling facility can be located in the Valley.

BE IT ALSO RESOLVED that City Council respectfully requests that the General Assembly **oppose** the following legislation and mandated regulations:

A. Eminent Domain by Private Utilities for Surveying

City Council opposes the eminent domain rights extended to Dominion Energy and other private utilities to enter onto private property without the consent of the landowner for the purpose of surveying for proposed projects before agreements have been reached with such property owners.

B. Stormwater Utility Exemptions

City Council opposes legislation which would exempt any property owner from the payment of local stormwater utility fees.

C. Water Quality Funding

The Commonwealth's Final Chesapeake Bay TMDL Phase III Watershed Implementation Plan (August 2019) includes language imposing a new "floating" wasteload allocation on larger wastewater treatment plants. This new requirement would cut the total wasteload allocation to Augusta County Service

Authority (with which the City of Staunton contracts for wastewater treatment) by more than 45% (based on 2018 flow data), possibly requiring expensive upgrades which would significantly impact ratepayers with minimal additional benefit. Accordingly, City Council asks that the General Assembly reconsider its mandate of the new wastewater treatment wasteload allocation regulation set forth in the recently adopted Phase III Watershed Implementation Plan. City Council further requests, to facilitate continued successful local water quality improvement projects, full capitalization by the Commonwealth of the Water Quality Improvement Fund and provision for the necessary appropriations for local government water quality improvement projects, to continue the substantial progress made in the restoration of the Chesapeake Bay.

The Clerk of Council shall mail or deliver a copy of this Resolution to the Governor, the City's representatives in the General Assembly, other selected members of the General Assembly and area local governments; to the Virginia Municipal League, Virginia Association of Counties and Virginia First Cities and to other interested persons, as appropriate.

Adopted this 14th day of November, 2019.

Carolyn W. Dull
Carolyn W. Dull, Mayor

ATTEST: Suzanne F. Simmons
Suzanne F. Simmons
Clerk of Council

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**Staff Members:** **Billy Vaughn** **Tom Sliwoski**
Item #	**3 & B**	
Ordinance #		
Department:	**Community Development** **Public Works**	
Council Vision:	**Built Environment** **Inclusiveness**	
Subject:	**Consideration of a Request by Staunton-Augusta-Waynesboro Habitat for Humanity for the Waiver of Fees Related to the Construction of Three New Homes on Heydeneich Street and One New Home on West Johnson Street**	

Background: By electronic mail dated November 12, 2019 (attached), Staunton-Augusta-Waynesboro Habitat for Humanity has requested the waiver of fees associated with the construction of four new single-family homes on lots at 803, 807, and 815 Heydenreich Street and 907 West Johnson Street. The houses will be built for low-moderate income families. Habitat homes are provided to families with a “no interest” or “zero equivalent” loan based on the appraised value of the home. This makes home-ownership affordable for many people in our community who would otherwise not be able to afford a conventional mortgage. The Habitat program relies on donations of time and materials, but also requires “sweat equity” from the families chosen for homes. Since Habitat’s inception locally in 1993, the organization has built 60 new homes and completed critical home repairs on 22 homes in Staunton, with three new homes in the West End breaking ground mid-November.

As set forth in the Staunton City Code §§ 13.15.060(1)(d), 13.40.030(1)(d) and 15.10.120(3), a single-family residential project may be considered by City Council on a case-by-case basis for exemption from water and sewer connection fees and building permit fees upon satisfaction of the following criteria:

- The project is on property in the city of Staunton, is owned by the organization, and the organization has a 501(c)(3) exemption recognized by the Internal Revenue Service;
- The project provides home ownership to residents within the city of Staunton, classified as low- and moderate-income individuals, as defined by current HUD Section 8 income standards; and
- The organization administering the program requires the homeowner(s) to contribute a minimum of 200 hours in the construction of the subject single-family residence or being constructed by the organization for others.

Having reviewed the applicable criteria, staff notes the following, in part based on submissions to the City by Habitat for Humanity:

> Staunton-Augusta-Waynesboro Habitat for Humanity is recognized by the Internal Revenue Service (IRS) as a 501(c)(3) organization. The IRS determination letter is attached.
>
> Staunton-Augusta-Waynesboro Habitat for Humanity makes all reasonable efforts to serve families whose incomes do not exceed 60 percent of the area median income (AMI), as defined by the U.S. Department of Housing and Urban Development, but will accept applicants making up to 80 percent of AMI. They perform appropriate due diligence in determining the applicant's ability to pay and creditworthiness through income verification, credit reporting, and assessment of all other household debt; projected utility costs; and other costs directly associated with the ownership of their home. The Director of Family Partnerships will always be a qualified loan originator and responsible for conducting these initial financial assessments. Providing there are no obvious disqualifiers, they will forward the application to the Family Partnership Committee for review and recommendation.
>
> Staunton-Augusta-Waynesboro Habitat for Humanity requires 200 hours of sweat equity per household adult, including 100 hours in construction. Appropriate and necessary accommodations are made for partners with physical limitations in accordance with the Americans with Disabilities Act. These hours are ideally all completed before the homeowner closes on and moves into the home. If Habitat needs dictate, the executive director is authorized to amend the homeowner partnership agreement to move up to 50 hours of sweat equity to post purchase, if homeowner agrees. If homeowner does not agree to terms, all hours must be completed prior to closing, as stated in standard agreement. Other examples of objective criteria used to measure willingness to partner include attending a program orientation (either group or one-on-one), completion and return of application by agreed-upon deadlines, acceptance of down payment and closing costs (according to affiliate requirements), and completion of required educational classes and workshops. Habitat will also allow accepted applicants to decline a particular housing opportunity twice before they are dismissed from the program on the grounds of "failure to partner."

Based on the foregoing information, staff has determined that the request meets the applicable criteria. Staff will be prepared to provide a rough estimate of total fees to be waived, in the aggregate, at Council's work session.

City Manager's Recommendation: Recommend approval of the request.

Suggested Motion: I move that City Council approve the waiver of City-imposed water and sewer connection fees and building permit fees associated with the construction by Staunton-Augusta-Waynesboro Habitat for Humanity of single-family homes on lots at 803, 807, and 815 Heydenreich Street and 907 West Johnson Street.

City Manager: Steven L. Rosenberg

Steve Rosenberg

From: Brad Arrowood <operations@habitatsaw.org>
Sent: Tuesday, November 12, 2019 4:14 PM
To: Steve Rosenberg
Subject: RE: Council agenda item request

Mr. Rosenberg,

We are ready to move forward with three new houses in the West End: 803, 807, and 815 Heydenreich Street, as well as a house rehabilitation, at 907 West Johnson Street. We own all four of these properties, and would like to be considered for exemption from water and sewer connection fees and building permit fees.

Would it be possible to have these exemptions considered by City Council in the December meeting?

Thank You

Brad Arrowood
Chief Operations Officer
Habitat for Humanity, Staunton-Augusta-Waynesboro
"Building and restoring homes, lives and communities through faith."
Offices & ReStore in Staunton: 434 Richmond Ave.
ReStore in Waynesboro: 252 Arch Ave.
Mailing: P.O. Box 3188, Staunton VA 24402-3188
Phone: 540-886-1944
sawhfh.org

If this email is acknowledging a gift, no goods or services were provided by the charity for this donation unless specified in this letter. All contributions are tax deductible to the extent allowable by law. We are a public charity and registered as a 501(c) 3 non-profit organization, EIN 54-1648901 HFHI Partner ID: 1458-7066. This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain information that is confidential and protected by law from unauthorized disclosure. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

From: Steve Rosenberg [mailto:rosenbergsl@ci.staunton.va.us]
Sent: Tuesday, November 5, 2019 11:26 AM
To: 'Brad Arrowood' <operations@habitatsaw.org>
Cc: Leslie M. Beauregard <beauregardlm@ci.staunton.va.us>; Ruth Jones Turner <turnerrj@ci.staunton.va.us>; Morgan C. Smith <smithmc@ci.staunton.va.us>
Subject: RE: Council agenda item request

One request can address multiple properties, so long as the necessary information (e.g., address) is provided for each property. You may send the email to me.

Steve

From: Brad Arrowood <operations@habitatsaw.org>
Sent: Tuesday, November 5, 2019 11:00 AM
To: Steve Rosenberg <rosenbergsl@ci.staunton.va.us>
Cc: Leslie M. Beauregard <beauregardlm@ci.staunton.va.us>; Ruth Jones Turner <turnerrj@ci.staunton.va.us>; Morgan

C. Smith <smithmc@ci.staunton.va.us>
Subject: RE: Council agenda item request

Mr. Rosenberg,

Thank you for the clarification on this matter.

A couple of questions:

- Can one request cover multiple properties, or should it be a separate request for each property under consideration?

- To whom should I submit an email for item to be considered by city council?

Thank You

Brad Arrowood
Chief Operations Officer
Habitat for Humanity, Staunton-Augusta-Waynesboro
"Building and restoring homes, lives and communities through faith."
Offices & ReStore in Staunton: 434 Richmond Ave.
ReStore in Waynesboro: 252 Arch Ave.
Mailing: P.O. Box 3188, Staunton VA 24402-3188
Phone: 540-886-1944
sawhfh.org

If this email is acknowledging a gift, no goods or services were provided by the charity for this donation unless specified in this letter. All contributions are tax deductible to the extent allowable by law. We are a public charity and registered as a 501(c) 3 non-profit organization, EIN 54-1648901 HFHI Partner ID: 1458-7066. This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain information that is confidential and protected by law from unauthorized disclosure. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

From: Steve Rosenberg [mailto:rosenbergsl@ci.staunton.va.us]
Sent: Tuesday, November 5, 2019 8:15 AM
To: 'operations@habitatsaw.org' <operations@habitatsaw.org>
Cc: Leslie M. Beauregard <beauregardlm@ci.staunton.va.us>; Ruth Jones Turner <turnerrj@ci.staunton.va.us>; Morgan C. Smith <smithmc@ci.staunton.va.us>
Subject: FW: Council agenda item request

Mr. Arrowood:

As set forth in the Staunton City Code, a project may be considered for exemption from water and sewer connection fees and building permit fees upon satisfaction of the following criteria:

> (i) The project is on property in the city of Staunton, is owned by the organization, and the organization has a 501(c)(3) exemption recognized by the Internal Revenue Service;
>
> (ii) The project provides home ownership to residents within the city of Staunton, classified as low-and-moderate income individuals, as defined by current HUD Section 8 income standards; and
>
> (iii) The organization administering the program requires the homeowner(s) to contribute a minimum of 200 hours in the construction of the subject single-family residence or being constructed by the organization for others.

Please submit a written request for council's consideration of the exemption, providing the addresses of the properties, the name of the record owner of the properties, evidence of the record owner's 501(c)(3) status and otherwise confirming the criteria are satisfied for all three properties. The request may be submitted by email.

Regards,

Steve

Steve Rosenberg
City Manager
City of Staunton, VA

Office: 540.332.3812
Web: www.staunton.va.us
Facebook: City of Staunton
Twitter: @StauntonCityVA

From: Ruth Jones Turner <turnerrj@ci.staunton.va.us>
Sent: Monday, November 4, 2019 4:45 PM
To: Steve Rosenberg <rosenbergsl@ci.staunton.va.us>; Leslie M. Beauregard <beauregardlm@ci.staunton.va.us>
Subject: Council agenda item request

Steve and Leslie:

Brad Arrowood with Habitat for Humanity (and also a member of our planning commission) stopped by this afternoon to ask about getting on the November or December council meeting agenda. Habitat has three build sites and typically gets fee waivers for building permits from city council. He wants to see about appearing before council to get those waivers approved either this month or next.

Contact info: 540.292.1998, operations@habitatsaw.org.

Ruth E. Jones Turner
Communications Manager
City of Staunton, VA

Office: 540.332.3838
Cell: 540.294.0492
Web: www.staunton.va.us
Facebook: City of Staunton
Twitter: @StauntonCityVA

Sending a large file? Please share via my fileshare email address.

Habitat for Humanity®

Help build it!

April 13, 2018

Staunton-Augusta-Waynesboro HFH
PO Box 3188
Staunton, VA 24402-3188

RE: 501(c)(3) Letter for Staunton-Augusta-Waynesboro HFH, Partner ID# 1458-7066

Dear Affiliate Leader:

This letter will confirm that Staunton-Augusta-Waynesboro HFH, with employer identification number 54-1648901, is considered a subordinate under the group tax exemption umbrella of Habitat for Humanity International, Inc. ("HFHI") under Section 501(c)(3) of the Internal Revenue Code.

The group exemption number assigned to HFHI by the IRS is 8545. This number may be provided to prospective donors, foundations and other grant organizations as they request it and is required on certain IRS forms.

Enclosed is a copy of the determination letter dated February 23, 2018, provided by the IRS as evidence of HFHI's tax exempt status as well as its group exemption. The determination letter, together with this letter, confirms Staunton-Augusta-Waynesboro HFH's subordinate status and provides evidence of its tax exempt status under Section 501(c)(3) of the Code.

In partnership,

Beverly Huffman
Director, US/Canadian Support Services Center
Habitat for Humanity International 877-434-4435
USSupportCenter@habitat.org · habitat.org | **Habitat. We build.**

Enclosure

Internal Revenue Service
P. O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: February 23, 2018

Person to Contact: #0196814
Ms. Benjamin
Employer Identification Number:
91-1914868
Group Exemption Number:
8545

HABITAT FOR HUMANITY INTERNATIONAL INC.
HABITAT FOR HUMANITY INTRNL PARENT
% MICHAEL E CARSCADDON
270 PEACHTREE ST NW STE 1300
ATLANTA, GA 30303

Dear Sir or Madam:

This is in response to your request dated January 10, 2018 for information about your tax-exempt status.

Our records indicate we issued a determination letter to you in January 1987, and that you're currently exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also recognized the subordinates on the list you submitted as exempt from federal income tax under IRC Section 501(c)(3).

For federal income tax purposes, donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106 and 2522.

Because IRC Section 170(c) describes your subordinate organizations, donors can deduct contributions they make to them.

Please refer to www.irs.gov/charities for information about filing requirements. Specifically, IRC Section 6033(j) provides that, if you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

In addition, each subordinate organization is subject to automatic revocation if it doesn't file a required return or notice for three consecutive years. Subordinate organizations can file required returns or notices individually or as part of a group return.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

Sincerely yours,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

IRS Group Exemption FAQs

The IRS refers to "central" or "parent" organizations, as well as "subordinate" organizations? What does these terms mean?

An organization that has been granted a 501(c)(3) group exemption by the IRS is referred to as the central or parent organization. The central organization generally supervises many affiliates or chapters, called subordinate organizations. The subordinate organizations have similar structures, purposes, missions and activities.

- In Habitat's case, HFHI is the central organization and each Affiliate is a subordinate organization.

What is the reason for group exemptions vs individual exemptions?

Group exemptions are an administrative convenience for both the IRS and organizations with many affiliated organizations. Subordinates in a group exemption do not have to file, and the IRS does not have to process, separate applications for exemption. Instead, the IRS allows the central organization to include its subordinate organizations under its tax exempt "umbrella."

- Group exemptions are more convenient because only one central organization (HFHI) needs to be checked for tax exempt status.

Who determines if a subordinate organization may be included under the central organizations' group exemption?

The central organization, not the IRS, determines who is exempt under its 501(c)(3) umbrella. The IRS does not approve or deny a subordinate's inclusion on HFHI's roster of exempt subordinates. It is solely at the discretion of the central organization holding the 501(c)(3) designation as long as the subordinate is similar in mission, purpose, structure and activities. The IRS leaves it up to the central organization to police its own list of subordinate entities and to report any changes. Failure to monitor the list in accordance with the rules set forth by the IRS may result in the central organization having its 501(c)(3) status revoked.

- HFHI is the final determiner of whether Affiliates are on its group exempt list. The IRS will not issue a letter with regard to an individual Affiliate.

How does a donor verify that an organization is included as a subordinate in a group exemption ruling?

The central organization which holds the group exemption (rather than the IRS) determines which organizations are included as subordinates under its group exemption umbrella. Therefore, a donor should verify that an organization is a subordinate eligible to receive tax deductible donations by requesting a copy of a letter provided by the central organization to the subordinate confirming the subordinate entity's inclusion on its roster of exempt subordinates. This letter, coupled with a copy of the central organizations 501(c)(3) determination letter provides adequate proof of the entity's tax exempt status.

- ❖ Affiliate should provide donors a copy of the confirmation letter (with the HFHI IRS determination letter attached) that HFHI provides to each Affiliate on an annual basis.

- ❖ Donors should be told that the IRS determination letter will not reference the Affiliate by name.

How do donors verify that contributions are deductible with respect to a subordinate organization in a section 501(c)(3) group exemption ruling?

Many donors are accustomed to consulting the IRS database known as EOS Select Check to confirm that donations to a specific organization are tax deductible. This works well for organizations that have an individual tax exemption; however, it creates a bit of confusion when it comes to organizations with a group tax exemption status.

The EOS Select Check database does NOT list all subordinate entities. It lists the central organization because the central organization is the entity that applied for, and was granted, a 501(c)(3) designation. Many times donors become alarmed when they do not see the individual Affiliate listed in the database. It is important to explain to your donor that providing HFHI's group exemption number (GEN) along with a confirmation letter from HFHI, as the central organization, is sufficient proof of the subordinate entity's tax exempt status. Donors may rely upon central organization verification with respect to deductibility of contributions to subordinates covered in a section 501(c)(3) group exemption ruling.

- ❖ Explain to your donors early the procedure so that they will not be surprised when the Affiliate is not referenced on the EOS database.

Employer Identification Number (EIN) vs Group Exemption Number (GEN)

The Employer Identification Number (EIN) is a nine-digit number that is unique to each business and generally appears in the following format: XX-XXXXXXX. Its role for a business is similar to that of the Social Security number for an individual. The number includes information about which state the corporation is registered in. This unique identification number is assigned to a business entity so that they can easily be identified by the Internal Revenue Service. The EIN is also known as a Federal Identification Number (FIN) or Tax ID.

This number is apart and separate from a company's group exemption number (GEN). The EIN identifies the specific organization. The GEN identifies the entity's further designation as a tax exempt organization.

The GEN number is a number assigned by the IRS which identifies the central organization who was granted the group exemption. The GEN number is a 4 digit number that should be supplied to donors when they make a donation. This number allows the donor to make a tax deduction based on the donation to the tax exempt entity.

- HFHI's GEN is 8545. This should be given to your donors.

- Do not use HFHI's EIN in your Affiliate's tax return and other documents. This will cause the IRS to confuse your Affiliate with HFHI (including accidentally holding you responsible HFHI's payroll taxes, misreporting on Form 990, etc.)

- ❖ HFHI's GEN is 8545. This should be given to your donors.

- ❖ Do not use HFHI's EIN in your Affiliate's tax return and other documents. This will cause the IRS to confuse your Affiliate with HFHI (including accidentally holding you responsible HFHI's payroll taxes, misreporting on Form 990, etc.)

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**Staff Member:** **Phil Trayer**
Item #	**4**	
Ordinance #		
Department:	**Finance**	
Council Vision:	**Responsive, Efficient Government**	
Subject:	**FY2019 End of Year General Fund Financial Overview and Fund Analysis**	

Background:
Phil Trayer, Chief Financial Officer, will present an overview of FY2019 General Fund revenues and expenditures, reserves and recommendations for the use of fund balance at the work session.

The FY2019 General Fund Year End Review is attached to this agenda briefing.

City Manager's Recommendation: Recommend the City plan to update the Safety Net Reserve to 15.5% which will require $296,375, and recommend $2,039,593 of Unassigned Fund Balance be transferred to the Capital Improvements Fund, and $400,000 transferred to the Debt Service Sinking Fund, $305,000 to the Capital Improvements Fund for undesignated Capital Improvement Projects**.**

Suggested Motion: None required.

City Manager: Steven L. Rosenberg

FY 2019

JUNE 30, 2019

GENERAL FUND YEAR END ANALYSIS

December 12, 2019

FY 2019 GENERAL FUND

- REVENUES / EXPENDITURES
- RESERVES
- YEAR END FUND BALANCE
- SAFETY NET RESERVE
- CIP RECOMMENDATION
- AUDIT COMMENTS

FY 2019 GENERAL FUND REVENUES

LOCAL TAX REVENUES	REVENUE BUDGET	ACTUAL REVENUES	+/- OVER BUDGET	% OF BUDGET
REAL ESTATE TAXES	$ 18,495,000	$ 19,173,815	$ 678,815	103.67%
PERSONAL PROPERTY TAXES	$ 5,145,000	$ 5,640,762	$ 495,762	109.64%
RE- PUBLIC SERVICE TAX	$ 804,000	$ 905,126	$ 101,126	112.58%
RE- DOWNTOWN SERVICE DISTRICT TAX	$ 120,000	$ 122,828	$ 2,828	102.36%
MACHINERY & TOOLS	$ 520,635	$ 514,772	$ (5,863)	98.87%
LOCAL SALES TAX	$ 4,015,000	$ 4,434,974	$ 419,974	110.46%
BUSINESS LICENSE TAX	$ 2,200,000	$ 2,353,732	$ 153,732	106.99%
MEALS TAX	$ 4,112,500	$ 4,727,323	$ 614,823	114.95%
LODGING TAX	$ 890,000	$ 874,948	$ (15,052)	98.31%
CIGARETTE TAX	$ 400,000	$ 423,200	$ 23,200	105.80%
COMMUNICATIONS TAX	$ 1,320,000	$ 1,185,978	$ (134,022)	89.85%
UTILITY TAXES	$ 1,150,000	$ 1,172,913	$ 22,913	101.99%
OTHER LOCAL TAXES	$ 637,000	$ 786,999	$ 149,999	123.55%
TOTAL LOCAL TAXES	$ 39,809,135	$ 42,317,370	$ 2,508,235	106.30%

FY 2019 GENERAL FUND REVENUES

OTHER LOCAL REVENUES	REVENUE BUDGET	ACTUAL REVENUES	+ / - OVER BUDGET	% OF BUDGET
OTHER LOCAL REVENUES- (FINES, INTEREST INCOME, MISCELLANEOUS)	$ 478,460	$ 621,580	$ 143,120	129.91%
PERMITS & LICENSES	$ 267,300	$ 254,962	$ (12,338)	95.38%
RECOVERED COSTS	$ 1,207,543	$ 1,228,767	$ 21,224	101.76%
CHARGES FOR SERVICES	$ 1,804,678	$ 1,850,246	$ 45,568	102.52%
TOTAL OTHER LOCAL	$ 3,757,981	$ 3,955,555	$ 197,574	105.26%
TOTAL LOCAL REVENUES	$ 43,567,116	$ 46,272,925	$ 2,705,809	106.21%

FY 2019 GENERAL FUND REVENUES

STATE /FEDERAL REVENUES	REVENUE BUDGET	ACTUAL REVENUES	+ / - OVER BUDGET	% OF BUDGET
SHARED EXPENSES	$ 1,276,517	$ 1,254,345	$ (22,172)	98.26%
LAW ENFORCEMENT-HB599	$ 886,250	$ 919,044	$ 32,794	103.70%
PPTRA	$ 1,652,200	$ 1,652,200	$ -	100.00%
STREET MAINTENANCE	$ 4,214,660	$ 4,214,660	$ -	100.00%
SOCIAL SERVICES	$ 2,621,424	$ 2,376,725	$ (244,699)	90.67%
CHILDREN'S SERVICES ACT	$ 2,691,600	$ 2,288,427	$ (403,173)	85.02%
OTHER STATE & FEDERAL REVENUES	$ 906,218	$ 1,107,258	$ 201,040	122.18%
TOTAL STATE/FEDERAL	$ 14,248,869	$ 13,812,659	$ (436,210)	96.94%

ACTUALS -REVENUE RECONCILIATION

	BUDGET	ACTUALS	OVER / (UNDER) BUDGET
TOTAL LOCAL REVENUES	$43,567,116	$ 46,272,925	$ 2,705,809
TOTAL STATE/FEDERAL REVENUES	$14,248,869	$ 13,812,659	$ (436,210)
APPROPRIATION- FUND BALANCE	$ 4,125,510	$ -	$ (4,125,510)
NET REVENUES	$61,941,495	$ 60,085,584	$ (1,855,911)
% OF TOTAL BUDGET		97.00%	

FY 2019 GENERAL FUND EXPENDITURES

EXPENDITURE FUNCTION	EXPENSE BUDGET	ACTUAL EXPENDITURES	OUTSTANDING ENCUMBRANCES	OVER / (UNDER) BUDGET	% OF BUDGET
GENERAL GOV'T ADMIN	$ 6,168,629	$ 5,617,599	$ 343,751	$ 207,279	96.64%
JUDICIAL ADMIN	$ 2,068,197	$ 1,984,912	$ 19,993	$ 63,292	96.94%
PUBLIC SAFETY	$ 11,668,020	$ 11,372,797	$ 27,518	$ 267,705	97.71%
PUBLIC WORKS	$ 6,322,762	$ 6,099,271	$ 130,356	$ 93,135	98.53%
HEALTH & WELFARE	$ 7,988,652	$ 6,906,155	$ -	$ 1,082,497	86.45%
EDUCATION	$ 13,208,000	$ 13,208,000	$ -	$ -	100.00%
PARKS / RECREATION	$ 3,908,143	$ 3,602,905	$ 154,219	$ 151,019	96.14%
COMMUNITY DEVELOPMENT	$ 2,070,292	$ 2,047,456	$ 17,953	$ 4,883	99.76%
TRANSFER TO DEBT FUND	$ 5,147,750	$ 5,147,750	$ -	$ -	100.00%
TRANSFER TO CIP FUND	$ 3,391,050	$ 3,391,050	$ -	$ -	100.00%
TRANSFER TO PARKING & GOLF FUNDS	$ 21,025	$ 21,025	$ -	$ -	100.00%
TOTAL EXPENDITURES	$ 61,962,520	$ 59,398,920	$ 693,790	$ 1,869,810	96.98%

NET EXPENDITURE SAVINGS

BUDGET vs ACTUAL EXPENDITURES	**$ 2,563,600**
LESS ENCUMBRANCES	**$ (693,790)**
LESS BUDGET AMENDMENT NO. 2 FY2020- MANDATED CARRY FORWARD BALANCES	**$ (250,953)**
NET EXPENDITURE SAVINGS	**$ 1,618,857**
% of TOTAL BUDGET	**2.61%**

JUNE 30, 2019 RESERVES

$ 8,891,250	SAFETY NET = 15%
$ 1,652,481	EMPLOYEE LEAVE
$ 693,790	ENCUMBRANCES
$ 250,000	OPERATING RESERVE
$ 250,953	RESTRICTED - DONATIONS
$ 97,630	PREPAID/ADVANCES
$11,836,104	TOTAL RESERVES

JUNE 30, 2019 GENERAL FUND FUND BALANCE

$ 15,529,941	JUNE 30, 2018 ENDING BALANCE
+ 60,085,584	FY 2019 TOTAL REVENUES
- 59,398,920	FY 2019 TOTAL EXPENDITURES
$ 16,216,604	JUNE 30, 2019 ENDING BALANCE
- 11,836,104	LESS RESERVES
- 240,532	LESS BUDGET AMENDMENT
$ 4,140,968	TOTAL UNASSIGNED BALANCE

SAFETY NET GOAL ACCOMPLISHED

- 1989 = 5.0%
- 1992 = 8.3%
- 2011 = 10% = $4,500,000
- 2012 = 10% = $4,540,000
- 2013 = 11% = $5,178,250
- 2014 = 12% = $5,777,532
- 2015 = 13% = $6,607,250
- 2016 = 14% = $7,295,960
- 2017 = 15% = $8,137,500
- 2018 = 15% = $8,489,250
- 2019 = 15% = $8,891,250

SAFETY NET RESERVE- NEW GOAL 18%

FY 2020 BUDGET =$59,275,000 / 12 = $4,936,583 MONTHLY

15.5% RESERVE = 1.86 MONTHS

GFOA STANDARD = AT LEAST 2 MONTHS RESERVE =16.67%

FISCAL YEAR	% RESERVE	ESTIMATED RESERVE	$AMOUNT 2 MONTH OF RESERVE	= 2 MONTHS ?	
FY2020	15.50%	$ 9,187,625	$9,879,167	< 2 MONTHS	($691,542)
FY2021	16.00%	$ 9,863,360	$10,274,333	< 2 MONTHS	($410,973)
FY2022	16.50%	$10,578,454	$10,685,307	< 2 MONTHS	($106,853)
FY2023	17.00%	$11,334,973	$11,112,719	YES	$222,254
FY2024	17.50%	$12,135,089	$11,557,228	YES	$577,861
FY2025	18.00%	$12,981,078	$12,394,165	YES	$586,913

- **ASSUME A 4% GROWTH IN ANNUAL BUDGET**
- **SAFETY NET RESERVE OF 18% IN FY 2020 WOULD EQUAL= $10,669,500**

UNASSIGNED AVAILABLE BALANCE- $4,140,968

RECOMMENDATIONS

$2,039,593	TRANSFER TO CIP FUND- FY2019-2020 CIP
$1,100,000	MIDDLE RIVER JAIL /DEBT / PROJ. CONTINGENCY
$ 400,000	TRANSFER TO DEBT SERVICE SINKING FUND
$ 296,375	.5% INCREASE IN SAFETY NET RESERVE
$ 305,000	UNDESIGNATED CIP FUND
$4,140,968	TOTAL

FY 2019 CAFR COMMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

- **FINDINGS – FINANCIAL STATEMENT AUDIT – None.**
- **FINDINGS AND QUESTIONED COSTS –MAJOR FEDERAL AWARD PROGRAMS AUDIT– None.**
- **FINDINGS AND QUESTIONED COSTS -COMMONWEALTH OF VIRGINIA – None.**

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**Staff Member:** **Matthew Sensabaugh**
Item #	**5 & D**	
Ordinance #		
Department:	**Parks & Recreation**	
Council Vision:	**Environment**	
Subject:	**2020 Virginia Department of Forestry Trees for Clean Water Grant Application Approval**	

Background: The Virginia Department of Forestry (VDOF) is currently accepting applications for the 2020 Trees for Clean Water Grant Program. VDOF will reimburse applicants in an amount up to $130 per tree purchase for planting projects to improve water quality in the Chesapeake Bay. The program requires a 50% match of grantees which is provided through labor and equipment costs to procure, plant and establish trees for approved projects. The grant application is due on January 8, 2020.

Staff proposes to apply for $3,250 in grant funding to purchase 25 street trees to be planted along two City streets: the 100 and 200 blocks of Central Avenue, where eight shade trees would be added as part of the upcoming streetscape project, and the 500 block of Richmond Avenue, where 10 ailing pear trees would be removed and replaced with 17 small flowering trees. The estimated cost to the City for labor and equipment to plant the trees and purchase mulch and staking materials is $4,034.86. Both planting projects are included in prior plans of the City and approval of the grant would save the City the direct cost of tree purchases.

Based on the proposed grant amount, costs would be shared as follows:

	City Share	VDOF Share	Total
Central Avenue 8 shade trees	$1,247.20	$1,040.00	$2,287.20
Richmond Avenue 17 small flowering trees	$2,787.66	$2,210.00	$4,997.66
Total	**$4,034.86**	**$3,250.00**	**$7,284.86**

Fiscal Impact: $4,036.86 in City share, which includes $3,655.50 for in-kind services (labor and equipment for planting) and $379.36 in estimated costs to purchase staking materials, mulch and stem guards for the trees.

City Manager's Recommendation: Recommend that Council authorize staff to apply for a grant from the 2020 Virginia Department of Forestry Trees for Clean Water Grant Program.

Suggested Motion: I move that City Council authorize staff to apply to the Virginia Department of Forestry for a Trees for Clean Water Grant Program grant, for the purpose of planting street trees in the City of Staunton, as proposed.

City Manager: Steven L. Rosenberg

Form 17.2
08/01/2016

VIRGINIA DEPARTMENT OF FORESTRY

VIRGINIA TREES FOR CLEAN WATER GRANT PROGRAM APPLICATION

Project Number (VDOF Use Only): _____

SECTION 1 – Applicant Information

Project Title: Street Tree Planting & Replacement- Richmond Ave and Central Ave

Location (City/Community): City of Staunton

Watershed: Chesapeake Bay

Property Owner (if applicable): City of Staunton

Applicant Name: City of Staunton

Applicant Address: PO Box 58

City: Staunton State: VA Zip: 24401

Contact Person: Matthew Sensabaugh Daytime Phone No.: 540 490 1133

E-mail: sensabaughmg@ci.staunton.va.us Organization's Federal ID No.: 54-6001631

Does your city/community have an Urban Tree Canopy Assessment? ☐ Yes ☒ No

SECTION 2 – Project Information

Brief Description of Project: The City of Staunton is reqeusting funding to replace and add street trees in two different areas of Staunton. A total of eight street trees will be added to Central Ave in the downtown buisiness district. These trees will be added as part of a larger streetscape project in newly constructed planting pits where no trees currently exist. On Richmond ave 10 flowering Pears and cherries will be removed from a median strip planting. These trees will be replaced with 17 trees. Trees planted on Central Ave will be larger shade trees- Zelkovas & American Elms. Trees planted on Richmond Ave will be small flowering trees, Redbuds & Blackhaw Viburnums due to the median strip size and overhead power lines.

(a) VTCW Funds Requested $ 3250.00

(b) Local Dollar Match Provided $ 379.36

(c) Value of In-Kind Match $ 3655.50

Total Project Amount (a+b+c) $ 7,284.86

Timetable: Starting Date: March 15 2020 Ending Date: Prior to December 12, 2020

Volunteer/Organization Involvement [Name of Group(s)]: City of Staunton Horticulture & parks mainenance employees

SECTION 3 – Signature

Authorized Representative Name (Print)

Authorized Representative Title

12/12/2019

Authorized Representative Signature

Date

If application is approved for financial assistance, grantees will be assigned a grant number and a maximum grant amount.

City of Staunton

Grant Proposal: Street tree Planting & Replacement Richmond Ave & Central Ave.

Background Information and Description of Need

The City of Staunton is located in the heart of the Shenandoah Valley and is well known for our parks, trees, and horticulture program. Our first Arbor Day Celebration was held in 1889 and Staunton has been recognized as a Tree City USA for 23 years. Since 1990, Staunton has employed a City Horticulturist and currently has two full time employees dedicated to horticulture and arboriculture, one of whom is an ISA Certified arborist. Staunton has an active program to plant trees & care for them. Over the years, Staunton has been successful in utilizing grant funds to aide with our tree planting efforts.

Staunton is requesting $3,2500.00 to assist with street tree planting projects on two city streets- Richmond Ave and Central Ave.

Richmond Ave is a major corridor that leads motorists into Staunton. On the 500 block of Richmond Ave there are 10 existing Bradford Pear trees in the median strip. Due to age, overhead utilities, and the narrow confines of the median strip these trees need to be replaced. We would like to remove these trees and replace them with 17 smaller, flowering trees that will not interfere with overhead utilities, contribute to improved water quality, beautify the corridor, and be better suited to the confines of the median strip.

Central Ave is an urban street in Staunton's downtown business district. The 100 and 200 blocks of Central Ave currently have no street trees on city right of way and are about to undergo a major streetscape project. The streetscape project will entail burying overhead utility lines, new sidewalks & curbs, permeable pavers for on street parking to improve stormwater management, and creation of 8 landscape islands along the street. Each island needs a large shade tree and funding for tree planting & landscaping has not been provided in the project.

Description and scope of work

The Richmond Ave work will include the following:

1. City Crews, assisted by Dominion Virginia Energy crews, will remove 10 Existing Bradford Pear trees during winter of 2020. Trees will be removed & stumps ground out.
2. Planting of replacement trees will occur spring of 2020. A total of 17 new trees will be planted in the median strip. Trees will be spaced farther apart (40' on center) than the existing trees. Tree species for replacement trees will be Eastern Redbuds and Blackhaw Viburnums.
3. Trees will receive water as needed during summer of 2020- see maintenance plan.

The Central Ave work will include the following:

1. Work on the streetscape project by an outside contractor will commence spring of 2020.
2. Eight individual planting islands surrounded by concrete curbing will be installed as part of the streetscape project. Islands are large enough to meet the grant requirements for minimum square footage. Islands will be filled with soil adequate to support tree growth & health.

3. City Crews will plant 8 new shade trees, one per island in Fall of 2020. Tree species to be planted include American Elms and Zelkovas.
4. Trees will receive water as needed during summer of 2021- see maintenance plan.

Deliverables and expected outcomes

A total of 25 Street trees will be planted on two separate streets in the City of Staunton. Deliverables and expected outcomes include:

For the 500 Richmond Ave site there will be an increase from 10 existing to 17 new trees that will beautify the area, contribute to improved water quality, and be better suited to the site.

Deliverables include:

1. The existing 10 Bradford Pears on the 500 block of Richmond Ave will be removed by February 28 2020.
2. Seventeen new street trees will be planted on the 500 block of Richmond Ave by April 17 2020.
3. The above trees will be watered & maintained to ensure establishment, summer of 2020 as per the following maintenance plan.

For the Central Ave site there will be an additional 8 shade trees in city right of way where there are currently no trees. These trees will beautify the area, help shade an urban street, and contribute to improved water quality.

Deliverables include:

1. The 100 & 200 blocks of Central Ave will receive a total of 8 large shade trees.
2. The Central Ave shade trees will be planted by December 12 2020.
3. The above trees will be watered & maintained to ensure establishment, summer of 2021 as per the following maintenance plan.

Long term maintenance plan

All newly planted trees will fall under Staunton's regular tree maintenance program to ensure establishment. All maintenance work will be completed by City Horticulturist & assistant horticulturist concurrent with their regular tree maintenance program. Maintenance for the new trees will include:

1. Weekly watering during the first growing season. When a week with less than 1" of rainfall occurs, trees will be watered with 30 gallons of water per tree through their first summer. Trees planted along Richmond Ave will be watered summer of 2020, Trees planted along Central Ave will be watered summer of 2021.
2. Re-mulch mulch saucers annually or as needed to protect tree trunks from mower damage. Mulch will not be pilled against the trunk of the tree. Mulch saucers will be weeded as needed.
3. Structural & corrective pruning will be conducted bi-annually or as needed to meet the needs of each site.
    a. Along Richmond Ave care will be taken to prune & train trees to the confines of the median strip they are growing in.
    b. Along Central Ave the Zelkovas & Elms will be trained to a central leader and thinned to reduce the chance of storm damage.

4. Fertilization will only occur on the trees if a soil test identifies a nutrient deficiency that must be corrected. Should a tree require fertilizer it will be applied in a slow release form by a trained applicator in the proper conditions.
5. Trees planted along Richmond Ave will have stem guards installed on them to protect them from deer rubbing injuries.

Experience in completing similar projects

As previously noted, Staunton has utilized grant funding in the past to assist with our regular tree planting programs. Some past projects that were successfully completed include:

2010- VDOF/ ARRA Funding (Stimulus money) $50,000.00 for Urban & Parks Tree Planting, Urban & Parks Tree Care contract work, Street Tree planting along Churchville Ave, and Landscaping & tree planting of the old Firehouse Parking lot

2012 – Chesapeake Bay Program/ UVA Green Infrastructure center, trees for clean water. $18,030.00 for tree planting in our parks & downtown area and to create 3 additional landscape islands at the Old Firehouse Parking lot.

2013 to 2019- Augusta Garden Club & Garden Club of America Founders fund grants. Annual grants to support Dogwood plantings in our parks and schools. Over 125 dogwoods planted during this time

2017- VDOT Funding for Crossings Way Landscaping. $18,000.00 to reimburse all materials, labor, & equipment to landscape Crossings Way, a new street. Work included street tree planting, landscaping a roundabout, and planting 6 bio retention areas with native species.

Publicity & Outreach

Public outreach will be handled by City of Staunton. A press release educating the public about the project and benefits will be sent out at the appropriate time. Additionally, the plantings will be documented on Staunton Parks & Recreation's Facebook page.

Please find attached the required documents including:

1. Application form
2. Budget form
3. Letter of recommendation by regional forester- Patti Nylander
4. Photos existing conditions
5. Planting specification and species list
6. GIS print off of Richmond Ave existing site conditions
7. Layout of Richmond Ave proposed planting w/ plant list
8. Construction plans for Central Ave streetscape w/ plant list

Existing Site conditions- Richmond Ave, Photo 1



Existing site conditions- Richmond Ave, Photo 2



Existing Site Conditions- Richmond Ave, Photo 3



Existing conditions- Central Ave, photo 1



Existing site conditions- Central Ave, photo 2



Existing site conditions- Central Ave, Photo 3



Existing site conditions- Central Ave, Photo 4



2020 Virginia Trees for Clean Water
BUDGET WORKSHEET

Applicant: City of Staunton

Project Name: Street Tree Planting on Richmond Ave & Central ave

Grant Number:

ITEM	*Grant Share* Direct Expenses or Cash Purchases	*Applicant* Direct Expenses or Cash Purchases	*Applicant* In-Kind* Personal Services: Volunteer & Staff hrs.	*Applicant* In-Kind Donated: Services, Supplies or Equipment use	Total
Plant Materials	***No Ash trees, invasive trees or invasive shrubs will be funded***				
4 American Elm, 'New Harmony' 2'	$ 520.00	$ 38.72	$ 410.28	$ 174.60	$ 1,143.60
4 Zelkova, 'Green Vase' &	$ 520.00	$ 38.72	$ 410.28	$ 174.60	$ 1,143.60
					$ -
5 Eastern Redbud, 2" cal b&b	$ 650.00	$ 88.80	$ 512.85	$ 218.25	$ 1,469.90
12 Blackhaw Viburnum, 2" cal b&b	$ 1,560.00	$ 213.12	$ 1,230.84	$ 523.80	$ 3,527.76
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
TOTAL	$ 3,250.00	$ 379.36	$ 2,564.25	$ 1,091.25	$ 7,284.86

NOTE: All grantees are required to maintain and submit written records that fully document all expenses.

* For the 2020 grants, $25.43 is the federally accepted base rate for volunteers. You may use a higher value for a professional who volunteers his/her professional services. Children should be at the minimum wage rate.

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**Councilman Jim Harrington** **City Manager Steve Rosenberg**
Item #	**6 & E**	
Ordinance #		
Department:	**City Council** **City Manager**	
Council Vision:	**Built Environment**	
Subject:	**Funding for Afton Express Transit Service**	

Background: Previously, in 2017, the Harrisonburg-Rockingham, Staunton-Augusta-Waynesboro, and Charlottesville-Albemarle Metropolitan Planning Organizations (MPOs) funded a feasibility study of a commuter bus system that would connect communities in the Shenandoah Valley and Charlottesville. KFH Group was engaged to develop the study and service plan with a phased approach. The Central Shenandoah Planning District Commission (CSPDC) led the development, with input and guidance from a stakeholder steering committee representing the localities and transit stakeholders along the corridor.

The study determined that the service is feasible, and a determination was made to move forward with implementation. Toward that end, staff of the Virginia Department of Rail and Public Transportation (DRPT) recommended that an application for a demonstration grant be submitted to DRPT to fund more detailed service planning and marketing, and for the initial year of operations. Subsequent years of operation would be eligible for rural transit grant funding through DRPT. CSPDC submitted a granted application in early 2018. Though at its work session on January 25, 2018, City Council members had unanimously indicated their general support for the proposed service and informal commitment to the requested funding ($14,000 per year for three years), not all localities made such a commitment, and DRPT denied the grant application for that reason.

Notwithstanding the disposition of the grant application, DRPT continued to recognize the value the proposed transit service might provide to the region. Earlier this year, the department contracted with Kimley-Horn and Associates, Inc., a transit consultant, to complete an additional

study to confirm demand, to develop a detailed service plan and budget and to identify potential funding sources, focusing on service between Staunton and Charlottesville. A stakeholder group, including localities and the University of Virginia, was convened to work with the consultant on what has come to be referred to as the proposed “Afton Express” transit service. Members of the stakeholder group provided the consultant with commute-related information concerning their workforces and participated in two meetings related to the development of the service plan.

DRPT is again recommending that applications be made for various grants to fund the proposed service for an initial four-year period. The deadline for an application for an initial demonstration grant, to fund the first two years of operation, is February 3, 2020. Staunton Augusta-Waynesboro Metropolitan Planning Organization has requested the City commit to its share of the local matching grant, in an amount not to exceed $12,000 per year, for the first four years of operation. Similar commitments will be sought from localities and other stakeholders throughout the region. Further information about the proposed service and the financial details are included in the attached letter and fact sheet provided by CSPDC.

At the present time, CSPDC seeks a commitment of support from City Council, generally, and for funding commencing in fiscal year 2021, and continuing for four full fiscal years.

City Manager’s Recommendation: Receive and discuss the proposal by Central Shenandoah Planning District Commission for participation by the City of Staunton in Afton Express transit service.

Suggested Motion: I move that City Council authorize the City Manager to execute the Afton Express Transit Service Commitment of Support, evidencing the City of Staunton’s intention to participate in the transit service, as proposed, and commitment to provide funding at the levels indicated, subject to the City’s annual budget and appropriation processes.

City Manager: Steven L. Rosenberg

Celebrating 50 Years
CSPDC
Central Shenandoah Planning District Commission

December 2, 2019

Mr. Steve Rosenberg
City Manager
City of Staunton
116 W Beverley Street
P.O. Box 58
Staunton, VA 24401

Dear Mr. Rosenberg:

Examining the feasibility for inter-regional transit service between the Staunton-Augusta County-Waynesboro area and Charlottesville has occurred over the past four years. These planning efforts have been based on identification of the need for this service in multiple prior planning efforts. With the assistance of the MPO's, the local jurisdictions and the universities, a feasibility study exploring this concept was coordinated by the CSPDC and completed in 2017. This report was then provided to the Virginia Department of Rail and Public Transportation (DRPT) for their review and guidance on potential next steps.

Earlier this year, DRPT contracted with consultant Kimley-Horn to complete additional study to confirm demand, to develop a detailed service plan and budget, and to identify potential funding sources. A stakeholder group representing multiple jurisdictions and University of Virginia was assembled to work with the consultant on what is now referred to as the proposed "Afton Express" transit service. This stakeholder group provided the consultant with commute-related information regarding their workforce(s) and participated in two meetings related to the development of the Service Plan.

The stakeholder group concurred with the following recommendations from the consultant:

- The initial phase of the service would originate from park and ride lot locations in Staunton, Fishersville and Waynesboro and serve multiple stops in Charlottesville proximate to the University of Virginia and the University of Virginia Medical Center, as well as downtown Charlottesville. Buses would stop (upon rider request) at the Charlottesville Amtrak station and on the reverse commute at the Waynesboro BRITE Hub.
- In the future, stops may be added in Crozet, the Pantops area and at Fifth Street Station (Wegmans in Charlottesville).
- The CSPDC would be the applicant and administrator of grant funds related to the service. Additionally, the CSPDC's existing service contract with Virginia Regional Transit (VRT) would be amended to include delivery of the Afton Express service. Under contract amendment, VRT would provide the drivers, buses, bus maintenance, supervision and customer service functions related to the service.
- DRPT guidance is that CSPDC should submit the initial grant application by February 3, 2020 for the initial two years of expenses under their Demonstration grant program. This program funds at an 80% level and requires a 20% local match. Subsequent years of

service would be funded under what is known as the 5311 Rural Transit program which funds at about a 78% level, requiring a 22% local match.

- The budget assumes that free rides would be offered for the initial thirty days of service to encourage commuters to try the service, followed by a ramping up period of ridership/fare collection the first year. Fares would be $3 each way, with passes available at a reduced rate for regular riders of the service.
- The stakeholders considered various formulas for providing the local match funds and agreed that this obligation would be split fifty-fifty between the two regions (west of the mountain and east of the mountain), and the regions would then determine the level of funding from each of the participating partners.
- DRPT requires that a commitment of the local match funds from the partners be in place to accompany the February 3rd grant application. Revenues in support of the initial years of service are projected as follows:

Revenues	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Federal	$ -	$ -	$192,757	$196,918
State	$36,320	$261,209	$49,395	$50,481
Local Partners	$9,080	$65,302	$66,568	$68,107
West-Side Partners	*$4,540*	*$32,651*	*$33,284*	*$34,054*
East-Side Partners	*$4,540*	*$32,651*	*$33,284*	*$34,054*
Fare Collection	$ -	$38,157	$55,501	$55,501
Total	**$45,400**	**$364,668**	**$364,221**	**$371,008**
Demonstration Period Total		*$410,068*		
5311 Rural Funding Total			*$735,229*	

DRPT requires that commitment from the local partners accompany the grant application. This commitment indicates the intent to enter into agreement with the other local funding partners and to provide the local match share each fiscal year of this initial term of service starting in FY2021.

At this time, the CSPDC is requesting an expression of intent from the "West-Side" partners to continue to participate in service-related planning activities, to enter into agreement with the local partners, and to provide a share of the local funding each fiscal year of this initial term. Please sign and return the Attachment to me by January 15, 2020 in order for CSPDC to proceed with the grant application.

Sincerely,

Bonnie S. Riedesel

Bonnie Riedesel
Executive Director

Afton Express Transit Service
Commitment of Support

The City/County of _____ is pleased to lend support to the Afton Express transit service project and intends to continue to participate in related planning efforts, to enter into agreement with the other local partners and to provide an agreed-upon share of the local match funding for each fiscal year of the initial service period beginning in FY2021 subject to the locality's budget and appropriation processes.

(Signature) (Title) (Date)

Proposed Local Match Levels:

	FY2021	FY2022	FY2023	FY2024
Staunton	$1,513	$10,883	$11,094	$11,351
Augusta County	$1,513	$10,883	$11,094	$11,351
Waynesboro	$1,513	$10,883	$11,094	$11,351
Total	$4,540	$32,651	$33,284	$34,054

Afton Express Transit Service Plan – Fact Sheet

Background

- The idea of an inter-regional transit service connecting the Shenandoah Valley and Charlottesville has been discussed in previous transportation studies and plans, including the Virginia Intercity Bus Plan (2013), BRITE Transit Development Plan (2015), and I-81/I-64 Inter-Regional Public Transportation Feasibility Study (2017).
- The I-81/I-64 Inter-Regional Public Transportation and Feasibility Study proposed a bus service operating between Harrisonburg and Charlottesville with stops in Staunton and Waynesboro.
- The CSPDC submitted a Demonstration Grant application for FY 2019 asking for funding to implement the service design proposed in the I-81/I-64 Feasibility Study, with a scaled-back route to operate between Staunton and Charlottesville on I-64 to reduce overlap with the recently implemented Virginia Breeze service.
- DRPT did not fund the implementation of the service, but instead provided funding for additional study to refine the need and feasibility of a transit service connecting the Staunton-Augusta-Waynesboro (SAW) region and Charlottesville.
- The Afton Express Transit Service Plan reaffirms the need for intercity transit service in the region and demonstrates the feasibility of operating a bus route between the SAW region and Charlottesville to best serve commuter and rural transportation needs.

Regional Travel Patterns

- Transportation trends in the region indicate that traffic flows are mostly one-directional in the morning and evening peak periods.
    - During the AM peak period most trips are between the high working population areas in the SAW region and high employment areas in Charlottesville.
    - During the PM peak period most trips are between the high employment areas in Charlottesville and high working population areas in the SAW region.
- Number of trips between regions during the AM and PM peak periods:

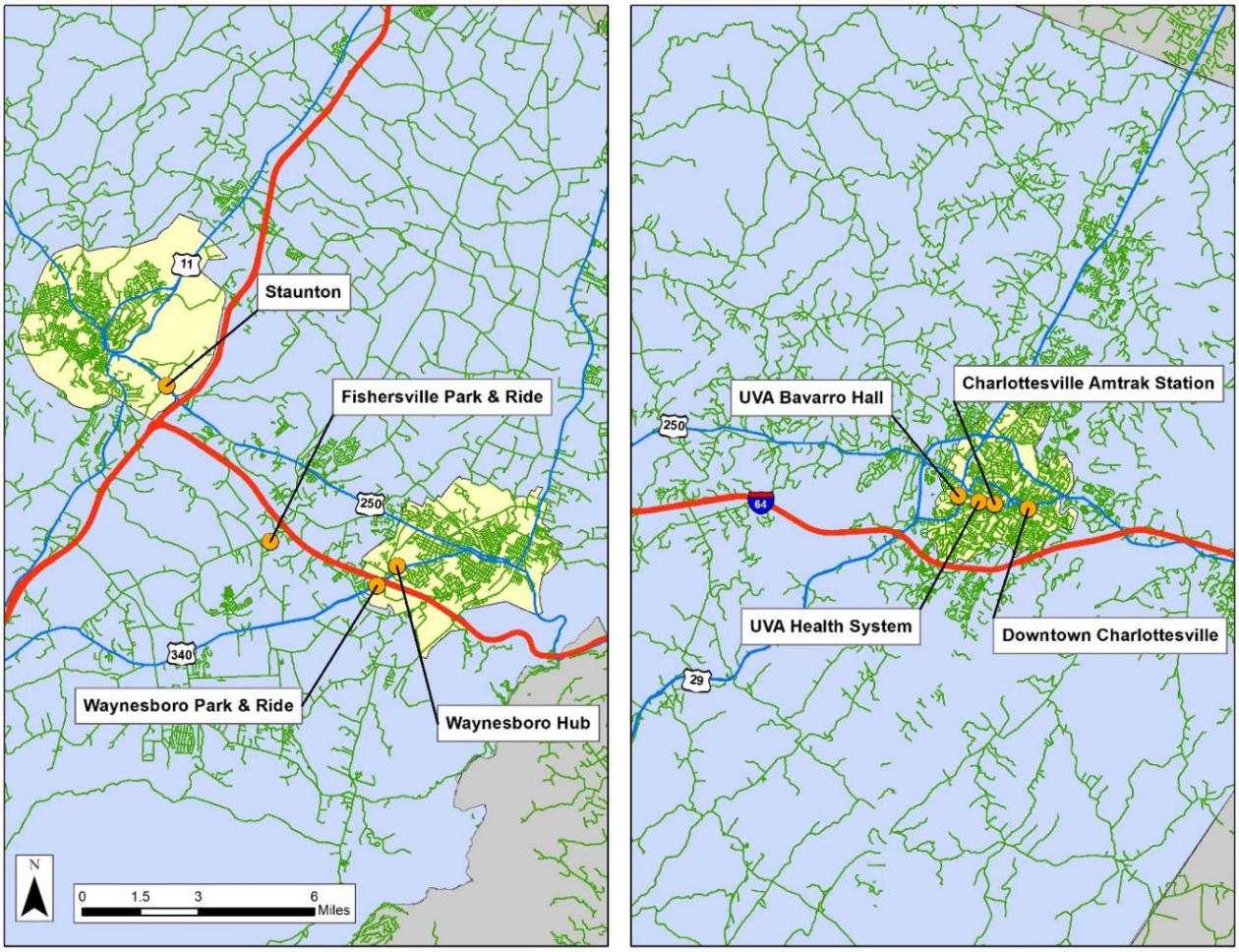
	AM	PM
Eastbound	3,373	1,413
Westbound	1,190	3,358

- Key origins identified include Waynesboro, Staunton, Fishersville, Stuarts Draft, and Crozet.
- Key destinations identified include, UVA, Downtown Charlottesville, Pantops, Crozet, and Waynesboro.

Service Plan Summary

- **Two 32-passenger buses** running on the route and one spare bus
- **Four AM peak period trips** (5:15 AM – 9:25 AM) leaving SAW region approximately hourly Monday - Friday
- **Four PM peak period trips** (3:00 PM – 7:10 PM) leaving Charlottesville/UVA approximately hourly Monday – Friday
- **14.2 daily total service hours**
- **81 projected daily boardings initially**
- **$3.00 one-way fares** with discounted passes for frequent users

Proposed Stop Locations



Note: Crozet, Pantops, and Fifth Street Station could serve as possible future stop locations.

Projected Budget

Expenses	FY2021	FY2022	FY2023	FY2024
Total	**$ 45,400**	**$ 364,668**	**$ 364,221**	**$ 371,008**

Revenues	FY2021	FY2022	FY2023	FY2024
Federal	$ -	$ -	$ 192,757	$ 196,918
State	$ 36,320	$ 261,209	$ 49,395	$ 50,481
Local Partners	$ 9,080	$ 65,302	$ 66,568	$ 68,107
West-Side Partners	*$ 4,540*	*$ 32,651*	*$ 33,284*	*$ 34,054*
East-Side Partners	*$ 4,540*	*$ 32,651*	*$ 33,284*	*$ 34,054*
Fare Collection	$ -	$ 38,157	$ 55,501	$ 55,501
Total	**$ 45,400**	**$ 364,668**	**$ 364,221**	**$ 371,008**
Demonstration Period Total		*$ 410,068*		
5311 Rural Funding Period Total			*$ 735,229*	

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**Doug Guynn** **City Attorney** _____ **Steve Rosenberg** **City Manager**
Item #	**7**	
Ordinance #		
Department:	**City Attorney**	
Subject:	**Closed Meeting for Consultation and Discussion with Legal Counsel Requiring the Provision of Legal Advice by Such Counsel Pertaining to: (i) Specific Land Use and Zoning Matters; (ii) Law Enforcement's Role and the Legal Risk Management in Matters Involving Possible Emergency Custody and Involuntary Temporary Detention; and (iii) Discussion or Consideration of the Possible Acquisition of Real Property(ies) or Interests in Real Property(ies) for Public Purposes as to Property in the City of Staunton for Use by the City for Operations, Where Discussion in an Open Meeting Would Adversely Affect the Bargaining Position or Negotiating Strategy**	

Suggested Motion:

Before the closed meeting: I move to enter a closed meeting for consultation and discussion with legal counsel requiring the provision of legal advice by such counsel pertaining to: (i) specific land use and zoning matters, pursuant to Virginia Code § 2.2-3711(A)(8); (ii) law enforcement's role and the legal risk management in matters involving possible emergency custody and involuntary temporary detention, pursuant to Virginia Code § 2.2-3711(A)(8); and (iii) discussion or consideration of the possible acquisition of real property(ies) or interests in real property(ies) for public purposes as to property in the City for use by the City for operations, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy, pursuant to Virginia Code § 2.2-3711(A)(3).

[Second. Discussion. Vote – Clerk of Council to poll members of Council.]

After the closed meeting: I move that Council reconvene in an open meeting and certify to the best of each member's knowledge that only lawfully exempted public business matters were discussed and that only public business matters as identified in the closed meeting motion were heard, discussed or considered in the meeting.

[Second. Discussion. Vote –Clerk of Council to poll members of Council.]

SPECIAL CALLED MEETING OF STAUNTON CITY COUNCIL
Thursday, November 7, 2019
5:30 p.m.
Council Chambers

PRESENT: **Mayor Carolyn W. Dull**
James L. Harrington
R. Terry Holmes
Erik D. Curren
Brenda O. Mead

ABSENT: **Ophie A. Kier, Vice Mayor**
Andrea Oakes

ALSO PRESENT: **Steven Rosenberg, City Manager**
Leslie Beauregard, Assistant City Manager
Suzanne F. Simmons, Clerk of Council

Mayor Dull called the meeting to order. The Pledge of Allegiance was recited in unison.

A. Welcoming Remarks by Mayor and Members of Council on the Occasion of Visit by Delegation from Çair Skopje, North Macedonia

Mayor Dull stated she would like to welcome the delegation from Çair, Skopje, North Macedonia to the Queen City of Staunton. She stated the City was grateful for the start of a new international friendship building on the foundation of the peacemaking principles established by President Woodrow Wilson after World War I.

Mayor Dull read the following resolution which was adopted at the City Council meeting of October 24, 2019. She stated she would be presenting the resolution officially when she visits Çair later this month.

WHEREAS, residents of the Municipality of Çair, Skopje, North Macedonia have previously visited the City of Staunton, Virginia; and

WHEREAS, during such visit it became apparent that our communities, cultures and people can gain much from continuing exchanges of ideas and people between our communities; and

WHEREAS, Mayor Visar Ganiu of the Municipality of Çair, Skopje, North Macedonia, in a letter dated August 20, 2019, requested that the Municipality of Çair and the City of Staunton establish a commitment to continuing partnership and an enduring relationship to benefit each city and our respective citizens; and

WHEREAS, an exchange of visits by delegations from the Municipality of Çair and the City of Staunton is currently being planned that are hoped to produce new connections between our communities; and

DRAFT

WHEREAS, the Staunton City Council deeply appreciates the hospitality and friendship that has been extended to Staunton by representatives of the Municipality of Çair and believes that international friendship and cooperation are keys to economic prosperity and peace in our global community.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Staunton, Virginia that the City of Staunton is committed to promoting prosperity, peace and understanding in a world filled with tensions and conflicts; that the City of Staunton and our citizens desire to improve and enhance international relationships among all nations and peoples; and the City of Staunton recognizes that enduring peace and friendships arise from person-to-person contacts and exchanges, and the City of Staunton pledges to support opportunities for such exchanges.

AND BE IT FURTHER RESOLVED that the City of Staunton recognizes the importance of the special relationship that has developed and continues to develop between the people of the Municipality of Çair, Skopje, North Macedonia and the City of Staunton, Virginia; and the Staunton City Council pledges our friendship and commitment to the people of the Municipality of Çair for the purpose of promoting cultural, social, economic and political ties between our communities and people through ongoing exchanges of our citizens, young people and representatives; and the exchange of information between our communities and partner organizations.

Adopted: October 24, 2019

/s/ Carolyn W. Dull
Carolyn W. Dull, Mayor

ATTEST: /s/ Suzanne F. Simmons
Suzanne F. Simmons
Clerk of Council

B. Performances by Mary Baldwin University Musical Groups

Craig Robertson, Choir Director and Instructor of Music at Mary Baldwin University, led the acapella group, Baldwin Charm, and the ensemble of the University's choir, in several songs.

C. Remarks by Gwen Mason, Regional Director of the Roanoke/Danville Offices of United States Senator Tim Kaine

Ms. Mason welcomed the Çair delegation to the Commonwealth of Virginia and presented gifts to them from Senator Kaine.

D. Presentation by Delegation from Çair, Skopje, North Macedonia

David Hosaflook, Executive Director of the Institute for Albanian and Protestant Studies, stated he appreciated the resolution read by Mayor Dull and noted how it would be greatly appreciated

DRAFT

once it was translated and read in North Macedonia. Mr. Hosaflook presented information to Council regarding the nation and history of North Macedonia. He stated one of the reasons for the delegation's visit was to honor the 100th anniversary of the Paris Peace Conference.

Mr. Hosaflook introduced Mayor Visar Ganiu from Çair, Skopje. Mayor Ganiu thanked the City and citizens for welcoming the delegation on their visit. Mayor Ganiu read a statement recognizing President Wilson's actions a century ago that produced prosperity for their entire nation. He noted Mother Theresa was an Albanian from Skopje and remarked on how she was an ambassador for peace. Mayor Ganiu stated he looked forward to welcoming Mayor Dull and Ms. von Seldeneck, President and Chief Executive Officer of the Woodrow Wilson Presidential Library, to their city.

Mr. Hosaflook read a resolution which Mayor Ganiu then presented to City Council. Gifts were then presented to Council members and staff.

E. Closing Remarks by Mayor

Mayor Dull thanked the delegation for the gifts and looked forward to developing an informal international sister city relationship.

She noted she and Ms. von Seldeneck would be traveling to Çair, Skopje in the next several weeks.

ADJOURNMENT

There being no further business to come before Council, the meeting adjourned at 6:07 p.m.

_____

Suzanne F. Simmons
Clerk of Council

DRAFT

City Council
WORK SESSION
November 14, 2019
5:15 p.m.

Council Members Present: Mayor Dull, Vice Mayor Kier, Council Members Curren, Harrington, Holmes, and Oakes.

Council Members Absent: Council Member Mead.

The Mayor called the meeting to order at 5:15 p.m. and the invocation/moment of silence was given by Dr. Curren.

1. Consideration of Work Session and Regular Meeting Agendas

Consistent with Procedural Memorandum No. 3, the agendas were presented for Council consideration.

Vice Mayor Kier moved to approve the Work Session agenda and the Regular Meeting agenda as presented.

The motion was seconded by Mr. Holmes and carried unanimously as follows:

Mayor Dull	aye	Mr. Holmes	aye
Vice Mayor Kier	aye	Dr. Harrington	aye
Dr. Curren	aye	Ms. Oakes	aye

2. Staunton Public Library Annual Report 2018-2019

Sarah Skrobis, Director of Library Services, presented Council with the annual library report for fiscal year 2018-2019. She stated much of what the Library offers citizens is relative to quality of life.

Some of the highlights Ms. Skrobis mentioned were:

- Library of Virginia provided funding of $147,000 and a 2.9% increase in State aid
- Phase I renovations to the 1st floor was completed with an ADA compliant front desk
- Entire Genealogy and History sections were tagged
- Library is striving to create a more inclusive, welcoming, and comfortable environment that meets the needs of the City's diverse community
- Created a new "silent space" area
- Phase II will begin in the near future with $45,000 in contributions
- Filled twelve positions
- Talking Book Center was named National Sub Regional Library of the Year
- Digital checkouts increased by 24% with over 600,000 titles offered to patrons

Ms. Skrobis stated the Library continuously tries to adapt to the needs of the community. She thanked Council for their ongoing enthusiasm and support.

DRAFT

Mayor Dull stated Council appreciated all of the hard work given by staff and volunteers.

Mr. Holmes asked if the Library still conducted book sales. Ms. Skrobis stated the "Friends of the Library" hosts two book sales each year.

Dr. Curren asked if the Library participates in reading challenges. Ms. Skrobis stated the Library does so on a personal level.

Ms. Oakes asked if the Library participated in the Queen City Mischief & Magic event. Ms. Skrobis stated the Library hosts activities leading up to the event to better serve the local community.

Regarding a question from Dr. Harrington, Ms. Skrobis stated everything the Library does on a daily basis is to stand up for intellectual freedom and provide access to a broad range of materials.

3. Presentation on U.S. Environmental Protection Agency (EPA) Brownfields Program and Grant Application

Billy Vaughn, Director of Economic Development, stated that unfortunately an application would not be presented the U.S. Environmental Protection Agency (EPA) Brownfields Program. He noted it was discovered that the City does not have in place a necessary component to the grant that would help guarantee a successful application. Mr. Vaughn stated Lori Kroll, Community Resource Specialist with Draper Aden Associates, was present and would update Council on the application process.

Ms. Kroll provided an overview to Council regarding of the U.S. Environmental Protection Agency (EPA) Brownfields Program. She stated when she appeared before Council on August 8, 2019, the new guidance for this year had not been released. Ms. Kroll noted since its release in mid-October, one item in the application was weak in the City's initial proposal. She explained that the targeted area for the grant application would be the West Beverley Street corridor.

Ms. Kroll stated community groups in the West End, including for example the West End Alliance and the West End Business Association, are great contributors to a good proposal, but Draper Aden Associates felt that the absence of an overall revitalization strategy weakens the current proposal. She further explained that Draper Aden has recommended postponing the City's application for one year while they work through a revitalization strategy for the West End.

Ms. Kroll stated Draper Aden would meet with staff and begin developing a community engagement plan for West End that would involve the West End Alliance, the West End Business Association as well as residents. She explained Draper Aden would do this at no charge to the City and will work with staff to pull together various groups throughout the next six months and will present a stronger proposal to Council next fall. Ms. Kroll noted EPA funding has been reduced and awards a limited number of grants thus the recommendation to postpone the application proposal at this time.

Dr. Curren asked Ms. Kroll how Draper Aden could provide their services at no charge to the City. Ms. Kroll explained Draper Aden invests in communities that they believe in and wanted to return that investment that the City has made.

DRAFT

Vice Mayor Kier stated he appreciated postponing the application process and asked how Draper Aden would proceed over the next year. Ms. Kroll explained business and community leaders as well as residents would be pulled together to develop an Assets and Needs study and then develop a strategic revitalization plan for that area.

Dr. Harrington stated it would be more useful to postpone the application process and was in support of Draper Aden's plan.

Mayor Dull stated she agreed with Dr. Harrington.

4. Discussion of 2020 Legislative Program

Leslie Beauregard, Assistant City Manager, stated each year, City Council adopts a legislative program which is transmitted to the Governor, local General Assembly members, the Virginia Municipal League (VML), and Virginia First Cities. Council discussed the City's legislative program for 2020, at its work session on October 24, 2019.

Ms. Beauregard reviewed the draft resolution with Council with proposed changes to last year's program. Topic changes included:

- Revising the language regarding the ban on handheld cell phones in work zones, but not only limited to construction zones
- Funding for a Community Crisis Center that will offer both detox and crisis intervention services
- Jail staffing – updated figures
- Regulation of disposable plastic bags
- Mental health of first responders
- Economic Development – Virginia Business Ready Sites and Go Virginia program funding
- Plastics recycling facility – provide funding
- Council is requesting the General Assembly oppose mandates on water quality funding.

Ms. Beauregard stated Council could accept the proposed changes and add it to the Regular agenda at tonight's meeting or make further changes.

Mayor Dull stated she would like Council to consider inviting Senator Hanger and recently elected Delegate Avoli to the Work Session in December or possibly have a Special Called meeting. She noted she would like Council to establish a good working relationship with them.

Dr. Harrington stated he felt Council should resume that tradition if at all possible and noted it was a worthy effort. The remaining Council members agreed. Mayor Dull asked Mr. Rosenberg to offer the invitation.

Mr. Rosenberg stated during the break two motions would be prepared to add to the Regular meeting agenda and for the adoption of the resolution establishing the Legislative program.

5. Introduction of an Ordinance Amending Sections 3.15.010, Definitions; 3.15.020, Authorized; and 3.15.030, General Eligibility Requirements, of Chapter 3.15, Real Estate Exemption for Elderly and Disabled Persons, of Title 3, Revenue and Finance,

DRAFT

to Align with Changes to the Code of Virginia as Enacted by the General Assembly and to Make Clarifications

Doug Guynn, City Attorney, stated the proposed ordinance is purely a housekeeping matter. The Virginia General Assembly has enacted changes at various times to the Code of Virginia which merit amendments to update some aspects of the Staunton City Code. These updates are part of an ongoing process, as time permits with the input of departmental directors, to amend the City Code to align with changes to the Code of Virginia.

Virginia law authorizes a locality's governing body to provide some exemption or deferral of real estate taxes based on qualifying limitations. Staunton currently does so in Chapter 3.15 of the Staunton City Code. The proposed ordinance before Council updates those provisions.

Mr. Guynn stated the proposed draft ordinance clarifies the definitions of "dwelling" and "eligible person" in Title 3, Revenue and Finance, for the purposes of the real property tax exemption for property owners who are 65 years of age or older or who are permanently and totally disabled, to include improvements to the exempt land, so long as the improvement is not used for a business purpose and is used to house certain motor vehicles or household goods.

The ordinance also reorders and clarifies some language in the current version of the City Code provision in regards to the income limitation to determine eligibility for the real estate tax exemption, to provide that disability income received by certain individuals who live in the dwelling is not included in making that determination.

A public hearing will be held during Council's regular meeting on November 14, 2019, and the ordinance will be scheduled for Council's consideration on December 12, 2019.

This will be Item B on the Regular meeting agenda.

6. Introduction of an Ordinance Amending Section 3.17.010, General Eligibility Requirements, of Chapter 3.17, Real Estate Tax Exemption for U.S. Military Veterans, of Title 3, Revenue and Finance, to Align with Changes to the Code of Virginia as Enacted by the General Assembly

Mr. Guynn, stated the proposed ordinance is a real estate tax exemption of Virginia law which applies to veterans and those killed in action. Localities can actually allow surviving spouses of those who were totally disabled in the armed services or killed in action to continue to have the benefit of the real estate tax exemption even if the surviving spouse moves to a different principal residence, as long as the surviving spouse does not remarry.

Mr. Guynn stated this proposed ordinance would update the Staunton City Code and would reflect that central change.

A public hearing will be held during Council's regular meeting on November 14, 2019, and the ordinance will be scheduled for Council's consideration on December 12, 2019.

This will be Item C on the Regular meeting agenda.

DRAFT

7. Introduction of an Ordinance Amending Section 6.05.010, Definitions, of Chapter 6.05, In General, of Title 6, Animals and Fowl, to Align with Changes to the Code of Virginia as Enacted by the General Assembly

Mr. Guynn stated this particular ordinance updates the City Code to bring into sync with the Code of Virginia's definition of "adequate shelter," "adequate space," and "livestock," within the context of animal control, found in the Staunton City Code's Title 6, Animals and Fowl.

"Adequate shelter" is amended to include, during hot weather, the provision of shelter that, during hot weather, is shaded and does not readily conduct heat and, during cold weather, the provision of shelter that has a windbreak at its entrance and provides sufficient bedding material.

"Adequate space" is amended to provide that a tether meets the requirement that an animal be given adequate space if the tether is at least 10 feet in length or three times the length of the animal, whichever is greater, and does not, by its material, size, or weight or any other characteristic, cause injury or pain to the animal, does not weigh more than one-tenth of the animal's body weight, and does not have weights or other heavy objects attached to it. The amendment further provides that walking of an animal on a leash by its owner does not constitute the tethering of the animal for the purpose of the definition and excludes agricultural animals from the definition.

The definition of "livestock" is amended to add animals of the genus Vicugna, which now includes alpacas.

A public hearing will be held during Council's regular meeting on November 14, 2019, and the ordinance will be scheduled for Council's consideration on December 12, 2019.

This will be Item D on the Regular meeting agenda.

8. Introduction of an Ordinance Amending Section 8.30.230, Penalty for Violation of Article, of Chapter 8.30, Solid Waste, of Title 8, Health and Safety, to Establish Civil Penalties for Repeated Violations Regarding the Failure to Remove or Properly Dispose of Trash, Garbage, Refuse, Rubbish, Litter, and Other Like Substances

Mr. Guynn stated this proposed ordinance (November 14, 2019 version) deals with rules set up by Public Works. The Director of Public Works shall prescribe a solid waste policy relating to the collection, handling and disposal of refuse. This policy is subject to approval by the City Manager. The primary goals of the policy are to ensure health and safety, and to maintain and enhance the appearance of the City.

Tom Sliwoski, Director of Public Works, stated, per City Code, he had established a solid waste policy which is basically the Refuse policy and covers items such as when to place trash out for pickup, the size of the can, and some basic rules, etc. He stated there is a link to the City Code online.

Mr. Sliwoski stated while the City Code authorizes misdemeanor penalties for depositing refuse in the streets, using public receptacles for depositing refuse, transporting refuse on public streets, and collecting refuse as a business, there are no penalties for violation of the Public Works policy. The only exception is for unscheduled special pickups, which is defined as a special pickup for refuse that is stored or placed curbside in a manner not in accordance with the policy. The

DRAFT

minimum fee for an unscheduled special pickup is $95; however, the customer may be charged with the actual cost of the pickup.

Staff recommends that an ordinance be introduced to establish civil penalties for repeat violations of the Public Works solid waste policy relating to the failure to remove or properly dispose of trash, garbage, refuse, rubbish, litter and other like substances.

Mr. Sliwoski stated these proposed penalties will affect the more flagrant, blatant violators who repeatedly do this and ignore calls from City staff and when complaints have been received regarding public health and safety.

Mr. Sliwoski stated in the proposed ordinance, a $50 penalty would be imposed for the first violation, or violations arising from the same set of facts. The civil penalty for subsequent violations (not arising from the same set of facts) within 12 months of the first violation would be $200. In no event would a series of specified violations arising from the same set of facts result in civil penalties that exceed a total of $3,000 in a 12-month period. Three civil penalties previously imposed on the same person for the same or similar violation, within a 24-month period, would constitute a Class 3 misdemeanor. Existing authority of the City to refuse to collect refuse from a violating person or entity in the event of repeated violations is maintained. Mr. Sliwoski noted if the property owner, in fact, was the customer and the fees were left unpaid, there would be a lien placed on the property.

Mr. Sliwoski stated a public hearing will be held during Council's regular meeting on November 14, 2019, and the ordinance will be scheduled for Council's consideration on December 12, 2019.

Mr. Sliwoski clarified that the City still picks up recycling items such as paper, cardboard, mixed paper, glass, metal and aluminum cans. Only plastic items are no longer picked up for recycling.

Mayor Dull asked Mr. Sliwoski who would be charged if a violation involves a rental property. Mr. Sliwoski stated the tenant would be charged, the actual customer putting out the trash. He clarified if the property owner was also the customer and the violator, they would receive a lien on the property.

This will be Item E on the Regular meeting agenda.

9. <u>Discussion of Solar Panels in Historic Districts</u>

Mr. Rosenberg stated this item had been included at the request of Dr. Curren following Council's consideration of the appeal from the Historic Preservation Commission at the October 24, 2019 meeting. He noted an excerpt from the Staunton City Zoning Code addressing modifications to homes in historic districts as well as the guidelines for energy conservation and provisions of the Secretary of Interior's Standards for Rehabilitation were included in the briefing. He noted Rodney Rhodes, Senior Planner, was present to answer any questions.

During the October 24, 2019 meeting, staff noted the Commission's consideration of the placement of solar panels is guided by the *Staunton City Zoning Code, Chapter 18.85, H-1, Historic Preservation District*; the *Staunton, Virginia Historic District Design Guidelines*; and *The Secretary of the Interior's Standards for Rehabilitation*.

DRAFT

Section 18.85.050(7) of the *Staunton City Zoning Code* provides:

> (7) Commission Options. The commission may approve the certificate of appropriateness as proposed, approve the certificate of appropriateness with any modifications it deems necessary, or reject it.
>
> The commission shall approve the application and issue a certificate of appropriateness if it finds that the proposed material change(s) in the appearance would not have a substantial adverse effect on the aesthetic, cultural, historic, or architectural significance and value of the historic property or the historic district. In making this determination, the commission shall consider, in addition to any other pertinent factors, the following criteria for each of the following acts:
>
> > (a) Reconstruction, Alteration, New Construction, or Renovation. The commission shall issue certificates of appropriateness for the above proposed actions if those actions conform in design, scale, building material, setback and landscaping and to the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings, a copy of which is attached hereto as an appendix and hereby incorporated by reference.

Relevant excerpts of the *Staunton, Virginia Historic District Design Guidelines*, adopted by City Council in December 2018 (Attachment 1, *XI. Guidelines for Energy Conservation)* and *The Secretary of the Interior's Standards for Rehabilitation and Illustrated Guidelines on Sustainability for Rehabilitating Historic Buildings (*Attachment 2, *D. Alternative Energy Systems)* are attached.

Dr. Curren stated he had reviewed the Department of Interior Guidelines which were published in 2011 with a subsequent version in 2013 that he found online. He noted they did not appear to have been updated much since that time. He stated the solar energy industry has greatly changed in the last 10 years. Dr. Curren stated costs in Virginia have prohibited homeowners and businesses from installing solar panels over the years. It was noted that there are currently no historic district homeowners that have installed solar panels.

Dr. Curren stated he felt regulations were part of the problem and had been too much trouble for property owners. He noted the visibility regulations were not consistent with people being able to afford solar energy if they were not able to get maximum production out of the solar panels. He stated he personally did not feel having solar panels on a roof adversely affected the historic look of a house. Dr. Curren stated these are living neighborhoods and unnecessary obstacles should not be placed on homeowners. He requested that Council ask staff to review the regulations to possibly make it easier for homeowners to install solar panels.

Mr. Holmes questioned if there were products that would make solar panels less visible. He felt that was one of the biggest complaints for allowing them in historic districts.

DRAFT

Mayor Dull questioned if the National Historic Guidelines were being revised. She noted staff could perhaps investigate products available. Mayor Dull stated the City's historic guidelines are based on those National guidelines.

Dr. Harrington stated solar is a fast-moving industry and he wouldn't want to revise the City's ordinance to permit something and then have the industry create a product that would negate the City's need to do so.

Discussion ensued regarding products currently available and how other industries may have dealt with this type of problem in historic districts.

Mr. Guynn suggested perhaps the Historic Preservation Commission could ask Frazier Associates to research this along with staff.

The consensus among Council members was to have staff conduct research along with the Historic Preservation Commission.

10. Presentation and Discussion of a Resolution Authorizing Refinancing of 2007 and 2008 Bonds

Phil Trayer, Chief Finance Officer, stated this item is for a resolution to refinance a portion of the City's long-term debt. He stated the proposed resolution is to refinance the General Obligation Public Improvement 2007 Bonds as well as for bonds issued for 2008 State Literary fund. A net present value savings of $1.5 million will be produced as a result of the refinancing. Mr. Trayer stated this was $129,000 over previous estimates from the Council meeting of October 24, 2019.

Chris Kulp, representative for Hunton Andrews Kurth, the City's bond counsel, stated this is being issued as tax-exempt financing. He noted it was his role to give an opinion to the lender that the bond has been duly authorized, executed, and delivered.

Mr. Kulp stated a resolution providing for the issuance, sale and award of a general obligation refunding bond for is proposed for Council's consideration. The Resolution limits the principal amount of the bond to $15,282,000 and the interest cost to 1.88%, to allow flexibility in the bond market with the interest rate, and to determine at the time of the sale the savings to be realized with the refinancing within these parameters. He noted the closing is tentatively scheduled for November 26, 2019.

Mr. Kulp provided an overview to Council of the proposed resolution.

R.T. Taylor, representative for Davenport & Company LLC, the City's financial advisor, gave an updated review since the Council meeting of October 24, 2019. He noted the change in savings is approximately $129-130,000 after further negotiations with SunTrust Bank. He noted the future merger with BB&T and SunTrust would not affect the refinancing.

Dr. Harrington asked for clarification regarding the clause referring to not repurposing City-owned buildings. It was noted that as long as the facilities continue to governmentally owned and used for governmental purpose it would not be in violation.

This will be Item A on the Regular meeting agenda.

DRAFT

The work session adjourned at 7:07 p.m.

_____

Suzanne F. Simmons
Clerk of Council

DRAFT

REGULAR MEETING OF STAUNTON CITY COUNCIL
Thursday, November 14, 2019
7:30 p.m.
Council Chambers

PRESENT:	**Mayor Carolyn W. Dull**
	Ophie A. Kier, Vice Mayor
	James L. Harrington
	R. Terry Holmes
	Erik D. Curren
	Andrea Oakes
ABSENT:	**Brenda O. Mead**
ALSO PRESENT:	**Steven Rosenberg, City Manager**
	Leslie Beauregard, Assistant City Manager
	Douglas L. Guynn, City Attorney
	Suzanne F. Simmons, Clerk of Council

Mayor Dull called the meeting to order. The Pledge of Allegiance was recited in unison.

Vice Mayor Kier moved that the following item be added to this evening's regular meeting agenda as Item F:

Consideration of the 2020 Legislative Program.

The motion was seconded by Dr. Harrington and carried unanimously as follows:

Dr. Curren	aye	Vice Mayor Kier	aye
Mayor Dull	aye	Mr. Holmes	aye
Dr. Harrington	aye	Ms. Oakes	aye

MAYOR'S REPORT

Mayor Dull stated she had the privilege of welcoming a delegation from Ukraine which was part of a USAID program. Council members attended a presentation regarding community friendly lighting sponsored by Newtown Neighborhood Association and other groups.

Mayor Dull referred to the recent election. She noted welcoming the delegation from North Macedonia at the Special Called meeting on November 7, 2019 and pointed out the plaque which had arrived as a gift to the City.

Mayor Dull stated Council members participated in the Veterans parade on November 9, 2019. She noted there was a meeting on November 10, 2019 from a grass roots citizen organized meeting promoting local music.

DRAFT

Mayor Dull read the following Proclamation and presented it to Anna Schoenduby, President of Board of Directors for the Staunton Downtown Development Association.

WHEREAS, the City of Staunton, Virginia, celebrates our local small businesses and the contribution they make to our local economy and community; and

WHEREAS, according to the United States Small Business Administration, there are currently 30.7 million small businesses in the United States, they represent 99.7 percent of all businesses with employees in the United States, and are responsible for 64.9 percent of net new jobs created over the past 20 years, and

WHEREAS, small businesses employ 47.3% of the employees in private sector in the United States; and

WHEREAS, 94% of consumers in the United States value the contributions small businesses make in their community; and

WHEREAS, 92% of companies planning promotions on Small Business Saturday said the day helps their business stand out during the busy holiday season; and

WHEREAS, the citizens of Staunton support our local businesses and recognize that such local businesses create jobs, boost our local economy and preserve our communities; and

WHEREAS, the City of Staunton, Virginia, supports local businesses by, among other initiatives and activities, establishing and maintaining a downtown service district and partnering with the Staunton Downtown Development Association; and

WHEREAS, the City of Staunton, Virginia joins with other localities in Virginia and across the nation in recognizing the importance of local businesses.

NOW, THEREFORE, BE IT PROCLAIMED by Staunton City Council that November 30, 2019, is hereby designated as

Small Business Saturday

in the City of Staunton and Staunton City Council urges the residents of our Staunton community, our regional community, and communities across the country, to support small business and merchants on Small Business Saturday and throughout the year.

Adopted this 14th day of November, 2019.

DRAFT

/s/ Carolyn W. Dull

CAROLYN W. DULL, MAYOR

ATTEST: /s/ Suzanne F. Simmons

CLERK OF COUNCIL

Ms. Schoenduby thanked the City for all of their support for small businesses.

Mayor Dull welcomed students from Mary Baldwin University and Shelburne Middle School.

ADDITIONAL ITEMS BY MEMBERS OF COUNCIL

Ms. Oakes invited everyone to the 2nd annual Holiday Tree Lighting in Gypsy Hill Park on December 2, 2019. She thanked Councilmen Holmes and Harrington and staff for their military service.

APPROVAL OF MINUTES

Ms. Oakes moved to approve the work session and regular meeting minutes of October 24, 2019.

The motion was seconded by Mr. Holmes and carried as follows:

Mayor Dull	aye	Ms. Oakes	aye
Dr. Curren	aye	Dr. Harrington	aye
Vice Mayor Kier	aye	Mr. Holmes	aye

REGULAR MEETING

A. Consideration of a Resolution Authorizing Refinancing of 2007 and 2008 Bonds

Phil Trayer, Chief Finance Officer, stated the proposed resolution is to refund a portion of the City's long-term debt. He noted staff is requesting Council's approval to refinance the Series 2007 General Obligation bonds which has a remaining principal of $2,800,00 and with a variable rate of 4%. In addition, staff is asking to refinance the 2008 tax exempt debt issuances to the State Literary fund which has a combined remaining balance of $6,750,000 and a rate of 3%.

Mr. Trayer stated the obligations would be replaced with a debt structure that matches the current maturity dates and has an interest rate of 1.88%. He noted the combined net present value savings to the City would be $1,500,000 over the next 14.5 years.

Mr. Trayer stated Chris Kulp, representative from Hunton Andrews Kurth, the City's bond counsel, and R.T. Taylor, representative from Davenport & Company LLC, would review the proposed resolution and answer questions from Council members.

DRAFT

Mr. Taylor stated there are updated funding assumptions from the previous Council meeting of October 24, 2019. He reviewed the pre-payment flexibility conditions with Council. Mr. Taylor stated the proposed closing date will be November 26, 2019 and would redeem the 2007 bonds in the middle of December, 2019 and pay off the Literary loans at closing on November, 26, 2019. Mr. Taylor stated net results gross savings of $1,500,000 and the update number at tonight's meeting is $1,700,000 for gross savings with a present value of $1,500,000.

Mr. Kulp then presented an overview of the proposed resolution to Council. After review of submitted bids, he stated it was recommended that the City award the bond to SunTrust.

Dr. Curren moved to adopt the proposed resolution authorizing the issuance, sale and award of a General Obligation Refunding Bond, not to exceed $15,282,000, and refund the City's $10,600,000 General Obligation Public Improvement Refunding Bonds, Series 2007, and Literary Fund Note (McSwain Elementary School) and Literary Fund Note (Ware Elementary School), each issued in 2008, for the purpose of decreasing the cost of borrowed funds, in accordance with the resolution.

The motion was seconded by Ms. Oakes.

Dr. Curren stated he was impressed that the citizens would be saved $1,700,000 without having to make budget cuts.

The motion carried as follows:

Dr. Harrington	aye	Mayor Dull	aye
Vice Mayor Kier	aye	Ms. Oakes	aye
Mr. Holmes	aye	Dr. Curren	aye

(SEE ATTACHMENT 1)

B. Introduction and Public Hearing of an Ordinance Amending Sections 3.15.010, Definitions; 3.15.020, Authorized; and 3.15.030, General Eligibility Requirements, Of Chapter 3.15, Real Estate Exemption for Elderly and Disabled Persons, of Title 3, Revenue and Finance, to Align with Changes to the Code of Virginia as Enacted by the General Assembly and to Make Clarifications

Doug Guynn, City Attorney, stated the following three proposed ordinances are housekeeping items.

Mr. Guynn stated the Virginia General Assembly engages in changing state laws that impact local ordinances which require localities, like Staunton, to up their City Code.

Mr. Guynn stated the proposed ordinance deals with real estate tax relief specifically for the elderly and disabled and asked that Council entertain and adopt an ordinance at the December 12, 2019 meeting which would update the definitions for "dwelling" and "eligible person".

Mr. Guynn stated his recommendation was that Council introduce the ordinance and then conduct a public hearing reserving further consideration for the December 12, 2019 meeting.

DRAFT

Ms. Oakes moved to introduce the proposed ordinance amending Sections 3.15.010, Definitions; 3.15.020, Authorized; and 3.15.030, General Eligibility Requirements, of Chapter 3.15, Real Estate Exemption for Elderly and Disabled Persons, of Title 3, Revenue and Finance, to align with changes to the Code of Virginia as enacted by the General Assembly and to make clarification.

The motion was seconded by Dr. Harrington and carried as follows:

Dr. Curren	aye	Dr. Harrington	aye
Vice Mayor Kier	aye	Mr. Holmes	aye
Ms. Oakes	aye	Mayor Dull	aye

The public hearing was opened.

There being no one wishing to speak, the public hearing was closed.

Mayor Dull stated the proposed ordinance would be considered for adoption at the December 12, 2019 meeting.

C. Introduction and Public Hearing of an Ordinance Amending Section 3.17.010, General Eligibility Requirements, of Chapter 3.17, Real Estate Tax Exemption for U.S. Military Veterans, of Title 3, Revenue and Finance, to Align with Changes to the Code of Virginia, as Enacted by the General Assembly

Mr. Guynn, stated as he had briefed Council in the Work Session meeting earlier, the proposed ordinance also updates Staunton City Code to reflect changes to the Code of Virginia. He noted largely that change that was made to the Virginia Code by the General Assembly, and reflected in the proposed ordinance, would allow disabled veterans and those killed in action, and particularly their spouses, to continue to have that benefit even if the surviving spouse changed the location of residence. Mr. Guynn stated he would recommend that Council consider introduction and then conduct a public hearing.

Dr. Harrington moved to introduce the proposed ordinance amending Section 3.17.010, General Eligibility Requirements, of Chapter 3.17, Real Estate Tax Exemption for U.S. Military Veterans, of Title 3, Revenue and Finance, to align with changes to the Code of Virginia as enacted by the General Assembly.

The motion was seconded by Mr. Holmes and carried as follows:

Vice Mayor Kier	aye	Mr. Holmes	aye
Dr. Harrington	aye	Mayor Dull	aye
Ms. Oakes	aye	Dr. Curren	aye

The public hearing was opened.

There being no one wishing to speak, the public hearing was closed.

DRAFT

Mayor Dull stated the proposed ordinance would be considered for adoption at the December 12, 2019 meeting.

D. Introduction and Public Hearing of an Ordinance Amending Section 6.05.010, Definitions, of Chapter 6.05, In General, of Title 6, Animals and Fowl, to Align with Changes to the Code of Virginia as Enacted by the General Assembly

Mr. Guynn stated the Virginia General Assembly had changed the definitions of "adequate shelter," "adequate space," and "livestock," within the context of animal control, found in the Staunton City Code's Title 6, Animals and Fowl.

"Adequate shelter" is amended to include, during hot weather, the provision of shelter that, during hot weather, is shaded and does not readily conduct heat and, during cold weather, the provision of shelter that has a windbreak at its entrance and provides sufficient bedding material.

"Adequate space" is amended to provide that a tether meets the requirement that an animal be given adequate space if the tether is at least 10 feet in length or three times the length of the animal, whichever is greater, and does not, by its material, size, or weight or any other characteristic, cause injury or pain to the animal, does not weigh more than one-tenth of the animal's body weight, and does not have weights or other heavy objects attached to it. The amendment further provides that walking of an animal on a leash by its owner does not constitute the tethering of the animal for the purpose of the definition and excludes agricultural animals from the definition.

Mr. Guynn stated the definition of "livestock" is amended to add animals of the genus Vicugna, which includes alpacas.

Mr. Guynn stated he recommended Council introduce the proposed ordinance and then conduct a public hearing deferring consideration, as with the prior ordinances, to the December 12, 2019 meeting.

Ms. Oakes moved to introduce the proposed ordinance amending Section 6.05.010, Definitions, of Chapter 6.05, In General, of Title 6, Animals and Fowl, to align with changes to the Code of Virginia as enacted by the General Assembly.

The motion was seconded by Dr. Curren and carried as follows:

Dr. Harrington	aye	Mayor Dull	aye
Ms. Oakes	aye	Dr. Curren	aye
Mr. Holmes	aye	Vice Mayor Kier	aye

The public hearing was opened.

There being no one wishing to speak, the public hearing was closed.

Mayor Dull stated the proposed ordinance would be considered for adoption at the December 12, 2019 meeting.

DRAFT

E. Introduction and Public Hearing of an Ordinance Amending Section 8.30.230, Penalty for Violation of Article, of Chapter 8.30, Solid Waste, of Title 8, Health and Safety, to Establish Civil Penalties for Repeated Violations Regarding the Failure to Remove or Properly Dispose of Trash, Garbage, Refuse, Rubbish, Litter, and Other Like Substances

Tom Sliwoski, Director of Public Works, stated he would review highlights of the proposed ordinance to Council.

Mr. Sliwoski stated for any violation of the City's solid waste policy there would be a civil penalty of $50 for the first violation. The civil penalty for subsequent violations (not arising from the same set of facts) within 12 months of the first violation would be $200. In no case would a series of specified violations arising from the same set of facts result in civil penalties that exceed a total of $3,000 in a 12-month period. Three civil penalties previously imposed on the same person for the same or similar violation, within a 24-month period, would constitute a Class 3 misdemeanor.

Mr. Sliwoski stated the proposed ordinance is scheduled for Council's consideration on December 12, 2019.

Vice Mayor Kier asked Mr. Sliwoski to clarify the proposed violations and specifically what they referred to. Mr. Sliwoski stated it could pertain to excessive furniture. He noted the Public Works solid waste policy includes then the trash should be placed out by a certain hour, when the trash can should be picked up, and what can be disposed of. Mr. Sliwoski stated the proposed ordinance pertains to the blatant and flagrant violators creating a public health and safety hazard. He noted this ordinance is not meant for minor infractions. Mr. Sliwoski stated this refers to items placed at the curb that are not in accordance with the policy and a special pick up would be made and then charge the violator.

Vice Mayor Kier moved to introduce an ordinance to establish civil penalties for repeated violations regarding the failure to remove or properly dispose of trash, garbage, refuse, rubbish, litter and other like substances.

The motion was seconded by Ms. Oakes and carried as follows:

Ms. Oakes	aye	Dr. Curren	aye
Mr. Holmes	aye	Vice Mayor Kier	aye
Mayor Dull	aye	Dr. Harrington	aye

The public hearing was opened.

There being no one wishing to speak, the public hearing was closed.

Mayor Dull stated the proposed ordinance would be considered for adoption at the December 12, 2019 meeting.

F. Consideration of the 2020 Legislative Program

Leslie Beauregard, Assistant City Manager, stated this item was previously discussed at the

DRAFT

October 24, 2019 Work Session meeting. She noted items for Council's consideration included a combination of items from last year that were not addressed by the Virginia General Assembly and new items Council wished to be addressed in the upcoming General Assembly.

Ms. Beauregard highlighted the following new items:

- Item O4 – funding for a proposed community crisis center offering detox and crisis intervention services, proposed by Valley Community Services Board
- Section R- local option regulation and authority regarding disposable plastic bags
- Item S – add funding for mental health of first responders
- Section T – Economic Development – funding for Virginia Business Ready Sites program and support maintenance and funding for GO Virginia
- Section U – funding for a plastics recycling center in the Shenandoah Valley
- Mandate regarding water quality funding – requesting General Assembly to reconsider its mandate on new wastewater treatment, waste load allocation and regulations.

Ms. Beauregard stated other items in the 2020 Legislative Program is a continuation of last year's program which Council had expressed a desire to continue to support. She stated this proposal is up for Council's consideration to adopt.

Dr. Harrington moved that City Council adopt the resolution establishing the City of Staunton's 2020 Legislative Program.

The motion was seconded by Mr. Holmes.

Mayor Dull stated the Legislative Program would be sent the Senator Hanger and newly elected Delegate Avoli. She noted they would be invited to meet with Council members at a future meeting, preferably the work session on December 12, 2019

The motion carried as follows:

Mr. Holmes	aye	Vice Mayor Kier	aye
Mayor Dull	aye	Dr. Harrington	aye
Dr. Curren	aye	Ms. Oakes	aye

RESOLUTION ESTABLISHING
THE CITY OF STAUNTON'S
2020 LEGISLATIVE PROGRAM

The Mayor and City Council of the City of Staunton, Virginia, governing from a position closest to the City's citizens and desiring to make City government more responsive to Staunton citizens, believe it is important to advise the City's representatives in the Virginia General Assembly of the City's legislative positions.

THEREFORE, BE IT RESOLVED by the Council of the City of Staunton that the legislative principles adopted by the Virginia Municipal League (VML) are hereby endorsed:

The Governor and General Assembly should not:

DRAFT

- Restrict further local revenue authority or sources.
- Impose new funding requirements or expand existing ones on services delivered by local governments.
- Shift state funding responsibilities onto local governments.
- Impose state fees, taxes or surcharges on local government services.
- Place additional unfunded mandates and other administrative burdens on local governments.

BE IT FURTHER RESOLVED that City Council respectfully requests that the General Assembly **support** legislation regarding the following issues:

A. Education

1. The General Assembly should fully fund public education—funding all mandated programs and services of education on the basis of realistic costs; increasing Standards of Quality funding, coming from general fund revenues, appropriated to elementary and secondary education; providing for flexibility in the use of those funds to meet unique local needs; and supporting specialized training, professional development and extended contracts for staff in challenged schools.

2. The General Assembly should fully fund the Virginia Preschool Initiative.

3. The General Assembly should continue to support the revisions of the system of accountability to encompass balanced assessments and expand the implementation of problem-based assessments for greater validity and more cost-effective sampling techniques, and continue the implementation of expedited test retakes to more accurately reflect student achievement, sense of inquiry, and love of learning.The General Assembly should enact legislation to double the sales and use tax revenue distribution statewide to provide funding for capital for new or renovated school building projects, using the same formula for sales and use tax distribution as is used currently for distribution for Standards of Quality funding.

4. The General Assembly should provide new avenues for funding public school construction and renovation costs, including the creation of a pilot program of competitive grants using funds from the Virginia Public Building Authority to offset new construction costs for publicly owned and operated K-12 schools.

B. Pediatric Cancer Research

City Council is appalled by the lack of cancer research coordination, the glacially slow FDA new treatment approval process, and the totally inadequate level of federal funding for pediatric cancer research. Less than 4% of all cancer research spending is for pediatric cancer and only two treatments are currently approved by the FDA. Council requests that the Virginia General Assembly petition the federal government to make pediatric cancer a real priority in order to save the lives of countless children

DRAFT

who cannot speak for themselves or vote.

C. Certificates of Public Need

Council supports Virginia's Certificate of Public Need (COPN) program as an important component of the Commonwealth's health care system and encourages the General Assembly to retain COPN in its current form.

D. Chesapeake Bay Water Quality

City Council requests that the Commonwealth increase Stormwater Legal Assistance Fund (SLAF) funding to at least $80 million and Agricultural BMP Cost-Share Program funding to at least $100 million.

E. Transportation

1. City Council supports improvements to railroad infrastructure to increase freight shipment capacity and reduce truck traffic and impacts on Interstate 81.

2. City Council supports a Primary Seatbelt Law.

3. City Council supports a generally applicable ban on handheld cell phone use by operators of moving motor vehicles, not limited to construction zones.

4. City Council supports the use of non-motorized transportation, including trails, pathways and green corridors, for health, energy conservation and cost reasons for all Virginians.

5. City Council supports increased federal and state funding for public transit; policies that allow for the equitable distribution of such funding; and dedicated sources for such funding.

F. Libraries

City Council supports efforts to maintain and increase State Aid to Public Libraries as mandated by the Code of Virginia to strengthen funding for public library materials and programs that target childhood literacy and STEM instruction.

G. Virginia State Parks

City Council encourages the Governor and General Assembly to support additional land acquisition for state parks, outdoor recreation and natural areas.

H. Broadband Expansion

City Council supports the expansion of broadband to all areas of the Commonwealth.

I. Solar Tax Incentives

DRAFT

City Council supports state tax incentives for private homeowners, businesses and the solar energy industry to incentivize an increase in the use of clean solar energy systems, to reduce dependence on extractive fossil fuels and emissions and increase energy independence.

J. Predatory Lending

City Council continues its nine-year long fight against predatory lending. Council supports:

1. A return to the usury law (36% interest rate cap inclusive of all fees) that Virginia had prior to 2002.

2. Vigorous enforcement by the Attorney General of the ban on illegal internet loans.

3. If the Senate and the House refuse to act, swift approval by the General Assembly of a statewide referendum on an interest rate cap.

K. Equal Rights Amendment

City Council supports passage of the Equal Rights Amendment (ERA) and urges the General Assembly to take the necessary steps to put this matter before the citizens of the Commonwealth of Virginia.

L. Opioids

City Council supports any efforts to curb opioid use and abuse, including state programs that partner with local governments to deal with the effects of this continuing epidemic.

M. Fair Elections

Like many of our citizens, members of City Council regard with concern the reports received from other states and regions of apparent attempts on the part of government officials to suppress voter turnout. Reductions in voting locations, malfunctioning voting machines, preemptory removal of citizens' names from voting rolls, and other such strategies for unfairly influencing the outcome of an election reflect an abandonment of the democratic principles upon which our nation and commonwealth were founded.

Council urges our representatives in the General Assembly to make every effort to ensure that Virginia elections are fair, secure, accurate, accessible, and transparent. Further, Council urges the General Assembly to explore and implement additional strategies for encouraging voter turn-out, including:

- automatic registration
- expanded voting hours

DRAFT

- establishment of election day as a state holiday

N. Public Notice, Public Hearing and Public Procurement

The General Assembly should support legislation to reduce required, expensive newspaper advertising for public notices, public hearings and public procurement including legislation to give localities the option to use electronic or other forms of notification as an alternative to newspaper advertising.

O. Behavioral Health and Development Disability

1. The General Assembly should provide full funding for the System Transformation Excellence and Performance (STEP-VA) initiative of the Virginia Department of Behavioral Health & Developmental Services during the 2020-2022 biennial budget.
2. The General Assembly should increase the Medicaid Early Intervention case management reimbursement rate to its data-determined adequacy.
3. The General Assembly should fund 800 additional Family and Individual Supports (FIS) Waivers and 250 Community Living (CL) Waivers.
4. The Valley Community Services Board has proposed a community crisis center that will offer both detox and crisis intervention services. And while the needs of our citizens are great, the closest center is 29 miles away in Harrisonburg. For instance, the suicide rate in our area is higher than both the Virginia and national averages and drug induced deaths are 16.6 per 100,000 as compared to 10.6 statewide. The General Assembly should provide the necessary funding and support this new center that will better serve our City and region.

P. State Aid to Localities for Law Enforcement - HB599

The City of Staunton requests the General Assembly fully fund HB599 for law enforcement as mandated by the Code of Virginia.

Q. Jail Staffing/Compensation Board

The City of Staunton requests the General Assembly fund required staffing positions for the Middle River Regional Jail (MRRJ). In 2018, the Virginia Department of Corrections published a staffing analysis for MRRJ based on an average daily population (ADP) for 2017 of 775 member jurisdiction inmates. This resulted in a recommendation for an additional 76 jail officer positions and 17 support positions. The member jurisdiction ADP for 2018 was 857, exceeding the 2017 ADP that resulted in the recommendation of additional fully-funded staff positions and demonstrating the continued need.

R. Local Option Regulation of Disposable Plastic Bags

The City of Staunton supports legislation to allow local option authority to develop

DRAFT

incentives or regulations to decrease or otherwise regulate the distribution, sale, or offer of disposable plastic bags.

S. Mental Health of First Responders

In 2018, the Code of Virginia was amended to require mental health awareness programs for fire and EMS personnel, prescribing specific actions and training that must occur. Trauma and PTSD are realities in the lives of all first responders, yet vital funding to implement the required programs did not follow the mandates. City Council requests that theGeneral Assembly add funding that can be accessed by localities in order to better offer vital services, including access to providers who specialize in the needs of first responders and much needed training.

T. Economic Development

1. Because site readiness, characterization and development are key to Virginia's and the City of Staunton's economic development efforts, City Council supports increased funding for the Virginia Business Ready Sites Program (VBRSP).

2. City Council supports maintenance of funding for GO Virginia that will encourage collaboration among Virginia's localities in order to spur economic growth, diversification and higher paying jobs.

U. Plastics Recycling Facility

On April 1, 2019, the City stopped collection of plastic of any sort for recycling. Because of a stressed recycling market and a processing capacity that has become very limited in the past year, plastic is now ending up in the landfill as trash. This is very undesirable for the environment, our citizens and our economy. Therefore, City Council requests that the General Assembly provide funding or offer incentives so a plastic recycling facility can be located in the Valley.

BE IT ALSO RESOLVED that City Council respectfully requests that the General Assembly **oppose** the following legislation and mandated regulations:

A. Eminent Domain by Private Utilities for Surveying

City Council opposes the eminent domain rights extended to Dominion Energy and other private utilities to enter onto private property without the consent of the landowner for the purpose of surveying for proposed projects before agreements have been reached with such property owners.

B. Stormwater Utility Exemptions

City Council opposes legislation which would exempt any property owner from the payment of local stormwater utility fees.

DRAFT

C. Water Quality Funding

The Commonwealth's Final Chesapeake Bay TMDL Phase III Watershed Implementation Plan (August 2019) includes language imposing a new "floating" wasteload allocation on larger wastewater treatment plants. This new requirement would cut the total wasteload allocation to Augusta County Service

Authority (with which the City of Staunton contracts for wastewater treatment) by more than 45% (based on 2018 flow data), possibly requiring expensive upgrades which would significantly impact ratepayers with minimal additional benefit. Accordingly, City Council asks that the General Assembly reconsider its mandate of the new wastewater treatment wasteload allocation regulation set forth in the recently adopted Phase III Watershed Implementation Plan. City Council further requests, to facilitate continued successful local water quality improvement projects, full capitalization by the Commonwealth of the Water Quality Improvement Fund and provision for the necessary appropriations for local government water quality improvement projects, to continue the substantial progress made in the restoration of the Chesapeake Bay.

The Clerk of Council shall mail or deliver a copy of this Resolution to the Governor, the City's representatives in the General Assembly, other selected members of the General Assembly and area local governments; to the Virginia Municipal League, Virginia Association of Counties and Virginia First Cities and to other interested persons, as appropriate.

Adopted this day of_____, 2019.

_____

Carolyn W. Dull, Mayor

ATTEST: _____

Suzanne F. Simmons
Clerk of Council

MATTERS FROM THE CITY MANAGER

Mr. Rosenberg shared a letter received from the director of the Division of Purchases and Supply in the State Department of General Services recognizing Chad Horvat, Business Manager in the Finance Department. Mr. Horvat completed certification requirements as a Virginia Contracting Officer.

Mr. Rosenberg stated the City had been working with Dan Layman, Community Foundation of the Central Blue Ridge, Jon Venn, Director of Human Resources, and Chris Tuttle, Director of Parks and Recreation, regarding the implementations of estate planning documents of Susan Blackley, who was the City's first paid horticulturist. Ms. Blackley made two provisions in her estate planning which will provide annual funding to the City for flowers, mulch and other supplies, as well as funding an annual horticultural scholarship for an eligible student. Mr. Rosenberg stated this would provide initial funding in the amount of $10,000 per year towards these two items.

DRAFT

Mr. Rosenberg stated the gift from the delegation from Çair, Skopje, North Macedonia had arrived and was currently displayed in Council chambers.

Mayor Dull congratulated Mr. Horvat on his accomplishment. She stated she was pleased that Susan Blackley would be remembered through her efforts to continue to beautify the city.

MATTERS FROM THE PUBLIC

Baldwin Jennings, 332 Sharon Lane, wished Ms. Oakes a happy birthday.

Barbara Lee, 959 Donaghe Street, asked Council to recognize the City's only black auto mechanics which have been in business for 18 years.

There was no one else wishing to speak.

ADJOURNMENT

There being no further business to come before Council, the meeting adjourned at 8:15 p.m.

_____

Suzanne F. Simmons
Clerk of Council

DRAFT

RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND AWARD OF A GENERAL OBLIGATION REFUNDING BOND OF THE CITY OF STAUNTON, VIRGINIA, IN A PRINCIPAL AMOUNT NOT TO EXCEED $15,282,000, PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF AND PROVIDING FOR THE REFUNDING OF CERTAIN OUTSTANDING BONDS

WHEREAS, on January 10, 2007, the City of Staunton, Virginia (the "City"), issued its $10,600,000 General Obligation Public Improvement and Refunding Bonds, Series 2007 (the "2007 Bonds");

WHEREAS, on July 23, 2008, the School Board of the City issued its Literary Fund Note (McSwain Elementary School) and its Literary Fund Note (Ware Elementary School), each in the aggregate principal amount equal to the sum of all amounts disbursed under such note up to a maximum of $7,500,000 per note (together, the "2008 Notes"), for the payment of which the City's full faith and credit were irrevocably pledged in accordance with the provisions of Section 22.1-161 of the Code of Virginia of 1950, as amended;

WHEREAS, Davenport & Company LLC, as the City's financial advisor (the "Financial Advisor"), has advised that the City can effect overall debt service savings by issuing a general obligation refunding bond (the "Bond" as hereinafter described) to (a) currently refund the outstanding principal amount of the 2007 Bonds (the "Refunded 2007 Bonds"), (b) currently refund the outstanding principal amount of the 2008 Notes (the "Refunded 2008 Notes" and together with the Refunded 2007 Bonds, the "Refunded Obligations"), and (c) pay the related issuance and refunding costs;

WHEREAS, the Financial Advisor has recommended to the City Council of the City (the "Council") that the City issue and sell the Bond through a private placement with a commercial banking or other financial institution;

WHEREAS, the Financial Advisor has solicited bids, on behalf of the City, for the purchase of the Bond, and twelve bids have been received;

WHEREAS, the Financial Advisor has analyzed the bids received and advised that the bid of STI Institutional & Government, Inc., a subsidiary of SunTrust Bank (together with its successors and assigns, the "Bank"), offers to purchase the Bond at a low interest cost and upon terms favorable to the City; and

WHEREAS, the Council desires to delegate to the City Manager the authority to determine the final pricing terms of the Bond within certain parameters set forth below;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STAUNTON, VIRGINIA:

1. Issuance of Bond. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, and without reference to the City Charter, the Council hereby provides for the issuance and sale of the Bond to provide funds, together with other funds as may be available, to (a) currently refund the Refunded Obligations and (b) pay costs

incurred in connection with issuing the Bond and refunding the Refunded Obligations. The Council hereby awards the sale of the Bond to the Bank in accordance with the terms of this Resolution.

2. Bond Details. The Bond shall be issued initially in the form of a single typewritten bond designated "General Obligation Refunding Bond, Series 2019B" (the "Bond"), shall be in registered form, shall be dated the date of its delivery and shall be numbered R-1. The Bond shall be sold to the Bank with final terms that the City Manager, in consultation with the Financial Advisor, determines to be in the best interests of the City; provided, however, that the Bond shall (a) be issued in an aggregate principal amount not to exceed $15,282,000, (b) bear interest at a rate not to exceed 1.88% per year, calculated on the basis of a 360-day year of twelve 30-day months and subject to adjustment upon certain events provided in the Bond, (c) be sold to the Bank at a price equal to 100% of the principal amount; and (d) mature no later than December 31, 2034. Interest on the Bond shall be payable semi-annually on dates determined by the City Manager. Principal on the Bond shall be payable in installments in amounts and on dates determined by the City Manager. Following the determination of the final pricing terms, the City Manager shall execute a certificate setting forth such final pricing terms and shall file such certificate with the records of the Council. The actions of the City Manager in selling the Bond shall be conclusive, and no further action with respect to the sale and issuance of the Bond shall be necessary on the part of the Council.

If the date on which any payment is due with respect to the Bond is not a Business Day (as hereinafter defined), the payment shall be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of payment. "Business Day" shall mean a day on which banking business is transacted, but not including a Saturday, Sunday, legal holiday or any other day on which banking institutions are authorized or required by law to close in the Commonwealth of Virginia.

Principal and interest shall be payable by the Registrar (as hereinafter defined) by check or draft mailed to the registered owner at the address as it appears on the registration books kept by the Registrar on the last Business Day of the month preceding each interest payment date; provided, however, at the request of the registered owner of the Bond, payment may be made by wire transfer pursuant to the most recent wire instructions received by the Registrar from such registered owner. Principal and interest shall be payable in lawful money of the United States of America.

3. Redemption Provisions. The Bond may be prepaid by the City upon at least two Business Days' prior written notice to the registered owner of the Bond, in whole or in part at any time, upon payment of the following redemption prices (expressed as a percentage of the principal amount of the Bond to be redeemed) plus interest accrued to the date fixed for redemption:

103%, if redeemed prior to November 26, 2020;
102%, if redeemed November 26, 2020, through November 25, 2021;
101%, if redeemed November 26, 2021, through November 25, 2022;
100%, if redeemed November 26, 2022, or thereafter.

The prepayment notice shall specify the principal amount to be prepaid. Any partial prepayment of $1,000,000 in principal amount or less shall be applied as determined by the registered owner of the Bond at its sole discretion. Any partial prepayment of more than $1,000,000 in principal amount shall be applied as determined by the City at its sole discretion.

4. Execution and Authentication. The Bond shall be signed by the manual signature of the Mayor or Vice Mayor, and the City's seal shall be affixed thereto and attested by the manual signature of the Clerk of the Council or any Deputy Clerk.

5. Bond Form. The Bond shall be issued as a typewritten bond in substantially the form of Exhibit A attached hereto, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing the Bond, whose approval shall be evidenced conclusively by the execution of the Bond and delivery thereof to the Bank.

6. Pledge of Full Faith and Credit. The full faith and credit of the City are irrevocably pledged for the payment of principal of and interest on the Bond. Unless other funds are lawfully available and appropriated for timely payment of the Bond, the Council shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the City sufficient to pay when due the principal of and interest on the Bond.

7. Preparation and Delivery of the Bond. The officers of the City and designated members of the City staff are authorized and directed to take all proper steps to have the Bond prepared and executed in accordance with its terms and to deliver the Bond to the Bank upon payment therefor.

8. Registration, Transfer and Owners of Bond. The Bond shall be issued in registered form without coupons, payable to the registered holders or registered assigns. The Director of Finance is hereby appointed paying agent and registrar for the Bond (the "Registrar"). If deemed to be in the best interest of the City, the City Manager may at any time appoint a qualified bank or trust company as successor Registrar. The Registrar shall maintain registration books for the registration and exchange of the Bond. Upon presentation and surrender of the Bond to the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the City shall execute and the Registrar shall authenticate, if required by Section 4, and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount of the same form and maturity, bearing interest at the same rate and registered in the name(s) as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Registrar may charge the person requesting such exchange the amount of any tax or governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person exclusively entitled to the payment of principal of and interest on the Bond and the exercise of all other rights and powers of

the owner, except that interest payments shall be made to the person or entity shown as owner on the registration books on the last Business Day of the month preceding each payment date.

9. Mutilated, Lost or Destroyed Bond. If the Bond has been mutilated, lost or destroyed, the City shall execute and deliver a new Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, however, that the City shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the City in connection therewith and, in the case of a lost or destroyed Bond, (a) has filed with the City evidence satisfactory to the City that such Bond was lost or destroyed and (b) has furnished to the City satisfactory indemnity.

10. Deposit of Bond Proceeds. The City Manager and the Director of Finance, either of whom may act, are authorized and directed (a) to provide for the irrevocable deposit of a portion of the Bond proceeds (the "2007 Refunding Portion") to the debt service fund for the 2007 Bonds (the "2007 Debt Service Fund") held by U.S. Bank National Association, as paying agent for the 2007 Bonds ("U.S. Bank"), (b) to submit a portion of the proceeds of the Bond to the holder of the Refunded 2008 Notes in order to refund such bonds (the "2008 Refunding Portion"), and (c) to provide for the deposit of a portion of the remaining proceeds of the Bond in a special account of the City to be used to pay the costs of refunding the Refunded Obligations and issuing the Bond. The City Manager and the Director of Finance are further authorized and directed to take all such further action as may be necessary or desirable in connection with the payment and refunding of the Refunded Obligations. A copy of the verification report as to the sufficiency of such funds to retire the Refunded 2007 Bonds shall be provided to the Bank. The 2007 Refunding Portion may be invested pursuant to previous instructions from the City to U.S. Bank for the 2007 Debt Service Fund. Upon the disbursement of all amounts held in the 2007 Debt Service Fund, the City shall notify the Bank that such payment has been made and that the Refunded 2007 Bonds are retired.

11. Redemption of Refunded Obligations. The Refunded Obligations are specifically and irrevocably called for redemption. The City shall direct U.S. Bank to give notices of defeasance and redemption to the registered owners of the Refunded 2007 Bonds in accordance with the resolution providing for the issuance of the Refunded 2007 Bonds. The City Manager and the Director of Finance, either of whom may act, shall notify the holder of the Refunded 2008 Notes of the City's intention to refund such bonds, and shall cause the 2008 Refunding Portion to be transferred to such holder upon return of the original Refunded 2008 Notes marked cancelled.

12. Arbitrage Covenants. The City covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or otherwise cause interest on the Bond to be includable in the gross income of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the City shall comply with any provision of law that may require the City at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bond, unless the City receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Bond from being includable in the gross income of the registered owners thereof under existing law. The City shall pay any such required rebate from its legally available funds.

13. Non-Arbitrage Certificate and Elections. Such officers of the City as may be requested by bond counsel for the City are authorized and directed to execute and deliver an appropriate certificate setting forth the expected use and investment of the proceeds of the Bond in order to show that such expected use and investment will not violate the provisions of Section 148 of the Code, and any elections such officers deem desirable regarding rebate of earnings to the United States for purposes of complying with Section 148 of the Code. Such certificate shall be prepared in consultation with bond counsel for the City, and such elections shall be made after consultation with bond counsel.

14. Limitation on Private Use. The City covenants that it shall not permit the proceeds of the Bond or the facilities refinanced therewith to be used in any manner that would result in (a) 5% or more of such proceeds or such facilities being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds or such facilities being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the City receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Bond from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the City need not comply with such covenants.

15. Provision of Financial Information. The Director of Finance of the City is hereby authorized and directed to provide to the registered owner of the Bond, for so long as the Bond remains outstanding, (a) a copy of the City's comprehensive annual financial report within 270 days after the end of the City's fiscal year, (b) a copy of the City's annual budget within 30 days of its adoption, and (c) such other information (financial or otherwise) as the registered owner may reasonably request.

16. Other Actions. All other actions of officers of the City in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bond are ratified, approved and confirmed. The officers of the City are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bond.

17. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are repealed.

18. Effective Date. This Resolution shall take effect immediately.

Resolution No. _____

The undersigned City Clerk of the City of Staunton, Virginia, hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a regular meeting of the City Council of the City of Staunton, Virginia, held on the ___ day of November, 2019, and of the whole thereof so far as applicable to the matters referred to in such extract.

WITNESS my signature and the seal of the City of Staunton, Virginia, this ____ day of November, 2019.

(SEAL)

_____
Clerk, City of Staunton, Virginia

Exhibit A

REGISTERED **REGISTERED**

No. R-1 **$_____**

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

CITY OF STAUNTON

General Obligation Refunding Bond
Series 2019B

The City of Staunton, Virginia (the "City"), for value received, promises to pay, to STI Institutional & Government, Inc., or its successors, registered assigns or legal representative (the "Bank"), the principal sum of _____ **DOLLARS ($_____)**, together with interest from the date of this bond on the unpaid principal, at the Interest Rate (as defined below), calculated on the basis of a 360-day year of twelve 30-day months, subject to prepayment as hereinafter provided. Interest shall be payable semi-annually on each February 1 and August 1, commencing August 1, 2020, and principal shall be payable annually on February 1 in the amounts and years as set forth on Schedule I attached hereto, without presentment. Principal and interest are payable in lawful money of the United States of America by the Director of Finance, who has been appointed paying agent and registrar for this bond, or by such bank or trust company as may be appointed by the City as successor paying agent and registrar (the "Registrar").

If the date on which any payment is due with respect to this bond is not a Business Day (as hereinafter defined), the payment shall be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of payment.

This bond is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, and without reference to the City Charter. This bond has been authorized and issued pursuant to a resolution adopted by the City Council on November 14, 2019, to provide funds to (a) refund its General Obligation Public Improvement and Refunding Bonds, Series 2007, (b) refund the Literary Fund Note (McSwain Elementary School) and the Literary Fund Note (Ware Elementary School), issued in 2008 by the School Board of the City and for which the City has pledged its full faith and credit, and (c) pay the costs of refunding such bonds and issuing this bond.

Definitions

The following capitalized terms shall have the following meanings in this bond:

"Business Day" shall mean a day on which banking business is transacted, but not including a Saturday, Sunday, legal holiday or any other day on which banking institutions are authorized or required by law to close in the Commonwealth of Virginia.

"Default Rate" shall mean *the lesser of* (a) the Prime Rate plus 5% and (b) the maximum rate allowed by law.

"Determination of Taxability" shall mean the occurrence after the date hereof of a final decree or judgment of any federal court or a final action of the Internal Revenue Service determining that, based solely on the actions or inactions attributable to the City, interest paid or payable on all or a portion of the Bond is or was includable in the gross income of the registered owner of this bond for federal income tax purposes; provided, however, that no such decree, judgment, or action will be considered final for this purpose unless the City has been given written notice and, if it is so desired and is legally allowed, the City has been afforded the opportunity to contest the same, either directly or in the name of the registered owner hereof, and until the conclusion of any appellate review, if sought. Notwithstanding the preceding provisions of this definition to the contrary, a Determination of Taxability shall not include, and is not triggered by, a change in law by the U.S. Congress that causes the interest hereon to be includable in the gross income of the registered owner hereof for federal income tax purposes.

"Event of Default" shall mean the failure of the City to pay principal of or interest on this bond when the same becomes due and payable and the continuation of such failure for [five] Business Days after written notice is received from the registered owner hereof.

"Interest Rate" shall mean a per annum rate equal to (a) 1.88% prior to an Event of Default or a Determination of Taxability, (b) the Default Rate, after an Event of Default, and (c) the Taxable Rate, after a Determination of Taxability.

"Prime Rate" shall mean the per annum rate that the Bank's affiliate SunTrust Bank announces from time to time to be its prime rate, as in effect from time to time. The prime rate is a reference or benchmark rate, is purely discretionary and does not necessarily represent the lowest or best rate charged to borrowing customers. The Bank's affiliate SunTrust Bank may make commercial loans or other loans at rates of interest at, above or below the prime rate. Each change in the prime rate shall be effective from and including the date such change is announced as being effective.

"Taxable Rate" shall mean the fixed rate of interest charged on the Bond upon a Determination of Taxability, which shall be equal to 2.32% per year.

Prepayment

This bond may be prepaid by the City upon at least two Business Days' prior written notice to the registered owner hereof, in whole or in part at any time upon payment of the following redemption prices (expressed as a percentage of the principal amount of the Bond to be redeemed) plus interest accrued to the date fixed for redemption:

103% if redeemed prior to November 26, 2020;
102% if redeemed November 26, 2020, through November 25, 2021;
101% if redeemed November 26, 2021, through November 25, 2022;
100% if redeemed November 26, 2022, or thereafter.

The prepayment notice shall specify the principal amount to be prepaid. Any partial prepayment of $1,000,000 principal amount or less shall be applied as determined by the registered owner hereof at its sole discretion. Any partial prepayment of more than $1,000,000 in principal amount shall be applied as determined by the City at its sole discretion.

General Provisions

The full faith and credit of the City are irrevocably pledged for the payment of principal of and interest on this bond. Unless other funds are lawfully available and appropriated for timely payment of this bond, the City Council shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all taxable property within the City sufficient to pay when due the principal of and interest on this bond.

The Registrar shall treat the registered owner of this bond as the person exclusively entitled to the payment of principal of and interest on this bond and the exercise of all rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the last Business Day of the month preceding each payment date.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed, and this bond, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the City of Staunton, Virginia, has caused this bond to be to be signed by its Mayor or Vice-Mayor and the City's seal affixed hereto and attested by the Clerk of Council or any Deputy Clerk, and this bond to be dated the date first written above.

(SEAL)

_____
Mayor, City of Staunton, Virginia

_____
Clerk, City of Staunton, Virginia

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

_____

(Please print or type name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE:

_____

: :

: :

:_____:

the within bond and all rights thereunder, hereby irrevocably constituting and appointing _____,

Attorney, to transfer said bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

_____

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association who is a member of a medallion program approved by The Securities Transfer Association, Inc.

_____

(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.

TRANSFER OF BOND

Transfer of this bond may be registered by the registered owner or its duly authorized attorney upon presentation hereof to the Registrar who shall make note of such transfer in books kept by the Registrar for that purpose and in the registration blank below.

Date of Registration	Name of Registered Owner	Signature of Registrar

SCHEDULE I

Schedule of Principal and Interest Payments

[Final maturity schedule to be attached at closing]

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**Staff Members:** **Rodney Rhodes** **Tim Hartless**
Item #	**A**	
Ordinance #		
Department:	**Community Development — Planning and Zoning**	
Council Vision:	**Built Environment**	
Subject:	**Public Hearing and Consideration of a Request by Christ Evangelical Lutheran Church to Rezone 2807 North Augusta Street from R-2, Low Density Residential District to B-1, Local Business District Conditional**	

Background: Christ Evangelical Lutheran Church is requesting a rezoning of 2807 North Augusta Street from R-2, Low Density Residential District to B-1, Local Business District Conditional. The property is a through lot with frontage on both North Augusta and North Coalter streets. A current zoning map, proposed rezoning map, and recommended land use map of the requested area are attached. The property has been developed as a church, and the building appears to have been constructed in the late 1950s. Churches are permitted only by Special Use Permit in the residential districts.

The pastor of the church contacted staff to inquire about the permissibility of leasing space within the structure to a nonprofit organization, Valley Program for Aging Services (VPAS), for offices and sorting meals associates with VPAS' Meals on Wheels program. Staff informed him that business offices were not a permitted use, neither by right nor by Special Use Permit, in a residential district. That determination by staff prompted the applicant to make the request for rezoning.

Review: City staff conducted a review of the proposed rezoning, during which it did not identify any issues. However, the Building Official noted the proposal is possibly a change of use under the building code and compliance with the Virginia Uniform Statewide Building Code will be required.

Zoning to the north is R-1, Low Density Residential District, to the east is B-1, Local Business District, to the south is R-2, Low Density Residential District, and to the west is P-1, Professional District and R-2, Low Density Residential District.

The "Generalized Land Use and Development Guide," *Staunton, Virginia, Comprehensive Plan 2018 – 2040*, designates this area as Low Density Residential and designates adjacent land as Business. Low Density Residential areas are characterized as single-family dwellings with a density of 1 to 5 units per acre. Business areas are characterized as areas with retail, wholesale, or service functions. These areas are generally found along major travel corridors, in the Central Business District, and in neighborhood commercial service areas. The "Generalized Land Use and Development Guide, Future Land Use Map" is a generalized map and not property specific, and the proposed rezoning is consistent with the adjacent Business land use designation along these two corridors. Churches are a permitted use in the B-1, Local Business District.

Planning Commission Recommendation: At the Planning Commission meeting and public hearing on October 17, 2019, the Commission considered a request for rezoning to standard B-1, Local Business District. During the public hearing, the Commission received comment from two property owners who expressed concerns about potential uses permitted in B-1 districts. After discussion, the Commission decided to table the matter until its November meeting. Since that time, by letter dated November 12, 2019 (attached) the applicant has submitted voluntary proffers that limit the potential uses of the subject property. The proffers offered by the applicant would reduce permitted uses to only the following uses from sections 18.55.020 and 18.55.060:

From 18.55.020, Uses permitted.
(8) Churches.
(7) Catering Business within the footprint of current structure.
(21) Offices, business or professional within the footprint of current structure.
(22) Personal or business service establishments within the footprint of current structure.
(35) Elementary or high schools, public or private, within the footprint of current structure.
(36) Colleges or universities, public or private, within the footprint of current structure.
(37) Co-location of telecommunication antenna and related equipment as regulated in SCC 18.185.020(4)

From 18.55.060, Uses permitted on review. [by Special Use Permit]
(4) Day nurseries, (adult and child), private and public, within the footprint of current structure

All uses (except churches) would be limited to the footprint of the existing structure and could not be situated in any additions or new structures on the property. On a 5-0 vote, the Commission voted unanimously to recommend approval of the conditional rezoning, concurring with staff's recommendation.

Attachments:
Attachment 1—Application for Zoning Classification Change - Rezoning
Attachment 2—Current Zoning for 2807 N Augusta St
Attachment 3—Proposed Rezoning for 2807 N Augusta St
Attachment 4—2018 Future Land Use for 2807 N Augusta Street
Attachment 5—Applicant's Letter, dated November 12, 2019, with Proffers
Attachment 6—Draft Ordinance for 2807 N Augusta Street

Suggested Motion (to be made after the public hearing is conducted): I move that Council approve the rezoning and adopt the ordinance, as presented, rezoning 2807 North Augusta Street from R-2, Low Density Residential District, to B-1, Local Business District Conditional, as recommended by the Planning Commission.

City Manager: Steven L. Rosenberg

Attachment 1

APPLICATION FOR ZONING CLASSIFICATION CHANGE-REZONING

Applicant: Christ Evangelical Lutheran Church Date: 9/13/19

Address: 2807 N AUGUSTA ST STAUNTON VA

Telephone #s: Primary: 540-885-4843 Secondary: _____

Email address: celcsta@gmail.com; slangstonart@gmail.com

If the applicant is NOT the owner of the property in question, explain. A copy of a pending contract or option agreement shall be attached hereto and made a part of this application.

Name of person to be notified in addition to the applicant and/or property owner:
Name: _____
Address: _____
_____
Phone #: _____
Email address: _____

Location of property: Belmont Terrace Subdivision

Legal description of property: Church; Lot A-1

Purpose of request: To allow for professional office space

Map Provided: YES X NO ____

Ordinance provided: YES ____ NO ____
An electronic copy, in word document format is required to be emailed to Planning Office.

Present zoning classification of property: R2

Requested zoning classification: B1

List permits pending approval of this rezoning: _____

Fee Paid ($250) YES ✓ NO ____ *check or cash only*

Signature of applicant: Judith W. Matthews President Christ Lutheran Church Council
(Owner / Agent)

DEPARTMENT OF COMMUNITY DEVELOPMENT – PLANNING AND ZONING DIVISION
116 W. BEVERLEY STREET | P.O. BOX 58 | STAUNTON, VA 24402
540.332.3862 (OFFICE) 540.332.3807 (FAX)

Z-19-03

Additional Map Layers



9/10/2019 2:59:10 PM

Lot_Lines
Lot_Numbers
City Limits
Parcels

Zoning Map
B-1
B-1(conditional)
B-2
B-2(conditional)
B-3
HE-1
I-1
I-1(conditional)
I-2
I-2(conditional)
I-3(conditional)
P-1
P-1(conditional)
R-1
R-2
R-2(conditional)
R-3
R-3(conditional)
R-4
TND-I (conditional)
Address Points
Point_of_Interests
Road Centerline

1:1,777

0 0.02 0.04 0.08 mi
0 0.04 0.07 0.14 km

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/ Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

For Information Purposes Only. Data owned by the City of Staunton and ESRI.

2807 N AUGUSTA ST

Location	2807 N AUGUSTA ST	**Acct#**	9068
Owner	CHURCH-CHRIST EVANGELICAL LUTH	**Assessment**	$1,594,850
		PID	9068
Building Count	1	**Legal Description**	LOT A-1
Historic Dist		**Zoning**	R2
Map Number	245	**Subdivision**	BELMONT TERRACE

Current Value

Assessment			
Valuation Year	**Improvements**	**Land**	**Total**
2019	$1,495,500	$99,350	$1,594,850

Owner of Record

Owner	CHURCH-CHRIST EVANGELICAL LUTH	**Sale Price**	$0
Co-Owner		**Certificate**	
Address	2807 N AUGUSTA ST STAUNTON, VA 24401	**Book & Page**	0000/0001
		Sale Date	04/09/1956
		Instrument	00

Ownership History

Ownership History					
Owner	**Sale Price**	**Certificate**	**Book & Page**	**Instrument**	**Sale Date**
CHURCH-CHRIST EVANGELICAL LUTH	$0		0000/0001	00	04/09/1956

Building Information

Building 1 : Section 1

Year Built: 0
Living Area: 22,000
Replacement Cost Less Depreciation: $1,211,700

Building Photo

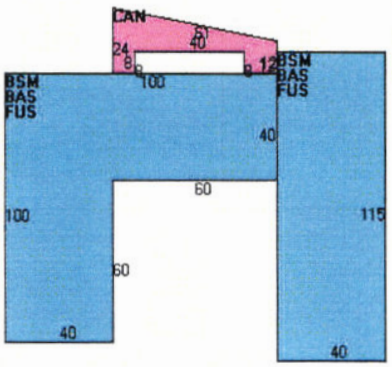
Building Attributes	
Field	**Description**
STYLE	Churches
MODEL	Comm/Ind
Grade	Typical

Stories:	2
SF Bsmt	11000.00
Exterior Wall 1	Not Applicable
Exterior Wall 2	
Roof Structure	N/A
Roof Cover	N/A
Interior Wall 1	N/A
Adjustment	
Interior Floor 1	N/A
Occupancy	
Heating Fuel	None
Heating Type	Not Applicable
AC Type	None
Foundation	Not Applicable
Bldg Use	Church/Manse
Total Rooms	0
Total Bedrms	0
Total Baths	0
Half Baths	0
Bsmt Type	Full
1st Floor Use:	
Attic Type	N/A
Frame Type	N/A
Attic SF	0
Ceiling/Wall	
Rooms/Prtns	
Wall Height	0.00
% Comn Wall	



(http://images.vgsi.com/photos/StauntonVAPhotos//\00\00\66\64.JPG)

Building Layout



(http://images.vgsi.com/photos/StauntonVAPhotos//Sketches/90

Building Sub-Areas (sq ft)			Legend
Code	Description	Gross Area	Living Area
BAS	First Floor	11,000	11,000
FUS	Finished Upper Story	11,000	11,000
BSM	Basement	11,000	0
CAN	Canopy	760	0
		33,760	22,000

Extra Features

Extra Features				Legend
Code	Description	Size	Value	Bldg #
FBM	SF Fin Bsmt	11000.00 S.F.	$283,800	1

Land

Land Use

Use Code 506C
Description Church/Manse
Zone R2

Land Line Valuation

Size (Acres) 3.30
Frontage
Depth

Neighborhood TERRY COURT
Alt Land Appr No
Category

Assessed Value $99,350

Outbuildings

Outbuildings	Legend
No Data for Outbuildings	

Valuation History

Assessment			
Valuation Year	**Improvements**	**Land**	**Total**
2019	$1,495,500	$99,350	$1,594,850
2018	$1,495,500	$99,350	$1,594,850
2017	$1,495,500	$99,350	$1,594,850

(c) 2019 Vision Government Solutions, Inc. All rights reserved.

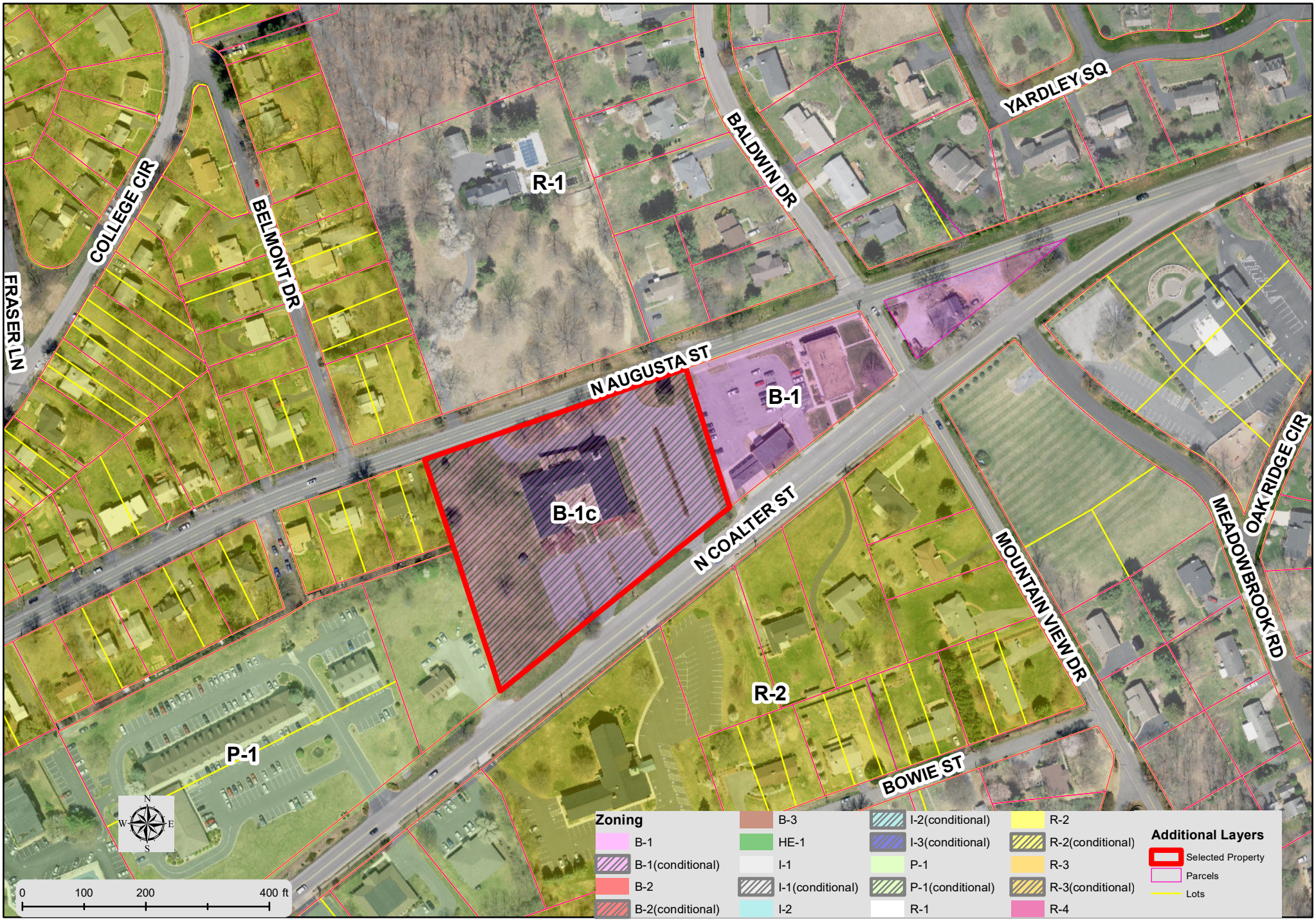
Attachment 2

Current Zoning for 2807 N Augusta St



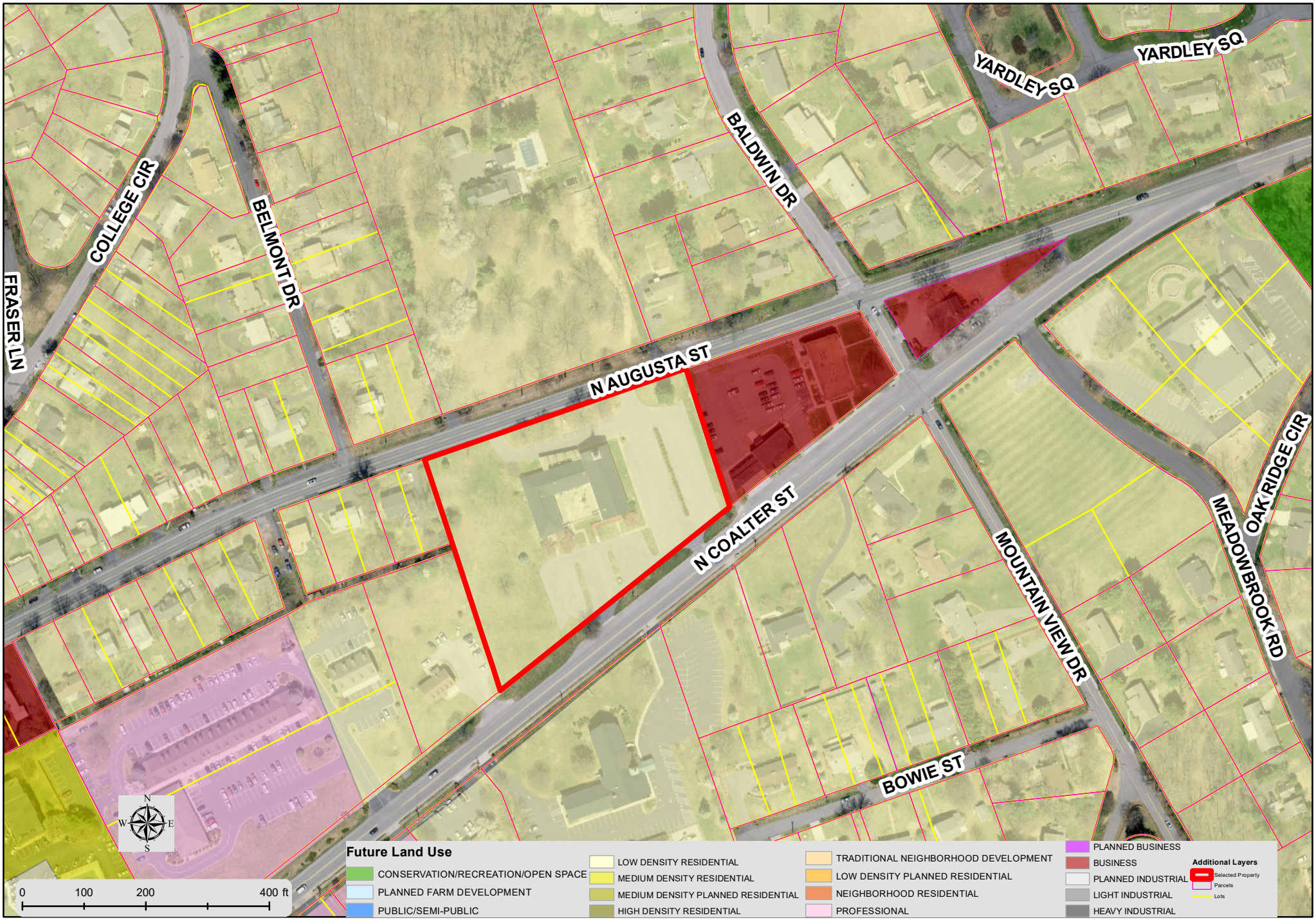
Proposed Rezoning for 2807 N Augusta St

Attachment 3



Attachment 4

2018 Future Land Use for 2807 N Augusta St



Attachment 5

Christ Evangelical Lutheran Church
2807 N. Augusta St.
Staunton, VA 24401

+500+

November 12, 2019

City of Staunton—Planning Office
Attn: Ms. Judith Wiegand, Chair
116 West Beverly Street
Staunton VA 24401

Dear Ms. Wiegand:

Grace and peace to you. Members of our congregation met with Rodney Rhodes and Tim Hartless on October 30 to discuss our zoning change request. City staff again recommended that a B-1 Local Business District as the most appropriate zone for our partnership with the Staunton Senior Center.

In response to the Planning Commission concerns expressed at your October 17 meeting. Christ Lutheran Church offers the following proffers to our application to rezone our property at 2807 North Augusta Street from R-2 Low Density Residential to B-1, Local Business District:

from 18.55.020

(8) Churches.
(7) Catering Business within the footprint of current structure.
(21) Offices, business or professional within the footprint of current structure.
(22) Personal or business service establishments within the footprint of current structure.
(35) Elementary or high schools, public or private, within the footprint of current structure.
(36) Colleges or universities, public or private, within the footprint of current structure.
(37) Co-location of telecommunication antenna and related equipment as regulated in SCC 18.185.020(4) (Zoning ordinance Art. 4, SS8).

And from 18.55.060

(4) Day nurseries, (adult and child), private and public, within the footprint of current structure.

Christ Lutheran Church remains in service to our community. These proffers would address any current or future needs of the Staunton Senior Center, other possible partners, and also reflect the variety of ways in which churches currently operate.

Christ Lutheran's council approved these proffers at our November 12 meeting. We request approval at your November planning commission meeting followed by approval by City Council in December.

Sincerely,

Judy Matthews

Judy Matthews,
President, Christ Evangelical Lutheran Church

Ordinance No. 2019-____

**AN ORDINANCE REZONING
FROM R-2, LOW DENSITY RESIDENTIAL DISTRICT,
TO B-1, LOCAL BUSINESS DISTRICT CONDITIONAL,
THAT CERTAIN TRACT OR PARCEL OF LAND
LOCATED AT 2807 N. AUGUSTA STREET, STAUNTON, VIRGINIA
(PID 9068)**

Recitals

A. Christ Evangelical Lutheran Church, as purported owner, has applied to the City of Staunton for a zoning classification change under provisions of the Staunton City Code for 2807 N. Augusta Street (PID 9068) from R-2, Low Density Residential to B-1, Local Business District Conditional;

B. In response to concerns raised by citizens speaking at the October 17, 2019 public hearing held by the Staunton Planning Commission, Christ Evangelical Lutheran Church has voluntarily offered the following proffers as part of B-1 Conditional zoning:

The uses permitted and any further development of 2807 N Augusta Street shall be limited to the following:

Uses Permitted—
(1) Churches.
(2) Catering Business within the footprint of the current structure.
(3) Offices, business or professional within the footprint of current structure.
(4) Personal or business service establishments within the footprint of current structure.
(5) Elementary or high schools, public or private, within the footprint of current structure.
(6) Colleges or universities, public or private, within the footprint of current structure.
(7) Co-location of telecommunication antenna and related equipment as regulated in SCC 18.185.020(4).

Uses Permitted on Review—
(1) Day nurseries, (adult and child), private and public, within the footprint of current structure;

C. The *City of Staunton, Virginia, Comprehensive Plan 2018-2040*, "Generalized Land Use and Development Guide," designates this area as Low Density Residential with adjacent land designated as Commercial, so the proposed rezoning is consistent with the Commercial designation;

D. The Staunton Planning Commission, after study and review, has properly heard the matter and recommended approval of the proposed rezoning on the basis that the rezoning would serve the interests of public necessity, convenience, general welfare, and good zoning practice; and

E. This matter has been properly advertised, heard and considered.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Staunton, Virginia,

DRAFT

that the Property known as 2807 N. Augusta Street (PID 9068) Staunton, Virginia is HEREBY REZONED from R-2, Low Density Residential District to B-1, Local Business District Conditional with the following conditions:

The uses permitted and any further development of 2807 N. Augusta Street (PID 9068) shall be limited to the following:

Uses Permitted—
(1) Churches.
(2) Catering Business within the footprint of current structure.
(3) Offices, business or professional within the footprint of current structure.
(4) Personal or business service establishments within the footprint of current structure.
(5) Elementary or high schools, public or private, within the footprint of current structure.
(6) Colleges or universities, public or private, within the footprint of current structure.
(7) Co-location of telecommunication antenna and related equipment as regulated in SCC 18.185.020(4).

Uses Permitted on Review—
(1) Day nurseries, (adult and child), private and public, within the footprint of current structure.

All other provisions of Staunton City Code Chapter 18.55, B-1, Local Business District shall apply.

Introduced:
Adopted:
Effective Date:

_____
Carolyn W. Dull, Mayor

ATTEST: _____
Suzanne F. Simmons
Clerk of Council

DRAFT

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**Staff Members:** **Phil Trayer** **Cindy Fitzgerald**
Item #	**C**	
Ordinance #		
Department:	**Finance**	
Council Vision:	**Responsive, Efficient Government**	
Subject:	**Presentation by City Auditors on the FY 2019 Comprehensive Annual Financial Report**	

Background: Megan Argenbright of Brown Edwards & Company, L.L.P., the City's auditor, will present the FY 2019 Comprehensive Annual Financial Report (CAFR) and findings to City Council.

Attached are the FY 2019 final audit documents:

1. the FY 2019 Comprehensive Annual Financial Report, which is also available online at www.staunton.va.us at the Finance Department's departmental webpage;

2. the Auditor's Comments on Internal Controls and Other Suggestions Report;

3. the Auditor's communication/management representation letter; and

4. Notarized statement to the Commonwealth of Virginia Auditor of Public Accounts.

The Auditor's Comments on Internal Controls and Other Suggestions Report also includes a summary of the upcoming financial statement requirements from the Governmental Accounting Standards Board (GASB), that will require more reporting in the CAFR to satisfy those requirements. Some of these additional requirements will increase the costs to the City, due to both additional audit costs and the costs of the preparation by financial consultants of actuarial

studies for the Finance Department necessary to achieve compliance with the additional requirements. These GASB accounting statements are effective for fiscal years 2019-2021, and include:

1. GASB Statement No. 84—Fiduciary Activities;
2. GASB Statement No. 87—Leases (financial reporting for leases).
3. GASB Statement No. 90 – Majority Equity Interest (reporting requirements as it relates component units); and
4. GASB No. 91 – Conduit Debt Obligation reporting requirements.

The CAFR is prepared by the Finance Department and opined by the auditor. The auditor expressed an unmodified opinion on the financial statements for FY 2019. An unmodified opinion means that the City's CAFR is materially correct in accordance with generally accepted accounting principles and may be relied upon by the users of the financial statements.

The CAFR is divided into four sections: (1) Introductory Section, (2) Financial Section, (3) Statistical Section, and (4) Compliance Section.

The Financial Section contains the Management's Discussion and Analysis of the City's financial performance during FY 2019 with some comparisons to FY 2018. This analysis summarizes financial statements of the City's general operating funds and the enterprise funds for the year.

Statement of Activities

The Statement of Activities is presented on pages 6 and 7 of the CAFR. The statement displays all of the operating revenues and expenditures for the entire City government. For Governmental Activities, education expenditures required the highest local tax revenue support at $13,783,457, public safety expenditures were second at $10,151,835, and public works expenditures were third at $3,129,512.

The Compliance Section contains the report on internal controls, compliance matters, and schedules of findings and questioned costs starting on page 165.

The auditor noted the following in their report on compliance and internal control matters in the CAFR:

a) The auditor's report expresses an unmodified opinion on the financial statements;
b) No significant deficiencies relating to the audit are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of the financial statements performed in accordance with Government Auditing Standards;
c) No instances of noncompliance material to the financial statements were disclosed;
d) No significant deficiencies relating to the audit of the major federal ward programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance;
e) The auditor's report on compliance for the major federal award programs expresses an unmodified opinion; and
f) No audit findings relating to major programs.

Schedule of Findings and Questioned Costs, page 171:

a) Financial Statement Audit—none.
b) Major Federal Award Programs Audit—none.
c) Commonwealth of Virginia—none.

City Manager's Recommendation: Accept the FY 2019 CAFR, as presented.

Suggested Motion: I move that City Council accept the Fiscal Year 2019 Comprehensive Annual Financial Report, as presented.

City Manager: Steven L. Rosenberg

CITY OF STAUNTON, VA

Comprehensive Annual Financial Report

Fiscal Year July 1, 2018 – June 30, 2019



BIRTHPLACE OF THE COUNCIL-MANAGER FORM OF GOVERNMENT – 1908

CITY OF STAUNTON, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

Prepared By:
Department of Finance

CITY OF STAUNTON, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2019

TABLE OF CONTENTS

INTRODUCTORY SECTION	
Council, Officials, and School Board	i
Organizational Chart	ii
Certificate of Achievement for Excellence in Financial Reporting	iii
Letter of Transmittal	iv-xi

FINANCIAL SECTION		**Page**
Independent Auditor's Report		1-3
Management's Discussion and Analysis		4a-4m
Basic Financial Statements:		
Government-Wide Financial Statements:		
Exhibit 1	Statement of Net Position	5
Exhibit 2	Statement of Activities	6
Fund Financial Statements:		
Exhibit 3	Balance Sheet – Governmental Funds with Reconciliation	8
Exhibit 4	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds with Reconciliation	10
Exhibit 5	Statement of Net Position – Proprietary Funds	12
Exhibit 6	Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	13
Exhibit 7	Statement of Cash Flows – Proprietary Funds	14
Exhibit 8	Statement of Fiduciary Net Position	16
Exhibit 9	Statement of Changes in Fiduciary Net Position	17
Notes to Financial Statements		18
Required Supplementary Information		83
Exhibit 10	Budgetary Comparison Schedule – General Fund	84
Exhibit 11	Schedule of Changes in Net Pension Liability and Related Ratios-Primary Government	85
Exhibit 12	Schedule of Changes in Net Pension Liability and Related Ratios-Component Unit – School Nonprofessional	86
Exhibit 13	Schedule of Pension Contributions	87
Exhibit 14	Schedule of Employer's Share of Net Pension Liability – VRS Teacher Retirement Plan	88
Exhibit 15	Schedule of Pension Contributions – VRS Teacher Retirement Plan	89
Exhibit 16	Schedule of Changes in Net OPEB Liability and Related Ratios-Primary Government	90

Exhibit 17 Schedule of Changes in Net OPEB Liability and Related Ratios-School Board Component Unit 91
Exhibit 18 Schedule of OPEB Contributions-Primary Government and School Board Component Unit 92
Exhibit 19 Schedule of Employer's Share of Net OPEB Liability-VRS Plans 93
Exhibit 20 Schedule of OPEB Contributions-VRS Plans 94
Notes to Required Supplementary Information 95

Other Supplementary Information 98

Nonmajor Governmental Funds 99

Exhibit A-1 Combining Balance Sheet – Nonmajor Governmental Funds 100
Exhibit A-2 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 101
Exhibit A-3 Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-Blue Ridge Court Services Fund 102
Exhibit A-4 Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-Grants Fund 103
Exhibit A-5 Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-Community Development Fund 104
Exhibit A-6 Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual- Debt Service Fund 105
Exhibit A-7 Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-Capital Improvements Fund 106

Nonmajor Proprietary Funds 107

Exhibit B-1 Combining Statement of Net Position – Nonmajor Proprietary Funds 108
Exhibit B-2 Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Proprietary Funds 109
Exhibit B-3 Combining Statement of Cash Flows – Nonmajor Proprietary Funds 110

Internal Service Funds 112

Exhibit C-1 Combining Statement of Net Position –Internal Service Funds 113
Exhibit C-2 Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds 114
Exhibit C-3 Combining Statement of Cash Flows –Internal Service Funds 115

Discretely Presented Component Unit – School Board 116

Exhibit D-1 Statement of Net Position 117
Exhibit D-2 Statement of Activities 118
Exhibit D-3 Balance Sheet – Governmental Funds with Reconciliation 119
Exhibit D-4 Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds with Reconciliation 121
Exhibit D-5 Combining Balance Sheet – Nonmajor Governmental Funds 123
Exhibit D-6 Combining Statement of Revenues, Expenditures, and Change in Fund Balance – Nonmajor Governmental Funds 124
Exhibit D-7 Budgetary Comparison Schedule – Education Fund 125
Exhibit D-8 Statement of Fiduciary Net Position 126
Exhibit D-9 Statement of Changes in Fiduciary Assets and Liabilities – Agency Fund 127

FINANCIAL SECTION (cont'd) **Page**

Discretely Presented Component Unit – Economic Development Authority 128

Exhibit E-1 Statement of Net Position 129
Exhibit E-2 Statement of Revenues, Expenses, and Changes in Net Position 130
Exhibit E-3 Statement of Cash Flows 131

Supplementary Schedules 132

Schedule 1 Primary Government and Discretely Presented Component Unit – School Board Schedule of Revenues – Budget and Actual-General and Special Revenue Funds 133
Schedule 2 Primary Government and Discretely Presented Component Unit – School Board Schedule of Expenditures – Budget and Actual-General and Special Revenue Funds 141

STATISTICAL SECTION 146

Table 1 Net Position by Component 147
Table 2 Changes in Net Position 148
Table 3 Fund Balances, Governmental Funds 151
Table 4 Changes in Fund Balances, Governmental Funds 152
Table 5 Assessed Value and Actual Value of Taxable Property 154
Table 6 Principal Property Taxpayers 155
Table 7 Property Tax Levies and Collections 156
Table 8 Ratios of Outstanding Debt by Type 157
Table 9 Ratio of General Bonded Debt Outstanding 158
Table 10 Legal Debt Margin Information 159
Table 11 Demographic and Economic Statistics 160
Table 12 Principal Employers 161
Table 13 Full-Time Equivalent City Government Employees by Function/Program 162
Table 14 Operating Indicators by Function/Program 163
Table 15 Capital Asset Statistics by Function/Program 164

COMPLIANCE SECTION 165

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* 166

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance 168

Summary of Compliance Matters 170

Schedule of Findings and Questioned Costs 171

Schedule of Expenditures of Federal Awards 172

THIS PAGE INTENTIONALLY BLANK

INTRODUCTORY SECTION

CITY OF STAUNTON, VIRGINIA

COUNCIL, OFFICIALS, AND SCHOOL BOARD

COUNCIL

Carolyn W. Dull, Mayor

Ophie A. Kier, Vice-Mayor	R. Terry Holmes
Andrea W. Oakes	James J. Harrington
Erik D. Curren	Brenda O. Mead

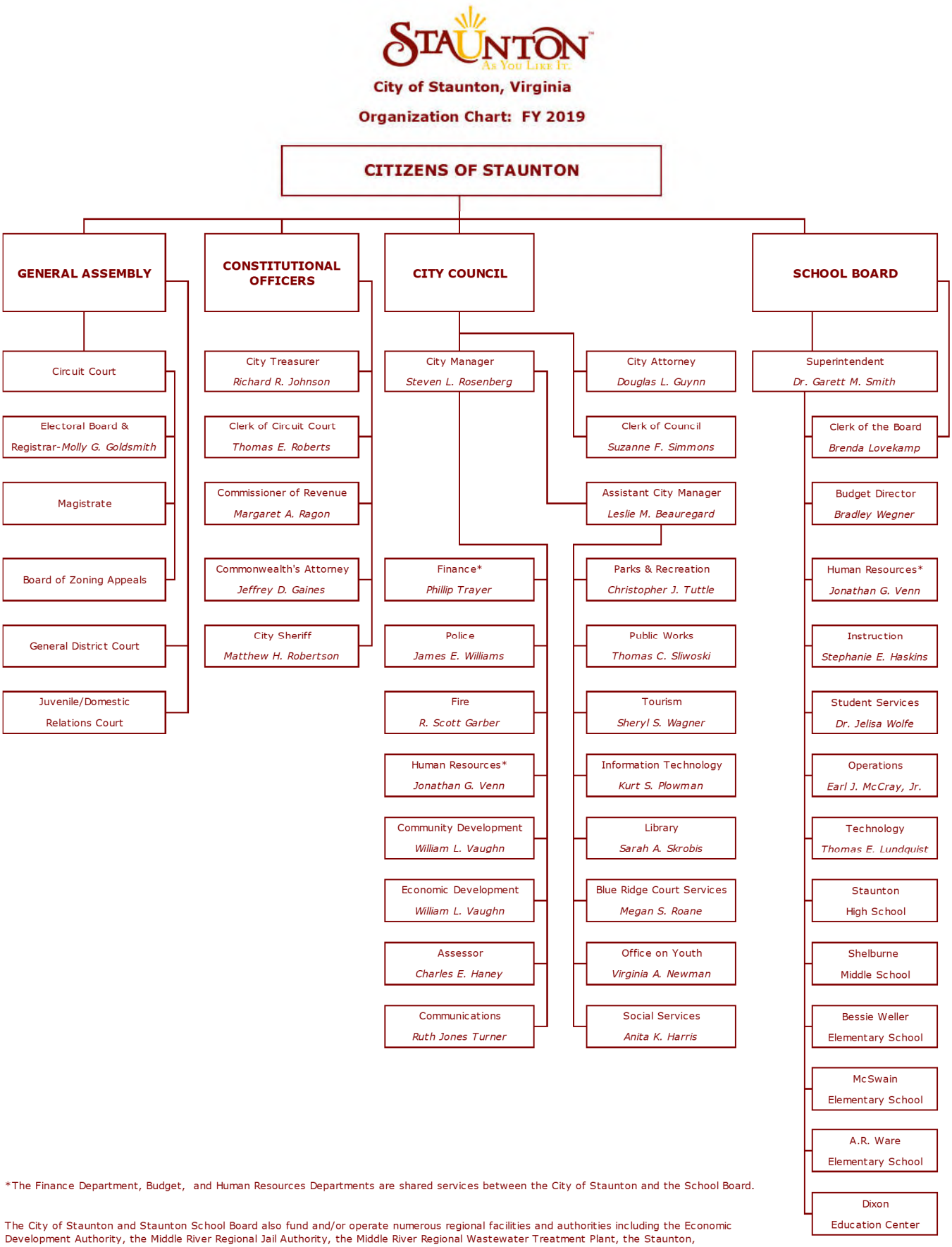
OFFICIALS

Stephen F. Owen	City Manager
Phil M. Trayer	Chief Financial Officer
Richard R. Johnson	City Treasurer
Douglas L. Guynn	City Attorney
Margaret (Maggie) A. Ragon	Commissioner of Revenue
Anita Harris	Director of Social Services
Thomas E. Roberts	Clerk of Circuit Court
Dr. Garett Smith	Superintendent of Schools

SCHOOL BOARD

William Lobb, Chair
Robert Boyle, Vice-Chair

Christine Poulson	Kenneth Venable
Amy Wratchford	Natasha McCurdy



*The Finance Department, Budget, and Human Resources Departments are shared services between the City of Staunton and the School Board.

The City of Staunton and Staunton School Board also fund and/or operate numerous regional facilities and authorities including the Economic Development Authority, the Middle River Regional Jail Authority, the Middle River Regional Wastewater Treatment Plant, the Staunton, Augusta, Waynesboro Landfill, Health Department, Community Services Board, Valley Career & Technical Center, Shenandoah Valley Governor's School, and the Shenandoah Valley Regional Program.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Staunton

Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

STAUNTON VIRGINIA

DEPARTMENT OF FINANCE

November 30, 2019

To the Honorable Mayor, Members of City Council, and the Citizens of the City of Staunton, Virginia:

We are pleased to submit the City of Staunton's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This report has been prepared by the City's Finance Department. The report provides full disclosure of all financial information necessary to enable the reader to gain an understanding of the government's financial activities.

Management assumes full responsibility for the completeness and reliability of the information contained in their report, based upon a comprehensive framework of internal control that it has established for their purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The government is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget *Uniform Guidance.* The Code of Virginia requires the City to have an annual audit conducted by an independent certified public accountant.

Brown Edwards & Company, LLP, Certified Public Accountants, has issued an unmodified opinion for the City of Staunton for fiscal year ending June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

The City's management discussion and analysis (MD&A) immediately follows the independent auditor's report. The MD&A provides for a narrative introduction, overview, and analysis of the City's basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Staunton was founded in 1747 and later chartered as a town by the Virginia General Assembly in 1761. The City was named for Lady Rebecca Stanton, wife of colonial Governor Sir William Gooch. Staunton was incorporated as a city in 1871. Staunton is the birthplace of the city manager form of government. Staunton appointed its first city manager, and the nation's first city manager, Charles E. Ashburner, in April 1908.

The City is governed by seven members of City Council for policymaking and legislative issues. Council members are elected at large for four-year terms. Council members elect the mayor. The city manager is appointed by City Council and is responsible for the general operations of the City and administering the policies and ordinances enacted by City Council. The city manager appoints all department directors for the various operating departments.

The Staunton City School Board is comprised of six members elected at large for four-year terms with the responsibility of the operation of the City school system. The School Board appoints a superintendent to administer the operations, policies, and procedures of the School Board. The local share of funding for the school system is appropriated through the budget process by City Council and provided through a transfer from the General Fund to the Education Fund.

Staunton is an independent city with local government taxing power providing the full range of municipal services. These services include public safety, recreation, parks and culture, education, health and social services, public works and utilities, sanitation, planning and zoning, community development, judicial administration, and general and financial administration services.

Staunton is located at the intersection of I-81 and I-64 in the Shenandoah Valley of Virginia. The City is 90 miles west of Richmond, 85 miles north of Roanoke, and just 150 miles southwest of Washington D.C. The City encompasses an area of 19.98 square miles with a population of approximately 24,300.

The City is located within 35 minutes of eleven colleges and universities: University of Virginia, James Madison University, Washington & Lee University, Virginia Military Institute, Mary Baldwin University, Bridgewater College, Eastern Mennonite University, Blue Ridge Community College, Piedmont Virginia Community College, Old Dominion University at the Blue Ridge Community College campus, and American National University at the Charlottesville and Harrisonburg campuses. The area also has several other specialized education centers: Shenandoah Valley Governor's School, four private high schools, and Valley Career and Technical Center for occupational trades/industrial education and training.

BUDGET PROCESS AND CONTROLS

Per City Code, the Chief Finance Officer serves as the budgetary control officer and shall assist the City Manager in developing and assembling the necessary information and planning and prioritizing financial commitments for the preparation of the annual budget. The City adopts a balanced budget for all funds. The *Code of Virginia* requires the City to adopt a balanced budget by May 15 for the School's Education Fund budget and June 30 for all other City funds. Budget control is maintained at the fund level. The City Manager, or designee, is authorized to transfer appropriations from any line item within each fund as needed to sufficiently fund any expenditure. All departments have on-line, real-time access to all line items within their operating budgets. Purchase orders for materials, supplies, and services are not released until adequate appropriations are available. Open encumbrances are reported as assigned or committed fund balances at the end of each fiscal year. City Council adopts an ordinance to approve budget amendments that require increased or decreased appropriations to the total adopted budget.

The City's budget team consists of the City Manager, Deputy City Manager, and Chief Finance Officer (CFO). The City Manager and the CFO review the current status of the economy and develop budget guidelines based on City Council's long-term financial and strategic plan, three-year priorities, and other factors for the upcoming fiscal year. City Council's three-year priorities for the future of Staunton are summarized below;

- Economic Development-to provide and support economic vitality through tourism and business development to provide employment and revenue growth,
- Education- to recruit and retain the best teachers and provide superb facilities,
- Culture-to promote and retain arts, performing arts, music, galleries, and museums,
- Inclusiveness- to develop a strategy to achieve more citizen engagement and promote a diverse society to enhance civic pride and ownership to improve Staunton's quality of life,
- Resilience-to protect the City's natural environmental resources and provide financial resources to safeguard the City's future,
- Responsive, Efficient Government-to include professional administration, prudent financial management, and the efficient and effective delivery of core services,
- Built Environment- to study changes to the City's land use policies and ordinances to enable more mixed-use development and to develop a long-term financing strategy for public facilities and infrastructure.

The CFO prepares the guidelines, instructions, and the forms for departments to submit their expenditure budget requests. The CFO is responsible for preparing all governmental and proprietary revenue estimates for tax revenues, state and federal revenues, proprietary fund revenues, and other revenues. After meeting with all departments and prioritizing all budget requests for new personnel, new operating expenditures, and capital requests, the CFO prepares the revenue and expenditure budget and submits the preliminary budget to the City Manager for review. The City Manager is responsible for submitting the proposed budget to City Council for review and discussion.

By a resolution adopted by City Council on May 24, 2012, the City Finance Department provides comprehensive financial management and support services to the School Board, and is responsible for all financial processes, budget, and the annual audit for the City and Staunton City Schools. The CFO works directly with the City Manager, the Superintendent of Schools and School Budget Director to prepare the annual budget. The Chief Finance Officer is appointed by the City Manager.

The City of Staunton and Staunton City Schools also share the City's Human Resources Department for recruitment and all personnel related processes and activities. The Chief Human Resources Officer serves as the department head of the human resources department for the Schools and the City. The Chief Human Resources Officer assists the budget team for the City and Schools with personnel budget requests relating to changes in staff requirements and employee pay increases. The Chief Human Resources Officer is appointed by the City Manager.

The City's CAFR includes all funds, and component unit agencies, boards and commissions for which the City is financially accountable. Financial accountability is defined as appointment of a voting majority of such an entity's Board, and either (a) the ability to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City. Based on the foregoing criteria, the financial activities of the Staunton City School Board and the Staunton Economic Development Authority are included in the financial statements for the reason indicated:

> The Staunton City School Board was created as a separate legal entity by the City to oversee the operation and management of its publicly funded primary and secondary schools. The School Board creates a financial burden on the General Fund requiring approximately 24% of its funding for school operations and the issuance of all general obligation bonds. All members of the Board are elected by the City voters. City Council has the ability to impose its will upon the Board.
>
> The Staunton Economic Development Authority was created as a separate legal entity by the City to promote economic development within the City. All members of the Board are appointed by City Council. The Economic Development Authority imposes a financial burden on the City.

LOCAL ECONOMY

The City's overall financial health is determined by several economic factors based on retail sales volume, consumer-based taxes, new residential and commercial construction permits, and property values and transactions. Other financial factors include state revenues, population trends, the unemployment rate, and the local tourism industry. The 2019 total taxable real estate assessed values increased 8.6%. Other local consumer-based tax revenue sources also increased from 2018. Meals tax on prepared foods increased 14.8% over 2018 as development within the Frontier Center were operational over the entire fiscal year. Lodging taxes increased 29% over 2018 as development at Staunton Crossing was operational over the entire fiscal year. A general increase in economic activity resulted in increases in consumer sales taxes. The local unemployment rate for June 2019 was 2.9%, which is well below the national average of 3.8% and equal to the statewide average of 2.9%. The City relies on its diverse property tax base consisting of manufacturing facilities, distribution centers, a fairly stable retail base, a large government workforce within the area, and a successful tourism market for the economic stability of the City.

LONG-TERM FINANCIAL PLANNING

Staunton City Council's Vision for 2025, revised on April 28, 2015, focuses on seven major principles; *Economic Development* to provide and support economic vitality through tourism, small business development, and commercial development to provide employment growth and revenue growth for the City; *Education* by recruiting and retaining the best teachers and providing superb facilities; *Culture* by promoting and retaining a vibrant, exciting, and welcoming community for the arts, performing arts, music, galleries, and museums; *Inclusiveness* for all citizens by developing a strategy to achieve more citizen engagement, promote a diverse society to enhance civic pride, and instill ownership to improve Staunton's quality of life; *Resilience* by protecting the City's natural environmental resources, and providing financial resources to safeguard the City's future; *Responsive, Efficient Government* to include professional administration, prudent fiscal management, and the efficient and effective delivery of core services; *Built Environment* to study changes to the City's land use policies and ordinances to enable more mixed use development within the City, and develop a long term financing strategy for public facilities and infrastructure.

Economic Strategy – The City's long-range economic strategy is to attract new commercial, manufacturing, and retail businesses and expand existing businesses. This strategy will strengthen, diversify, provide employment growth, increase the median household income level, and sustain and increase the local tax revenue base to provide quality governmental services to the citizens of Staunton.

City Safety Net Reserve – The City's fund balance fiscal policy, as revised by City Council, now requires a reservation of 15% of the City's total general fund operating budget as a cash safety net reserve, reported as committed fund balance in the general fund. The primary government reserve is currently $8,891,250. These funds can be used only for major catastrophic events that would affect the public safety or major infrastructure of the City, or imposition of mandates by Federal and State governments. The City also adopted a policy to establish and maintain a contingency reserve in the amount of $250,000, reported as unassigned fund balance in the general fund, to provide for unexpected declines in budgeted revenues or unanticipated emergency expenditures.

Capital Improvement Plan – The City approves a multi-year capital improvement plan and budget each year. The approved CIP plan and budget includes the City CIP and the School CIP plan. The City and School CIP budgets are appropriated each year by Council. The CIP funds are designated as multi-year funds in the accounting system and automatically carry forward the project balances to the next fiscal year for completion of the projects. Council is not required to re-appropriate funds each year for the balance of the same project appropriation.

The CIP plan is a five-year capital plan updated annually to account for project estimate updates, new and revised projects, and completed projects. The annual update to the CIP plan begins in October each year. The plan is presented to City Council and the Planning Commission in December each year. The plan is adopted in February during the budget process. The draft CIP plan is presented to City Council and the Planning Commission for review and suggestions. The Planning Commission will make recommendations and accept the CIP Plan based on the City's Comprehensive Plan. City Council approves the CIP after the Planning Commission's recommendations, and any other changes The CIP plan includes the funding sources for the proposed capital projects each year of the five-year plan. Funding sources are based on a five-year financial analysis of revenues and expenditures.

Once a project is completed, the balance of any remaining appropriated funds for the project is transferred to the CIP Undesignated Account to be held as contingency for other projects. Council approves the transfer of funds. Any transfer of appropriated funds from one project to another requires approval from City Council.

The City collaborates with the School Board to incorporate the School CIP plan and develop financing plans to pay for major improvements or renovations to school facilities.

The City prefers to finance capital projects with cash, or 'pay-as-you-go' funds, and federal and state grants. The City may use debt financing for projects by issuing general obligation or revenue bonds to finance projects. Any project requiring debt financing shall have a useful life equal to the term of the bond and adhere to the City's Debt Policy ratios and guidelines.

Debt Policy- Provides guidance and criteria for the issuance of debt so the City will not exceed affordable levels of indebtedness. This policy is intended to ensure debt is issued and managed prudently in order to maintain a sound fiscal position and protect the City's credit quality:

1. The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues except when approved justification is provided.

2. When the City finances capital improvements or other projects by issuing bonds, or entering into capital leases, it will repay the debt within a period not-to-exceed the expected useful life of the project.

3. When feasible, the City will explore the usage of special assessment, revenue, or other self-supporting bonds instead of general obligation bonds.

4. The City will retire tax anticipation debt, if any, annually, and will retire bond anticipation debt within six months after completion of the project.

The following debt ratios will be measured annually and will be measured as part of the debt issuance process. If the issuance of new debt causes the City to be out of compliance with one or more of the policies, staff must request an exception from City Council stating the justification and expected duration of the policy exception:

1. Direct net debt as a percentage of estimated assessed value of taxable property should not exceed four percent (4.0%). "Direct net debt" is defined as any and all debt that is tax-supported.

2. The ratio of debt service expenditures as a percent of total governmental fund expenditures should not exceed fifteen percent (15%).

3. Payout of aggregate outstanding tax-supported debt principal shall be no less than fifty percent (50%) repaid in 10 years.

MAJOR INITIATIVES

FY2019 Budget

City Council's commitment to prudent fiscal management has provided the framework for the City to prepare and adopt budgets in response to the economic conditions of the local, state, and national economies. The total fiscal year 2019 budget was adopted at $113.7 million, an increase of 2.9% or $ 3.2 million from the previous year. The fiscal year 2019 budget included a real estate tax rate held flat at $.97 per $100 of assessed value, the personal property tax rate held flat at $2.90 per $100 of assessed value, and the meals tax on prepared food remaining at 7%. The general fund budget increased 4.3% over the previous year. Property tax revenues were projected to increase by $942,935, or 3.9%, and other local tax revenues were projected to increase 4.3% over the previous year's budget. The general fund budget increased its transfer to the education fund by 3.5%.

Economic Development

Staunton Crossing Development Park

Staunton Crossing, located at U.S. 250 and the interchange of Interstate Highways 81 and 64, is planned for a mix of corporate and professional offices, retail stores, restaurants, and lodging facilities. The project will be the largest business development property to support both office and retail development in the Shenandoah Valley region of the I-81 corridor through Virginia.

In September, 2016 the EDA sold approximately 25 acres of the Staunton Crossing development property for $1.25 million. Construction began on the first phase of the development site in November, 2016. The development includes a Marriott Fairfield Inn and Suites and a Tru by Hilton hotel. Both hotels were open by November 2018. Multiple food options, a grocery center, and a fuel and convenience store center are all possibilities at the sight. The City will gain additional jobs and approximately $1.0 million annually from property, meals, sales, and lodging tax revenues when the first phase is completed.

The City plans to demolish the existing vacant hospital buildings on the property by November 2019. Demolition is expected to cost $3.5 million. The City was awarded a grant in the amount of $431,200 from the Virginia Brownsfields Restoration and Economic Redevelopment Fund (VBAF) to support the removal and disposal of hazardous materials at the site. The demolition will allow the property to compete nationally for major industrial development for jobs and an increase the City's tax base.

The City was awarded $8.7 million from the Virginia Department of Highways in November 2018 to complete the road extension from the entrance to provide access to the entire 275 acres at Staunton crossing. The road construction is expected to begin in 2020.

Frontier Center

Frontier Center is near the intersection of Interstates 81 and 64 and the first phase of the development, including construction for the road and infrastructure improvements, was completed in June 2018. Aldi, Bojangles, Chick-fil-A, and McDonalds opened during the summer of 2018 which has contributed to our year on year increase in meals and sales tax. The City has an agreement with the developer to start the second phase of development for a 200,000 square foot retail space.

Community Development

The City received official confirmation earlier this year from the U.S. Department of Housing and Urban Development (HUD) that it has been designated as a new entitlement community starting in federal fiscal year 2019.

Under this program designation, the City is eligible to receive more than $354,000 during the fiscal year and can expect to receive grant funds in this approximate amount every year if funded by Congress.

The funds will help the City carry out a variety of community development activities, including the revitalization of neighborhoods, economic development, and improvement of community facilities and services, particularly for low-to-moderate income residents. The City can use the funds to assess and address housing and homeless needs, as well as services and facilities for persons with disabilities, HIV/AIDS, and the elderly.

AWARDS AND ACKNOWLEDGEMENTS

Economic Development

Economic strength, resilience, and attractiveness to future investment is built around a thoughtful, holistic strategy that weaves together economic development, placemaking, and livability. Winning high praise for decades of urban revitalization from everyone from the National Trust for Historic Preservation to Virginia Living magazine, Staunton continues to garner rankings and acclaim:

- "Why This Region of Virginia Could Be the South's New Foodie Hotspot" – Vogue
- Best Places to Propose in the U.S. – Expedia
- American Shakespeare Center – Virginia's Not-To-Be-Missed Vacation Destination – O Magazine
- Best Small Town Cultural Scene – USA Today
- The South's Best Restaurants in Every State: The Shack Staunton, VA – Southern Living

Parks and Recreation

In fiscal year 2019, the Parks and Recreation department undertook several major initiatives which included revamping the equipment of the Nature Park at Montgomery Hall Park, restoration of the Gypsy Hill Park entrance, and the repaving of Gypsy Hill Park. In addition, a new picnic shelter is planned for Montgomery Hall Park in fiscal year 2020.

The Horticulture Division of the Department of Parks and Recreation received a Tree City USA award from the National Arbor Day Foundation. Thanks to the City's efforts to make the care and planning of trees a priority, this is the 23rd year the City has achieved this award recognizing municipalities with active tree care and replacement programs.

Public Safety

Police Department-The Staunton Police Department received the 10th consecutive national accreditation award from the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA) in May, 2016. The department received its first accreditation award in 1985 as one of the first ten law enforcement agencies in the world accredited by CALEA. Accreditation ensures that police departments operate under a set of nationally accepted standards that are designed to provide citizens with professional law enforcement services. Citizens of the City of Staunton benefit from the accreditation process with the assurance that the police department maintains procedures to encourage, listen and respond to citizen requests, needs, complaints and inquiries. The Department goes through the accreditation process every four years.

Fire Department- Staunton Fire & Rescue provides round-the-clock fire suppression, emergency medical service, and special response operations to the city's 20 square miles, parts of Augusta County that immediately surround the city, and the campus of Mary Baldwin University. The department operates two fire stations in the City and handles more than 3,500 calls annually. The department proudly protects citizens, visitors and property from emergencies of all types— natural and human-made. Staunton Fire & Rescue achieved an extraordinarily rare advancement for a municipal fire department when it was recognized by the Insurance Services Office (ISO) for improving its fire insurance classification from a Class 5 to a Class 2. The rating reflects the effectiveness of a fire department's fire suppression program—its ability to receive and respond to fire alarms; sufficiently staff, equip and train its department; maintain a water supply system, and educate the community about fire risks. The entire department and several members have also been awarded several prestigious Governor's Fire Service Awards over the past few years. Staunton's fire department is also the only of its kind in Virginia to receive the Grinnell Mutual Life Safety Achievement award for a proactive approach to fire safety.

Public Works

The City's drinking water consistently meets all water quality standards and regulations. In the most recent Water Quality Report, Staunton's Water Treatment Plant achieved the Silver award through the VDH Office of Drinking Water Virginia Optimization Program. This program recognizes those who provide quality water that exceeds minimum regulatory standards and operate water systems in an exemplary manner.

Finance Department

Risk Management

The Risk Management Division of the Finance Department successfully completed 100% of the Virginia Municipal League's Insurance Program for risk management guidelines for the City and Staunton City Schools. These guidelines ensure the City and School's commitment to safety for its citizens and employees. As a result of completing the guidelines, the City and Staunton City Schools received a 5% discount on the liability and workers compensation insurance premiums for the fiscal year.

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to the City of Staunton, Virginia, for its FY 2019 budget.

The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal. Documents submitted to the Budget Awards Program are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in public-sector budgeting.

This was the second year that the City applied for the award.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Staunton, Virginia, for its Comprehensive Annual Financial Report for the fiscal years ended June 30, 1985 through 2018. A Certificate of Achievement for Excellence is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis was accomplished with efficient and dedicated services of the Finance Department. I would also like to thank the City Manager and the City Council for their interest and support in applying for both the Certificate of Achievement for Excellence in Financial Reporting as well as the Distinguished Budget Presentation Award.

Respectfully submitted,

Phillip M. Trayer
Chief Financial Officer

FINANCIAL SECTION

BROWNEDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of City Council
City of Staunton, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Staunton, Virginia (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Augusta Regional Landfill. The City's share of this undivided interest represents 68%, 69%, and 20%, respectively, of the assets, net position, and revenues of the Environmental Fund. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Augusta Regional Landfill, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns* and the *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

1909 Financial Drive • Harrisonburg, VA 22801 • 540-434-6736 • Fax: 540-434-3097 • www.BEcpas.com

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Staunton, Virginia, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the other supplementary information, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditor in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 25, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
November 25, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Staunton's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended June 30, 2019. The MD&A is in addition to the transmittal letter, located on pages iv-xi of this report. Readers are encouraged to review the information presented in the MD&A and the letter of transmittal to provide the user a more comprehensive view of the City's financial condition. The MD&A presents information for the government-wide financial statements and the fund financial statements. The MD&A provides the user with a narrative introduction, overview, and analysis of the basic financial statements for the City's financial performance as a whole.

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

- The assets and deferred outflows of resources of the City of Staunton VA (City) exceeded its liabilities at the close of the most recent fiscal year by $130.1 million (*net position*). Of this amount, $30.2 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position increased $8.1 million due to a combination of factors including increases in tax revenues and an overall decrease in expenditures/expenses.

- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of $73.8 million, an increase of $47.7 million in comparison with the prior year. The increase is due mainly to the issuance of debt during the fiscal year. Approximately 6.3% of this amount ($4.6 million) is available for spending at the government's discretion (*unassigned fund balance)*.

- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed, assigned,* and *unassigned* components of *fund balance*) for the general fund was $15.9 million, or approximately 31.21% of total general fund expenditures.

- The City's total outstanding long-term debt increased by $41.5 million during the current fiscal year because of the debt issued to finance the renovations at the City's only high school and the normal scheduled debt reduction.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to the City of Staunton's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City of Staunton's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Staunton is improving or deteriorating.

The *statement of activities* presents information showing how the City of Staunton's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Staunton that are principally supported by taxes and intergovernmental revenues(*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Staunton include general government, judicial, public safety, public works, education, health and welfare, parks and recreation, and community development. The business-type activities of the City of Staunton include water, sewer, storm water, environmental and parking operations.

The government-wide financial statements include not only the City of Staunton itself (known as the *primary government*), but also a legally separate school board and a legally separate economic development authority for which the City of Staunton is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 5-7 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Staunton can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City of Staunton maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 8-11 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprises funds to account for its water, sewer, storm water, environmental and parking operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of inventory supplies and for its self-insured health plans for employer and employee health care costs. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, storm water, environmental, which are considered to be major funds of the City. Conversely, the parking fund and both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the parking and internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 12-15 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one type of fiduciary fund. The *OPEB trust fund* is used to report resources held in trust for other post-employment benefits.

The fiduciary fund financial statements can be found on pages 16-17 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-82 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 83-97 of this report.

he combining statements referred to earlier in connection with nonmajor governmental and proprietary funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 98-115 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. The following table reflects condensed information for the City's net position.

City of Staunton
Summary Statements of Net Position
June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Assets:						
Current and other assets	$ 107,240,166	$ 57,897,796	$ 20,837,832	$ 21,675,261	$ 128,077,998	$ 79,573,057
Capital assets	56,243,307	54,791,075	74,143,763	74,816,816	130,387,070	129,607,891
Total assets	163,483,473	112,688,871	94,981,595	96,492,077	258,465,068	209,180,948
Total deferred outflows of resources	2,901,392	2,678,363	446,672	455,766	3,348,064	3,134,129
Liabilities:						
Long-term liabilities	97,832,807	54,404,993	22,063,718	24,889,506	119,896,525	79,294,499
Other liabilities	3,813,441	2,513,290	1,121,909	1,265,161	4,935,350	3,778,451
Total liabilities	101,646,248	56,918,283	23,185,627	26,154,667	124,831,875	83,072,950
Total deferred inflows of resources	6,566,758	6,798,784	271,151	358,962	6,837,909	7,157,746
Net Position:						
Invested in capital assets	41,909,936	43,232,721	57,742,860	57,260,176	99,652,796	100,492,897
Restricted	265,941	31,265	-	-	265,941	31,265
Unrestricted	15,995,982	8,386,181	14,228,629	13,174,038	30,224,611	21,560,219
Total net position	$ 58,171,859	$ 51,650,167	$ 71,971,489	$ 70,434,214	$ 130,143,348	$ 122,084,381

In the case of the City of Staunton, assets and deferred outflows of resources exceeded liabilities and deferred inflows by $130.1 million at the close of fiscal year 2019.

By far, the largest portion of the City's net position ($99.7 million or 76.57%) is the investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, and infrastructure), less any outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidated to pay for these liabilities.

An additional portion of the City's net position (less than 1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $30.2 million or 23.22% is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The following tables summarize the City's change in net position for the current and previous year.

City of Staunton
Changes in Net Position
For the Years Ended June 30, 2019 and 2018

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues						
Charges for services	$ 6,939,498	$ 6,743,237	$ 12,437,602	$ 12,146,544	$ 19,377,100	$ 18,889,781
Operating grants and contributions	13,514,588	11,748,393	6,359	6,092	13,520,947	11,754,485
Capital grants and contributions	39,868	1,356,628	-	785,443	39,868	2,142,071
General revenues						
Property taxes	26,405,015	25,335,057	-	-	26,405,015	25,335,057
Other taxes	15,960,067	14,715,307	-	-	15,960,067	14,715,307
Unrestricted intergovernmental	2,910,432	2,881,272	-	-	2,910,432	2,881,272
Interest and investment earnings	385,545	155,183	271,189	92,181	656,734	247,364
Other	21,942	18,684	-	-	21,942	18,684
Total revenues	66,176,955	62,953,761	12,715,150	13,030,260	78,892,105	75,984,021
Expenses:						
General government	9,410,713	8,613,523	-	-	9,410,713	8,613,523
Judicial administration	1,795,684	1,844,938	-	-	1,795,684	1,844,938
Public safety	12,042,436	11,829,002	-	-	12,042,436	11,829,002
Public works	8,339,556	6,647,903	-	-	8,339,556	6,647,903
Health and welfare	6,917,916	7,051,987	-	-	6,917,916	7,051,987
Education (includes payment to Schools)	14,139,047	16,566,371	-	-	14,139,047	16,566,371
Parks, recreation and culture	3,600,576	3,420,386	-	-	3,600,576	3,420,386
Community Development (includes payment to EDA)	2,066,747	1,541,098	-	-	2,066,747	1,541,098
Interest on long-term debt	1,153,272	1,017,723	-	-	1,153,272	1,017,723
Water	-	-	3,410,244	3,886,966	3,410,244	3,886,966
Sewer	-	-	3,711,562	3,917,693	3,711,562	3,917,693
Storm Water	-	-	1,068,398	966,907	1,068,398	966,907
Environmental	-	-	2,653,356	2,790,626	2,653,356	2,790,626
Golf	-	-	-	146,068	-	146,068
Parking	-	-	523,631	506,123	523,631	506,123
Total expenses	59,465,947	58,532,931	11,367,191	12,214,383	70,833,138	70,747,314
Increase (Decrease) in net assets before transfers	6,711,008	4,420,830	1,347,959	815,877	8,058,967	5,236,707
Transfers	(189,316)	(1,066,603)	189,316	1,066,603	-	-
Increase (decrease) in net assets	6,521,692	3,354,227	1,537,275	1,882,480	8,058,967	5,236,707
Net assets - Beginning of year	51,650,167	48,295,940	70,434,214	68,551,734	122,084,381	116,847,674
Net assets - end of year	$ 58,171,859	$ 51,650,167	$ 71,971,489	$ 70,434,214	$ 130,143,348	$ 122,084,381

The City's overall net position increased $8.1 million from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.

Governmental Activities - Revenues

- The City's total revenues from governmental activities were $66.2 million for the fiscal year ended June 30, 2019, an increase of $3.2 million over the previous year.

- Property taxes, the largest source of general revenue, accounted for $26.4 million or 39.9% of revenue in 2019. Assessed values increased 7.85% over 2018. This increase in assessments resulted in an increase in property tax revenues of $1.1 million over 2018.

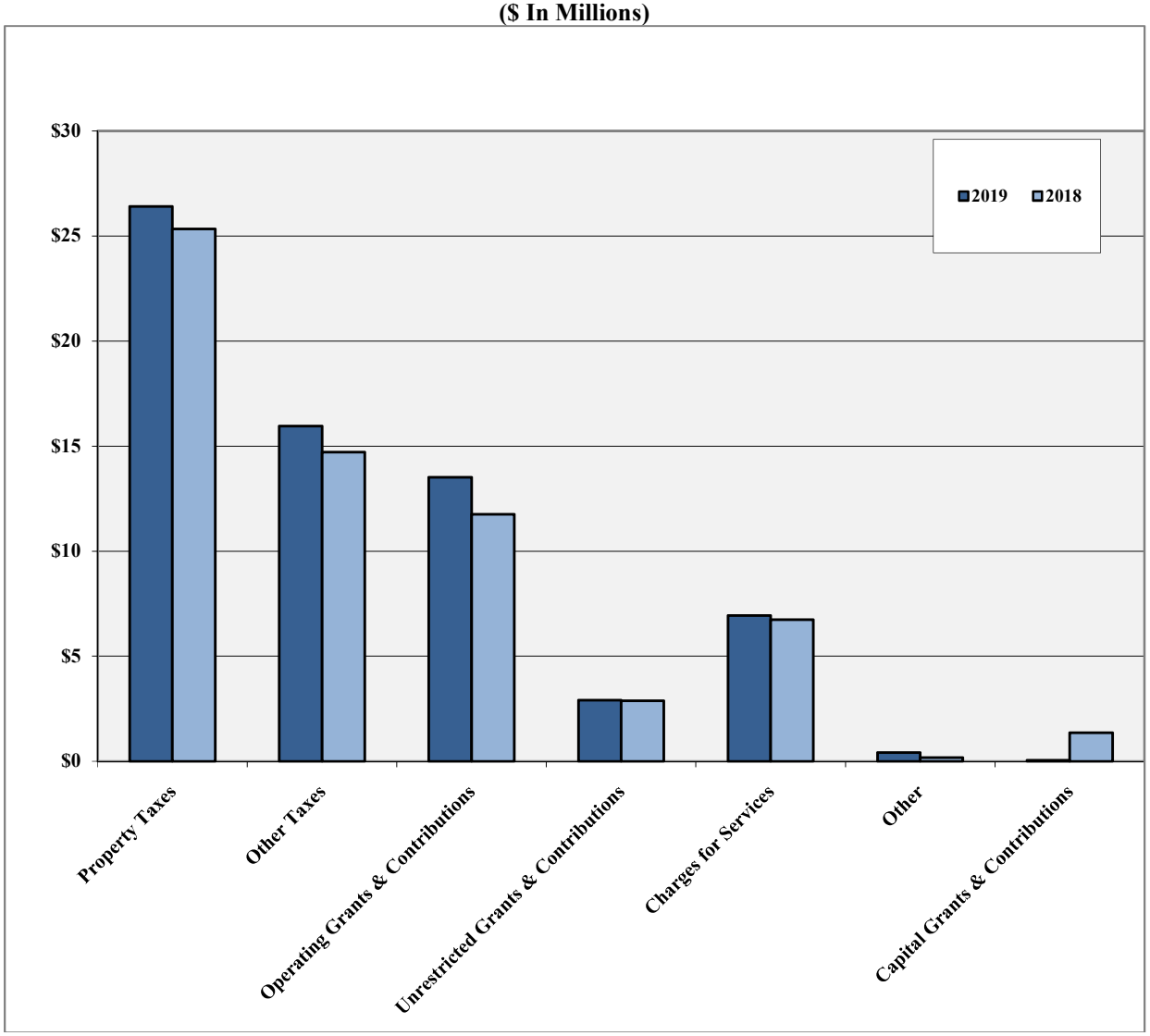
- Other taxes increased $1.2 million from the prior fiscal year due to an increase in meals and lodging taxes.

- Operating grants and contributions increased $1.8 million from the prior fiscal year due mainly to an increase in public safety grants (SAFER fire grant), public works grants (VDOT primary paving and regular street maintenance funds) and health and welfare (comprehensive services act) funds.

- Capital grants and contributions decreased $1.3 million from the prior fiscal year due a decrease in public works related capital grants for the Frontier Crossing development project.

Governmental Activities - Revenues by Source

Fiscal Years Ended June 30, 2019 and 2018
($ In Millions)



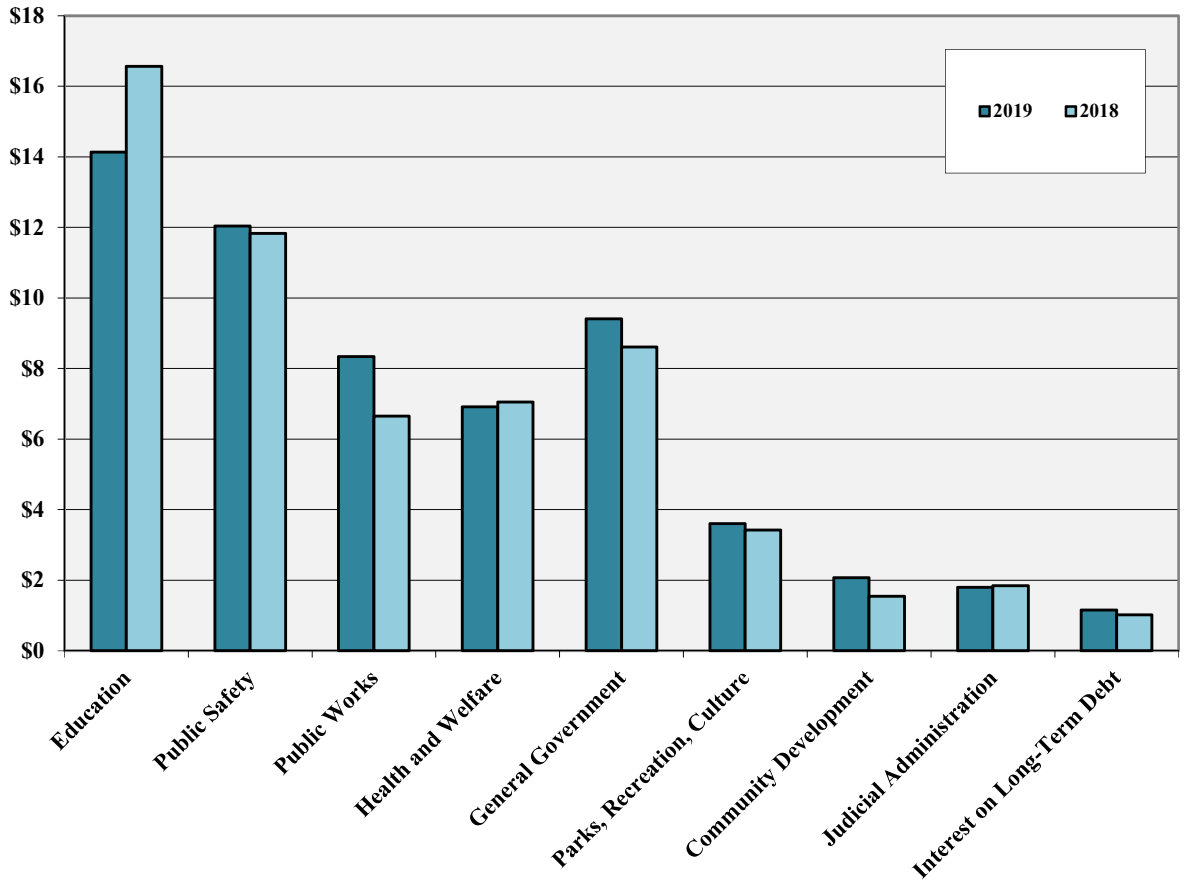
Governmental Activities - Expenses

- The total expenses from governmental activities were $59.5 million for the year, an increase of $1.6 million over the prior fiscal year.
- Education is the largest expense for the City at $14.1 million or 23.8% of the total governmental activities. Education expense decreased $2.4 million from the previous year because in fiscal year 2018, the City transferred back of the net book value of Shelburne Middle School as a result of the payoff of the debt associated with the school.
- Public Works increased $1.7 million from the prior fiscal year mainly due to an increase in street maintenance costs.
- General government increased $.8 million from the prior fiscal year due to increase in costs of the health fund and an increase in pension and OPEB costs.
- Community Development increased $.5 million from the previous year due to the increase in funds contributed to the EDA to fund the increase in development agreement payments.

Governmental Activities - Expenses by Function

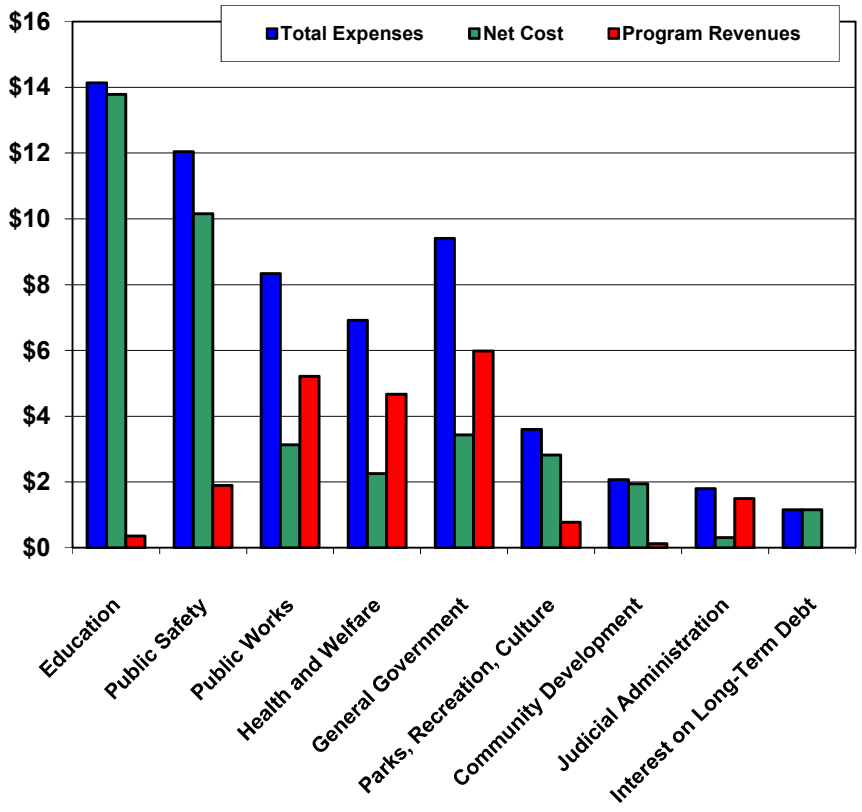
Fiscal Years Ended June 30, 2019 and 2018

($ In Millions)



Governmental Activities - Expenses, Net Costs, and Program Revenues

($ In Millions)



Program revenues are those revenues directly related to the individual expense functions such as user fees and charges, restricted grants, and contributions. Program revenues for the current fiscal year totaled $20.5 million and general revenues totaled $45.7 million.

The net cost of services represents the amount of tax or other revenue required to support these functions. The Education function requires the largest amount of general revenue support at 35.37%, a decrease of $2.76 million from the previous year. Public works net cost of service increased $1.9 million from the previous year due to the decrease in capital related grants. General government net cost of service increased $.8 million due to an increase in costs of the health fund and increase in pension costs.

Net Cost of the City of Staunton's Governmental Activities				
	2019		2018	
	Total Cost	Net Cost	Total Cost	Net Cost
Education	$ 14,139,047	$ 13,783,457	$ 16,566,371	$ 16,478,966
Public Safety	12,042,436	10,151,835	11,829,002	10,140,908
Public Works	8,339,556	3,129,512	6,647,903	1,191,291
Health and Welfare	6,917,916	2,252,764	7,051,987	2,471,031
General Government	9,410,713	3,433,027	8,613,523	2,637,590
Parks, Recreation, Culture	3,600,576	2,823,165	3,420,386	2,790,230
Community Development	2,066,747	1,940,888	1,541,098	1,497,361
Judicial Administration	1,795,684	304,073	1,844,938	459,573
Interest on Long-Term Debt	1,153,272	1,153,272	1,017,723	1,017,723
	$ 59,465,947	**$ 38,971,993**	**$ 58,532,931**	**$ 38,684,678**

Business-Type Activities

For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of $72 million. The total increase in net position for business-type activities was $1.5 million or 2.2% over the prior fiscal year. The growth, in large part, is attributable to an overall decrease of expenses of business-type activities of $.9 million. The decrease is due mainly to a decrease in pension and OPEB costs, a decrease in utility line repair and maintenance costs, and the decrease due to golf operations reverting to the general fund. There was also an increase of $.2 million in investment earnings and a $.3 million increase in charges for services resulting from new water and sewer connections and facility fees.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Staunton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

At June 30. 2019, the City's governmental funds reported combined ending fund balances of $73.8 million, an increase of $47.7 million in comparison with the prior year. Approximately 6.28% of this amount ($4.6 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder was *nonspendable* ($97,630); *restricted* for particular purposes ($.3 million); *committed* for particular purposes ($8.9 million); or *assigned* for particular purposes ($59.9 million).

General Fund

The General Fund is the chief operating fund of the City of Staunton. At the end of the current fiscal year, unassigned fund balance of the general fund was $4.65 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 9.11 percent of total general fund expenditures, while total fund balance represents approximately 31.9 percent of that same amount.

The fund balance of the City's general fund increased $.7 million during the current fiscal year. Property tax revenues increased $.9 million due to increased assessed value. Other local taxes increased $1.2 million due to an increase in sales, meals, and lodging taxes collected. Intergovernmental revenues increased $1 million due to an increase in state street maintenance and primary paving funds, state child services act funding and federal SAFER grant funding.

General Fund actual expenditures were $50.8 million versus the revised budget totaling $53.4 million. The contribution to the Component Unit School Board was the largest expense at $13.2 million. Expenditure savings of $2.5 million was spread through each governmental function, but significant savings in the general government function was due to decreases in personnel costs because of vacancies in personnel positions and significant savings in the health and welfare function was a result of actual child services act expenses being less than expected.

Capital Projects Fund

The City's Capital Improvements Fund, which includes the Bond construction fund, is used to report transactions related to the financing resources and expenditures for the acquisition or construction of capital facilities for the General Fund. Proprietary capital projects are reported in the appropriate proprietary fund. The City uses annual operating revenues of the General Fund, fund balance transfers from the General Fund, bond proceeds, or grants as resources to fund capital projects. With the exception of grant resources, the General Fund transfers funds to the Capital Improvements Fund when appropriated by the governing body. The General Fund transferred $3.4 million in FY 2019 to the City Capital Improvement Fund for projects still in progress. The City updates the capital improvements plan on an annual basis.

Capital projects in progress at June 30, 2019:

PROJECT	REVISED BUDGET - PROJECT TO DATE	FY2019 EXPENDITURES	TOTAL PROJECT EXPENDITURES TO DATE	PROJECT BALANCE
FINANCIAL SOFTWARE	$ 1,332,482	$ 21,850	1,251,579	$ 80,903
COMPUTER NETWORK EQUIPMENT	195,137	-	182,804	12,333
E911 CALL HANDLING EQUIPMENT	102,273	-	97,299	4,974
E911 RECORDING EQUIPMENT	150,000	-	150,011	(11)
FIRE TRUCK RESERVE	1,504,383	-	886,973	617,410
RADIO NARROWBAND	500,000	-	438,947	61,053
REGIONAL JAIL RESERVE	5,376,286	-	5,057,286	319,000
REGIONAL ANIMAL SHELTER	125,000	-	82,192	42,808
STREET IMPROVEMENT PROJECTS	1,205,250	-	985,999	219,251
URBAN STREET CONSTRUCTION 2% MATCH	736,478	-	465,395	271,083
STATLER/RICHMOND RD PROJ	50,000	-	-	50,000
RICHMOND RD/GREENVILLE AVE	35,000	-	-	35,000
CENTRAL AVE STREETSCAPE	2,167,585	25,710	146,112	2,021,473
STATE ROUTE 1426	2,110,000	-	1,789,303	320,697
NEW SIDEWALKS	600,000	-	-	600,000
BESSIE WELLER SAFE ROUTE TO SCHOOL	459,838	-	1,192	458,646
RICHMOND RD/COCHRAN PARKWAY	2,883,747	-	2,860,887	22,860
BRICK SIDEWALK PROJECTS	400,000	-	85,162	314,838
VDOT PRIMARY EXT PAVING	1,430,173	941,256	1,396,920	33,253
MLK MEMORIAL SIGN	41,450	-	40,940	510
PUBLIC WORKS EQUIPMENT RESERVE	300,000	-	-	300,000
RT 11/ RT 262 INTERSECTION TRUCK LANE IMPROVEMENT	50,000	-	-	50,000
FIRE STATION ROOF	845,000	-	185,035	659,965
PUBLIC SAFETY BUILDING	40,000	-	39,339	661
PUBLIC WORKS BUILDING MAINTENANCE RESERVE	300,000	80,350	130,850	169,150
BLUE RIDGE COMMUNITY COLLEGE	468,648	41,048	468,640	8
HIGH SCHOOL PROJECT	900,000	-	-	900,000
TRANSFER TO SCHOOL CIP	475,000	200,000	475,000	-
BOOKER T BUILDING	266,818	-	262,603	4,215
GHP BANDSTAND PROJECT	30,000	-	30,000	-
MONTGOMERY HALL SOCCER FIELDS	166,272	-	165,878	394
GHP POOL RENOVATIONS	500,000	-	492,565	7,435
MHP BATHROOM/WATER PARK	275,000	-	274,317	683
BETSY BELL PICNIC SHELTER	-	-	-	-
GREENWAYS PROJECT	300,000	-	-	300,000
FOOTBALL STADIUM ADA IMPROVEMENTS	100,000	87,682	87,682	12,318
GHP RESTROOM REPLACEMENT	350,000	-	-	350,000
GHP TOT PLAYGROUND	75,000	-	-	75,000
CORRIDOR OVERLAY INCENTIVES	25,000	-	1,350	23,650
COUNTY COURTS PROJECT	127,453	-	99,060	28,393
ECONOMIC DEVELOPMENT RESERVE	1,243,811	-	1,219,609	24,202
ENTERPRISE ZONE PROGRAM	360,521	-	262,834	97,687
STAUNTON CROSSING DEVELOPMENT	3,456,200	47,700	848,389	2,607,811
FRONTIER CULTURE PROJECT	100,000	-	88,051	11,949
HIGH SCHOOL RENOVATION PROJECT	48,615,000	3,692,883	4,023,484	44,591,516
COMPLETED PROJECTS	5,320,138	-	5,320,519	(381)
TOTALS	$ 86,094,943	$ 5,138,479	$ 30,394,206	$ 55,700,737

General Fund Budgetary Highlights

City Council revised the current City Budget two times during the year which included two amendments to the General Fund budget. These budget amendments included:

- Budget Amendment Number 1 - $3,454,136. This amendment appropriated $184,571 from prior year funds for the balance of grant programs, restricted donations and mandated state program carry-over funds for programs not completed at the end of the prior fiscal year. This amendment also included additional appropriations of $244,565 for additional grant funds, donations and recovered costs. The amendment also included appropriations of prior year unassigned fund balance of $2,700,000 to be transferred to the CIP fund to be held in an undesignated CIP account until City Council approves the FY2019-2023 CIP in February 2019, and $325,000 to be transferred to the Debt service fund to increase the required 1% debt reserve and for the balance of the FY2019 debt payments for Staunton Crossing which were cut from the original FY2019 budget.

- Budget Amendment Number 2 - $1,226,420. The amendment included additional appropriations of $976,420 made up of $869,150 in additional grant funds, $97,290 in donations, and $9,980 in recovered costs. This amendment also appropriated $250,000 from the general contingency reserve to fund anticipated increases to children's services act expenditures.

CAPITAL ASSETS

The City of Staunton's investment in capital assets for its governmental activities and business-type activities as of June 30, 2019 amounts to $130.4 million (net of depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges as well as utility line infrastructure. Total net capital assets are $56.2 million for the governmental activities, and $74.2 million for the business-type activities. The total increase in capital assets for the current fiscal year was $.7 million or .6%.

Major capital asset events (other than normal depreciation costs) during the current fiscal year included the following for governmental activities:

- Addition of $3.6 million for construction in progress, mainly for the renovations to the high school. Additionally, golf operations reverted to the general fund. Asset with a net book value of approximately $358,000 were moved from business-type activities to governmental activities.

Major capital asset events (other than normal depreciation costs) during the current fiscal year included the following for business-type activities:

- Addition of $1.8 million of improvements to the City's two parking garages were added to capital assets.

- Additional information regarding capital assets can be found in Note 5 in the notes to the financial statements.

City of Staunton Capital Assets Net of Depreciation

	2019			2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	$ 4,762,181	$ 1,937,094	$ 6,699,275	$ 4,737,487	$ 1,961,788	$ 6,699,275
Landfill	-	1,285,267	1,285,267	-	1,352,857	1,352,857
Buildings	20,616,553	26,680,652	47,297,205	21,367,031	27,652,912	49,019,943
Improvements	2,007,462	3,966,882	5,974,344	1,734,892	1,891,245	3,626,137
Equipment	4,159,474	4,654,929	8,814,403	4,720,533	5,086,849	9,807,382
Infrastructure	20,529,134	34,490,293	55,019,427	21,688,565	35,754,075	57,442,640
Construction in Progress	4,168,503	1,128,646	5,297,149	542,567	1,117,090	1,659,657
Total	$ 56,243,307	$ 74,143,763	$ 130,387,070	$ 54,791,075	$ 74,816,816	$ 129,607,891

DEBT ADMINISTRATION

- The City of Staunton maintains an Aa2 bond rating from Moody's Investor Service, affirmed December 2006, and AA from Standard and Poor's affirmed September 2018.

- The *Code of Virginia* limits the amount of general obligation debt the City may issue to ten percent of its total assessed taxable value of real estate which is $202.5 million for the City. The City currently has net bonded debt payable of $90.7 million. The current legal margin for creating additional debt for the City of Staunton is $111.8 million.

- Additional information regarding outstanding debt can be found in Note 6 in the notes to the financial statements.

City of Staunton Outstanding Debt

	2019			2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	$ 66,043,499	$ -	$ 66,043,499	$ 21,161,511	$ 540,047	$ 21,701,558
Virginia Revolving Loan	-	16,580,246	16,580,246	-	18,441,805	18,441,805
Literary Loans	8,100,000	-	8,100,000	9,050,000	-	9,050,000
Total	**$ 74,143,499**	**$ 16,580,246**	**$ 90,723,745**	**$ 30,211,511**	**$ 18,981,852**	**$ 49,193,363**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The FY 2020 general fund budget was adopted at $59.3 million, an increase of $2.7 million over the $56.6 million budget for FY 2019.

- The Real Estate tax rate is $.95/$100 of assessed value. The January 1, 2019 taxable real estate assessment reflected an increase of 7.67% and projected to generate an additional $1.03 million in revenue for 2020. The Personal property tax rate is $2.90/$100 of assessed value and personal property taxes are projected to generate an additional $.3 million in revenue for 2020.

- Meals and sales tax are expected to generate an additional $.8 million due mainly to increase in sales from the Frontier Center.

- Funding from the Commonwealth constitutes 20.9% of the total general fund budget and is projected to increase $.5 million over 2019, from $11.9 million to $12.4 million. The largest categories of state funding are health and welfare, children's services act and street and highway maintenance.

- A 3% cost of living adjustment for all full-time and part-time employees will be effective the first payroll of July, 2019. The General Fund increase for wages and benefits for FY 2020 is $.7 million. The City added a 1 position in the FY 2020 General Fund budget for a traffic engineering crew leader. The total FTE count for the City is 308 full-time employees, a net increase of 3 positions.

- The General Fund budgeted transfer to the City Capital Improvement Fund is $.8 million for FY 2020, an increase of $150,000 from FY 2019.

- The General Fund transfer to the Debt Service Fund increased $21,665 over FY 2019 to $4.8 million. The City will reduce its total outstanding debt by $4.5 million in 2020.

- The General Fund transfer to the Education Fund increased 4.9%, or $650,000, to help fund an average 3% pay increase for school employees which will be effective with the July 2019 pay check.

- As of September 2019, the unemployment rate for the City of Staunton was 2.3%. Staunton's rate is slightly lower than the state's average unemployment rate of 2.5% and well below the national average of 3.3%.

All these factors were considered in preparing the FY 2020 budget to finance the cost of programs and services provided to citizens.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Finance Department, City of Staunton, 116 W. Beverley Street, Staunton, Virginia 24401, 540-332-3809, or at trayerpm@ci.staunton.va.us .

THIS PAGE INTENTIONALLY BLANK

BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY BLANK

CITY OF STAUNTON, VIRGINIA

STATEMENT OF NET POSITION
June 30, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Economic Development Authority
ASSETS					
Cash and cash equivalents (Note 2)	$ 33,771,894	$ 6,468,999	$ 40,240,893	$ 6,366,247	$ 497,125
Investments (Note 2)	4,341,610	7,223,579	11,565,189	-	-
Receivable (net of allowances for uncollectibles):					
Taxes, including penalties (Note 13)	4,907,721	-	4,907,721	-	-
Accounts	1,082,971	1,931,047	3,014,018	206,824	16,667
Interest	18,487	30,500	48,987	-	-
Due from other governments (Note 3)	6,602,534	-	6,602,534	2,563,157	-
Due from component unit (Note 17)	12,750,000	-	12,750,000	-	-
Inventory (Notes 1, 17)	218,297	-	218,297	-	12,970,053
Prepaid items	117,482	7,917	125,399	3,460	-
Restricted assets: (Notes 2, 14)					
Cash and cash equivalents	43,429,170	3,055,132	46,484,302	-	-
Due from other governments (Note 3)	-	2,120,658	2,120,658	-	-
Capital assets: (Note 5)					
Nondepreciable	8,930,684	3,065,740	11,996,424	236,000	793,946
Depreciable, net	47,312,623	71,078,023	118,390,646	9,926,224	6,374,996
Total assets	163,483,473	94,981,595	258,465,068	19,301,912	20,652,787
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions (Notes 7, 8, and 11)	1,756,207	261,973	2,018,180	3,301,968	-
Deferred outflows related to OPEB (Notes 9, 10, and 11)	876,521	117,707	994,228	928,835	-
Deferred charges on refunding	268,664	66,992	335,656	-	-
Total deferred outflows of resources	2,901,392	446,672	3,348,064	4,230,803	-
LIABILITIES					
Accounts payable	2,338,161	505,983	2,844,144	362,974	463,539
Retainage payable	93,004	31,856	124,860	-	-
Accrued liabilities	1,339,048	229,550	1,568,598	1,772,666	-
Due to primary government (Note 17)	-	-	-	-	12,750,000
Unearned revenue (Note 1)	11,152	37,109	48,261	1,000	-
Amounts held for others	25,076	-	25,076	7,412	-
Deposits payable	7,000	317,411	324,411	-	-
Noncurrent liabilities:					
Due within one year (Note 6)	4,362,160	2,263,851	6,626,011	152,276	-
Due in more than one year					-
Net OPEB liability (Notes 9, 10, and 11)	6,822,715	949,993	7,772,708	6,940,414	-
Net pension liability (Notes 7, 8, and 11)	14,224,528	2,003,238	16,227,766	25,326,033	-
Other debt (Note 6)	72,423,404	16,846,636	89,270,040	483,334	-
Total liabilities	101,646,248	23,185,627	124,831,875	35,046,109	13,213,539
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions (Notes 7, 8, and 11)	1,305,490	200,876	1,506,366	3,603,102	-
Deferred inflows related to OPEB (Notes 9, 10, and 11)	491,065	70,275	561,340	758,964	-
Property taxes (Note 13)	4,770,203	-	4,770,203	-	-
Total deferred inflows of resources	6,566,758	271,151	6,837,909	4,362,066	-
NET POSITION					
Net investment in capital assets	41,909,936	57,742,860	99,652,796	10,162,224	7,168,942
Restricted for:					
Programs	240,502	-	240,502	87,867	-
Donor purposes	25,439	-	25,439	29,133	-
Unrestricted	15,995,982	14,228,629	30,224,611	(26,154,684)	270,306
Total net position	$ 58,171,859	$ 71,971,489	$ 130,143,348	$ (15,875,460)	$ 7,439,248

The Notes to Financial Statements are an integral part of this statement.

CITY OF STAUNTON, VIRGINIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	$ 9,410,713	$ 5,689,755	$ 287,931	$ -
Judicial administration	1,795,684	324,161	1,160,793	6,657
Public safety	12,042,436	398,704	1,484,397	7,500
Public works	8,339,556	-	5,184,333	25,711
Health and welfare	6,917,916	-	4,665,152	-
Education	14,139,047	-	355,590	-
Parks, recreation, and culture	3,600,576	503,846	273,565	-
Community development	2,066,747	23,032	102,827	-
Interest on long-term debt	1,153,272	-	-	-
Total governmental activities	59,465,947	6,939,498	13,514,588	39,868
Business-type activities:				
Water	3,410,244	4,438,199	-	-
Sewer	3,711,562	4,154,640	-	-
Storm Water	1,068,398	766,487	-	-
Environmental	2,653,356	2,655,567	6,359	-
Parking	523,631	422,709	-	-
Total business-type activities	11,367,191	12,437,602	6,359	-
Total primary government	$ 70,833,138	$ 19,377,100	$ 13,520,947	$ 39,868
Component Units:				
School Board	$ 34,849,938	$ 1,423,629	$ 11,795,703	$ 92,925
Economic Development Authority	820,678	12,957	594,846	-
Total component units	$ 35,670,616	$ 1,436,586	$ 12,390,549	$ 92,925
		General revenues:		
		Property taxes		
		Sales tax		
		Hotel and meals tax		
		Business license		
		Utility taxes		
		Local communication tax		
		Other taxes		
		Unrestricted investment earnings		
		Grants and contributions not restricted to a specific program		
		Miscellaneous		
		Net payment from City - unrestricted		
		Transfers		
		Total general revenues and transfers		
		Change in net position		
		Net position - beginning of year, as restated (Note 21)		
		Net position - end of year		

The Notes to Financial Statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position			Component Units	
Primary Government				
Governmental Activities	Business-Type Activities	Total	School Board	Economic Development Authority
$ (3,433,027)		$ (3,433,027)		
(304,073)		(304,073)		
(10,151,835)		(10,151,835)		
(3,129,512)		(3,129,512)		
(2,252,764)		(2,252,764)		
(13,783,457)		(13,783,457)		
(2,823,165)		(2,823,165)		
(1,940,888)		(1,940,888)		
(1,153,272)		(1,153,272)		
(38,971,993)		(38,971,993)		
-	$ 1,027,955	1,027,955		
-	443,078	443,078		
-	(301,911)	(301,911)		
-	8,570	8,570		
-	(100,922)	(100,922)		
-	1,076,770	1,076,770		
(38,971,993)	1,076,770	(37,895,223)		
			$ (21,537,681)	$ -
			-	(212,875)
			(21,537,681)	(212,875)
26,405,015	-	26,405,015	-	-
4,434,974	-	4,434,974	-	-
5,602,271	-	5,602,271	-	-
2,353,732	-	2,353,732	-	-
1,172,913	-	1,172,913	-	-
1,185,978	-	1,185,978	-	-
1,210,199	-	1,210,199	-	-
385,545	271,189	656,734	19,572	124
2,910,432	-	2,910,432	10,558,945	-
21,942	-	21,942	-	-
-	-	-	13,400,000	-
(189,316)	189,316	-	-	-
45,493,685	460,505	45,954,190	23,978,517	124
6,521,692	1,537,275	8,058,967	2,440,836	(212,751)
51,650,167	70,434,214	122,084,381	(18,316,296)	7,651,999
$ 58,171,859	$ 71,971,489	$ 130,143,348	$ (15,875,460)	$ 7,439,248

CITY OF STAUNTON, VIRGINIA

BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2019

	General	Capital Projects Fund: Capital Improvements	Nonmajor Governmental	Total Governmental
Assets				
Cash and cash equivalents	$ 13,077,417	$ 8,918,667	$ 5,415,714	$ 27,411,798
Investments	4,341,610	-	-	4,341,610
Receivables (net of allowances for uncollectibles):				
Taxes	4,907,721	-	-	4,907,721
Accounts	944,400	-	73,424	1,017,824
Interest	18,487	-	-	18,487
Due from other governments	5,545,205	966,967	90,362	6,602,534
Prepaid items	97,630	-	-	97,630
Restricted assets:				
Cash and cash equivalents	7,000	43,551,089	-	43,558,089
Total assets	$ 28,939,470	$ 53,436,723	$ 5,579,500	$ 87,955,693
Liabilities				
Accounts payable	$ 968,980	$ 1,257,250	$ 87,484	$ 2,313,714
Retainage payable	-	93,004	-	93,004
Accrued liabilities	712,173	-	23,280	735,453
Unearned revenue	11,152	-	-	11,152
Amounts held for others	25,076	-	-	25,076
Deposits payable	7,000	-	-	7,000
Total liabilities	1,724,381	1,350,254	110,764	3,185,399
Deferred Inflows of Resources				
Unavailable revenue	10,998,485	-	-	10,998,485
Fund Balances				
Nonspendable	97,630	-	-	97,630
Restricted	250,953	-	14,987	265,940
Committed	8,891,250	-	-	8,891,250
Assigned	2,346,271	52,086,469	5,453,749	59,886,489
Unassigned	4,630,500	-	-	4,630,500
Total fund balances	16,216,604	52,086,469	5,468,736	73,771,809
Total liabilities, deferred inflows of resources and fund balances	$ 28,939,470	$ 53,436,723	$ 5,579,500	$ 87,955,693

The Notes to Financial Statements are an integral part of this statement.

CITY OF STAUNTON, VIRGINIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2019

Total Fund Balances - Governmental Funds		$ 73,771,809
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.		
Governmental capital assets	$ 128,490,611	
Less: accumulated depreciation	(72,247,304)	
		56,243,307
Deferred gain on refunding, discounts and premiums are reported as expenditures or revenues in the governmental funds, but are amortized over the life of the debt obligation in the statement of net position:		
Bond premiums (to be amortized as interest expense)	$ 78,278	
Bond discounts (to be amortized as interest expense)	(2,329,862)	
Deferred amount on refunding (to be amortized as interest expense)	268,664	(1,982,920)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		5,810,026
Receivables that are not available to pay for current-period expenditures are deferred or not reported in the funds.		
Due from EDA	$ 12,750,000	
Hotel rent	16,667	
Interest	18,487	
Miscellaneous reimbursement	28,479	
Jail buy in	3,736,893	
Real estate taxes	2,427,756	18,978,282
Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows	$ 1,756,207	
Deferred inflows	(1,305,490)	
Net pension liability	(14,224,528)	(13,773,811)
Financial statement elements related to other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows	$ 876,521	
Deferred inflows	(491,065)	
Net OPEB liability	(6,822,715)	(6,437,259)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	$ (63,791,915)	
Literary fund loans	(8,100,000)	
Accrued interest payable	(646,655)	
Claims payable	(246,524)	
Compensated absences	(1,652,481)	(74,437,575)
Total Net Position - Governmental Activities		$ 58,171,859

The Notes to Financial Statements are an integral part of this statement.

CITY OF STAUNTON, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	General	Capital Projects	Nonmajor Governmental	Total Governmental
Revenues				
General property taxes	$ 26,357,304	$ -	$ -	$ 26,357,304
Other local taxes	15,960,067	-	-	15,960,067
Permits, privilege fees, and regulatory licenses	254,962	-	-	254,962
Fines and forfeitures	254,056	-	-	254,056
Revenues from use of money and property	261,111	145,350	7,937	414,398
Charges for services	1,850,246	-	154,704	2,004,950
Miscellaneous	106,412	-	98,354	204,766
Recovered costs	1,228,767	-	-	1,228,767
Intergovernmental:				
Federal	1,382,964	20,568	86,337	1,489,869
Commonwealth	12,429,694	946,398	762,615	14,138,707
Total revenues	60,085,583	1,112,316	1,109,947	62,307,846
Expenditures				
Current:				
General government administration	5,617,599	21,850	-	5,639,449
Judicial administration	1,984,912	-	6,657	1,991,569
Public safety	11,372,797	-	1,043,285	12,416,082
Public works	6,099,271	1,021,606	-	7,120,877
Health and welfare	6,906,155	-	-	6,906,155
Education	13,208,000	241,048	-	13,449,048
Parks, recreation, and cultural	3,602,905	-	-	3,602,905
Community development	2,047,456	47,700	122,294	2,217,450
Capital projects	-	3,691,767	-	3,691,767
Debt service:				
Principal retirement	-	-	2,597,575	2,597,575
Interest and fiscal charges	-	-	964,810	964,810
Bond issuance costs	-	114,508	-	114,508
Total expenditures	50,839,095	5,138,479	4,734,621	60,712,195
Excess (deficiency) of revenues over expenditures	9,246,488	(4,026,163)	(3,624,674)	1,595,651
Other financing sources (uses)				
Issuance of debt	-	43,760,000	-	43,760,000
Premium on school construction bonds	-	2,329,862	-	2,329,862
Transfers in	-	3,391,050	5,147,750	8,538,800
Transfers out	(8,559,825)	-	-	(8,559,825)
Total other financing sources (uses)	(8,559,825)	49,480,912	5,147,750	46,068,837
Net change in fund balance	686,663	45,454,749	1,523,076	47,664,488
Fund balance - beginning of year	15,529,941	6,631,720	3,945,660	26,107,321
Fund balance - end of year	$ 16,216,604	$ 52,086,469	$ 5,468,736	$ 73,771,809

The Notes to Financial Statements are an integral part of this statement.

CITY OF STAUNTON, VIRGINIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Net changes in fund balances - Governmental Funds			$ 47,664,488
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:			
Governmental funds report the cost of capital assets acquired as current expenditures while the statement of activities reports depreciation expense to allocate those expenditures over the life of the assets.			
	Depreciation	$ (3,035,869)	
	Capital expenditures	4,134,311	1,098,442
In the statement of activities, only the gain or loss on the disposal of capital assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital asset.			(1,634)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
	Property taxes	$ 47,711	
	Interest	4,678	
	Other operating revenues	6,313	58,702
Payments on loans receivable are revenues in the governmental funds, but decrease long term assets in the statement of position	Jail buy in		(577,345)
Debt proceeds provide current financial resources to governmental funds, but debt issuances increase long term liabilities in the statement of net position. Principal repayments are expenditures in governmental funds, but reduce long term liabilities in the statement of net position.			
	Proceeds from the issuance of debt	$ (46,089,862)	
	GO bond and literary loan payments	2,597,575	(43,492,287)
Governmental funds report interest on long term debt as expenditures when payments are made, while the statement of activities reports interest expense on the accrual basis.			(147,255)
Governmental funds report employer contributions to other postemployment benefit as expenditures. However, in the statement of activities the cost of other postemployment benefits earned net of employee contributions is reported as OPEB expense.			
	Employer OPEB contributions	$ 595,029	
	OPEB expense	(553,235)	41,794
Governmental funds report employer pension contributions as expenditures. However, in the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense.			
	Employer pension contributions	$ 1,756,264	
	Pension expense	(378,465)	1,377,799
Some expenses reported in the statement of activities do not require the use of current resources, and therefore are not reported as expenditures in governmental funds.			
	Compensated absences and claims payable	$ (94,776)	
	Amortization of bond discount and deferred amount	(41,207)	(135,983)
The net income of internal service funds is reported within governmental activities on the statement of activities.			803,262
Transfer to Golf Fund from governemental activties-to cover residual deficit from closing of golf fund			(168,291)
Change in net position - Governmental Activities			$ 6,521,692

The Notes to Financial Statements are an integral part of this statement.

CITY OF STAUNTON, VIRGINIA

STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2019

	Business-Type Activities – Enterprise Funds						Governmental Activities –
	Water	Sewer	Stormwater	Environmental	Nonmajor	Total	Internal Service
Assets							
Current assets:							
Cash and cash equivalents	$ 1,895,123	$ 1,552,307	$ 2,016,481	$ 348,878	$ 656,210	$ 6,468,999	$ 6,231,177
Investments	3,396,170	2,511,928	-	1,315,481	-	7,223,579	-
Receivable:							
Accounts (net of allowance for uncollectibles)	600,990	746,210	119,311	446,941	17,595	1,931,047	65,147
Interest	13,785	10,014	-	6,701	-	30,500	-
Inventory	-	-	-	-	-	-	218,297
Prepaid items	-	-	-	7,917	-	7,917	19,852
Restricted assets:							
Cash and cash equivalents	197,097	-	115,000	2,487,990	255,045	3,055,132	-
Due from other governments	-	224,212	-	-	-	224,212	-
Total current assets	6,103,165	5,044,671	2,250,792	4,613,908	928,850	18,941,386	6,534,473
Noncurrent assets:							
Restricted assets:							
Due from other governments	-	1,896,446	-	-	-	1,896,446	-
Capital assets:							
Nondepreciable	1,198,228	99,513	195,625	538,125	1,034,249	3,065,740	-
Depreciable, net	20,847,455	33,217,330	8,510,346	2,614,941	5,887,951	71,078,023	53,871
Total capital assets, net	22,045,683	33,316,843	8,705,971	3,153,066	6,922,200	74,143,763	53,871
Total noncurrent assets	22,045,683	35,213,289	8,705,971	3,153,066	6,922,200	76,040,209	53,871
Total assets	28,148,848	40,257,960	10,956,763	7,766,974	7,851,050	94,981,595	6,588,344
Deferred outflows of resources							
Deferred outflows related to pensions	136,894	18,213	8,606	98,260	-	261,973	-
Deferred outflows related to other postemployment benefits	67,797	9,003	4,544	36,363	-	117,707	-
Deferred charge on refunding	49,443	17,549	-	-	-	66,992	-
Total deferred outflows of resources	254,134	44,765	13,150	134,623	-	446,672	-
Liabilities							
Current liabilities:							
Accounts payable	65,759	180,227	16,322	134,122	109,553	505,983	24,447
Claims payable	-	-	-	-	-	-	700,000
Retainage payable	31,856	-	-	-	-	31,856	-
Accrued liabilities	96,044	72,900	2,803	30,511	27,292	229,550	-
Unearned revenue	37,109	-	-	-	-	37,109	-
Deposits payable	197,097	-	115,000	-	5,314	317,411	-
Debt, current	758,860	1,160,278	-	-	103,744	2,022,882	-
Landfill closure/postclosure	-	-	-	66,719	-	66,719	-
Compensated absences	95,505	530	5,063	73,152	-	174,250	-
Total current liabilities	1,282,230	1,413,935	139,188	304,504	245,903	3,385,760	724,447
Noncurrent liabilities:							
Net OPEB liability	527,672	70,027	35,344	316,950	-	949,993	-
Net pension liability	1,108,784	147,514	69,704	677,236	-	2,003,238	-
Debt	3,964,964	8,528,031	-	-	2,064,369	14,557,364	-
Landfill closure/postclosure	-	-	-	2,238,054	-	2,238,054	-
Compensated absences	39,554	-	11,664	-	-	51,218	-
Total noncurrent liabilities	5,640,974	8,745,572	116,712	3,232,240	2,064,369	19,799,867	-
Total liabilities	6,923,204	10,159,507	255,900	3,536,744	2,310,272	23,185,627	724,447
Deferred Inflows of Resources							
Deferred inflows related to pensions	101,761	13,538	6,397	79,180	-	200,876	-
Deferred inflows related to other post employment benefits	38,007	5,069	2,557	24,642	-	70,275	-
	139,768	18,607	8,954	103,822	-	271,151	-
Net Position							
Net investment in capital assets	17,349,795	23,645,617	8,698,231	3,152,780	4,896,437	57,742,860	53,871
Unrestricted	3,990,215	6,478,994	2,006,828	1,108,251	644,341	14,228,629	5,810,026
Total net position	$ 21,340,010	$ 30,124,611	$ 10,705,059	$ 4,261,031	$ 5,540,778	$ 71,971,489	$ 5,863,897

The Notes to Financial Statements are an integral part of this statement.

CITY OF STAUNTON, VIRGINIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
Year Ended June 30, 2019

	Business-Type Activities – Enterprise Funds						Governmental Activities –
	Water	Sewer	Stormwater	Environmental	Nonmajor	Total	Internal Service
OPERATING REVENUES							
Parking fines	$ -	$ -	$ -	$ -	$ 65,493	$ 65,493	$ -
Charges for services	4,340,696	4,148,359	766,487	2,645,119	352,217	12,252,878	8,391,564
Rental of property	73,122	-	-	-	4,510	77,632	-
Operating grants	-	-	-	6,359	-	6,359	-
Miscellaneous	20,269	2,556	-	5,728	489	29,042	24,736
Total operating revenues	4,434,087	4,150,915	766,487	2,657,206	422,709	12,431,404	8,416,300
OPERATING EXPENSES							
Personal services	625,801	637,079	65,079	1,242,105	113,953	2,684,017	-
Claims paid	-	-	-	-	-	-	5,509,239
Rental of property	3,824	2,005	-	3,655	10,051	19,535	2,573
Administrative fees	-	-	-	-	-	-	266,209
Stop loss fees	-	-	-	-	-	-	948,308
Repairs and maintenance	492,182	46,499	-	35,302	2,035	576,018	-
Contractual services	183,470	1,307,877	55,699	525,417	10,748	2,083,211	28,430
Materials and supplies	235,636	39,435	233,080	132,843	4,896	645,890	27,308
Depreciation	1,030,675	1,248,127	482,812	343,851	144,199	3,249,664	3,398
Utilities	189,703	6,214	-	2,903	30,294	229,114	841,417
Other expenses	507,312	206,135	231,728	313,761	120,337	1,379,273	-
Landfill closure/post-closure	-	-	-	53,519	-	53,519	-
Total operating expenses	3,268,603	3,493,371	1,068,398	2,653,356	436,513	10,920,241	7,626,882
Operating income (loss)	1,165,484	657,544	(301,911)	3,850	(13,804)	1,511,163	789,418
NONOPERATING REVENUES (EXPENSES)							
Interest income	85,077	63,957	5,167	85,093	31,895	271,189	13,844
Interest and fiscal charges	(141,641)	(277,529)	-	-	(87,118)	(506,288)	-
Gain on disposal of assets	4,112	3,725	-	4,720	-	12,557	-
Debt service recovery	-	59,338	-	-	-	59,338	-
Total nonoperating revenues (expenses)	(52,452)	(150,509)	5,167	89,813	(55,223)	(163,204)	13,844
Income (loss) before transfers and capital contributions	1,113,032	507,035	(296,744)	93,663	(69,027)	1,347,959	803,262
Capital Contributed from fund activities							
Governmental funds	-	-	-	-	168,291	168,291	-
Transfers in	-	-	-	-	21,025	21,025	-
Change in net position	1,113,032	507,035	(296,744)	93,663	120,289	1,537,275	803,262
Total net position - beginning of year, as restated, (Note 21)	20,226,978	29,617,576	11,001,803	4,167,368	5,420,489	70,434,214	5,060,635
Total net position - end of year	$ 21,340,010	$ 30,124,611	$ 10,705,059	$ 4,261,031	$ 5,540,778	$ 71,971,489	$ 5,863,897

The Notes to Financial Statements are an integral part of this statement.

CITY OF STAUNTON, VIRGINIA

STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2019

	Business-Type Activities – Enterprise Funds						Governmental Activities –
	Water	Sewer	Stormwater	Environmental	Nonmajor	Total	Internal Service
OPERATING ACTIVITIES							
Cash received from customers and users	$ 4,455,192	$ 4,141,469	$ 771,021	$ 2,648,333	$ 423,545	$ 12,439,560	$ 8,613,348
Cash paid to suppliers	(1,646,270)	(1,617,839)	(514,086)	(1,153,876)	(177,871)	(5,109,942)	(878,202)
Cash paid to employees	(861,094)	(645,384)	(79,633)	(1,400,560)	(113,090)	(3,099,761)	-
Claims paid	-		-	-	-	-	(5,752,217)
Administrative and stop loss fees	-	-	-	-	-	-	(1,215,824)
Operating grants received	-	-	-	6,359	-	6,359	-
Net cash provided by operating activities	1,947,828	1,878,246	177,302	100,256	132,584	4,236,216	767,105
NONCAPITAL FINANCING ACTIVITIES							
Transfers to/from other funds	-	-	-	-	(2,218)	(2,218)	-
Interfund borrowing	-	-	-	(23,434)	-	(23,434)	-
Net cash used by noncapital financing activities	-	-	-	(23,434)	(2,218)	(25,652)	-
CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	(711,859)	(378,229)	(45,321)	(41,660)	(1,790,903)	(2,967,972)	-
Principal paid on long-term debt	(634,567)	(1,101,964)	-	-	(109,645)	(1,846,176)	-
Interest paid on long-term debt	(216,913)	(246,034)	-	-	(87,020)	(549,967)	-
Proceeds from sale of capital assets	4,112	3,725	-	4,720	-	12,557	-
Collection of loans receivable	-	218,056	-	-	-	218,056	-
Net cash used by capital and related financing activities	(1,559,227)	(1,504,446)	(45,321)	(36,940)	(1,987,568)	(5,133,502)	-
INVESTING ACTIVITIES							
Transfer (to) from investment account	-	-	-	325,000	-	325,000	-
Interest received	3,747	3,570	5,167	49,161	31,895	93,540	13,844
Net cash provided by investing activities	3,747	3,570	5,167	374,161	31,895	418,540	13,844
Net increase (decrease) in cash and cash equivalents	392,348	377,370	137,148	414,043	(1,825,307)	(504,398)	780,949
CASH AND CASH EQUIVALENTS							
Beginning of year	1,699,872	1,174,937	1,994,333	2,422,825	2,736,562	10,028,529	5,450,228
End of year	$ 2,092,220	$ 1,552,307	$ 2,131,481	$ 2,836,868	$ 911,255	$ 9,524,131	$ 6,231,177
Cash and cash equivalents at end of year is composed of the following:							
Cash and cash equivalents	$ 1,895,123	$ 1,552,307	$ 2,016,481	$ 348,878	$ 656,210	$ 6,468,999	$ 6,231,177
Restricted cash and cash equivalents	197,097	-	115,000	2,487,990	255,045	3,055,132	-
Total	$ 2,092,220	$ 1,552,307	$ 2,131,481	$ 2,836,868	$ 911,255	$ 9,524,131	$ 6,231,177

The Notes to Financial Statements are an integral part of this statement.

CITY OF STAUNTON, VIRGINIA

STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2019

	Business-Type Activities – Enterprise Funds						Governmental Activities –
	Water	Sewer	Stormwater	Environmental	Nonmajor	Total	Internal Service
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	$ 1,165,484	$ 657,544	$ (301,911)	$ 3,850	$ (13,804)	$ 1,511,163	$ 789,418
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	1,030,675	1,248,127	482,812	343,851	144,199	3,249,664	3,398
Pension and OPEB expense net of employer contributions	(227,890)	(5,682)	(17,731)	(146,296)	-	(397,599)	-
Expense of previous construction in progress	-	-	-	3,479	-	3,479	-
Change in assets and liabilities:							
(Increase) decrease in accounts receivable	24,359	(9,446)	(466)	(2,514)	(28)	11,905	(45,930)
(Increase) decrease in prepaid items	-	-	-	(186)	-	(186)	(3,919)
Decrease in inventory	-	-	-	-	-	-	28,307
Increase (decrease) in accounts payable	(34,143)	(9,674)	6,421	(76,569)	490	(113,475)	(4,169)
Increase (decrease) in accrued liabilities	(302)	(1,699)	287	3,155	863	2,304	-
Increase (decrease) in unearned revenue	1,969	-	-	-	-	1,969	-
Increase (decrease) in deposits payable	(5,223)	-	5,000	-	864	641	-
Increase (decrease) in compensated absences	(7,101)	(924)	2,890	(15,314)	-	(20,449)	-
Decrease in landfill closure/postclosure liabilities	-	-	-	(13,200)	-	(13,200)	-
Net cash provided by operating activities	$ 1,947,828	$ 1,878,246	$ 177,302	$ 100,256	$ 132,584	$ 4,236,216	$ 767,105
Noncash investing, capital, and financing activities:							
Capital assets purchased on account	$ 21,507	$ 466	$ 7,740	$ 286	$ 107,381	$ 137,380	$ -
Total noncash activities	$ 21,507	$ 466	$ 7,740	$ 286	$ 107,381	$ 137,380	$ -

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 8

CITY OF STAUNTON, VIRGINIA

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019

	OPEB Trust Fund
ASSETS	
Assets held in trust, at fair value	
Investment in pooled funds	$ 2,981,163
Total assets	2,981,163
NET POSITION	
Held in trust for other post-employment benefits	2,981,163
Total net position restricted for OPEB	$ 2,981,163

The Notes to Financial Statements are an integral part of this statement.

CITY OF STAUNTON, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2019

	OPEB Trust Fund
ADDITIONS	
Contributions:	
Employer	$ 864,510
Plan members	165,096
Total contributions	1,029,606
Investment income (loss)	
Net increase in fair value of investments	118,440
Investment expenses	(3,208)
Net increase in fair value of investments	115,232
Total additions	1,144,838
DEDUCTIONS	
Benefit payments	701,606
Total deductions	701,606
Change in net position	443,232
Total net position restricted for OPEB - beginning of year	2,537,931
Total net position restricted for OPEB - end of year	$ 2,981,163

The Notes to Financial Statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

The City of Staunton, Virginia (the "City"), is named for Lady Stanton, wife of Governor Gooch. The City was initially established as a town in 1761, and later incorporated as a city by an act of the Virginia General Assembly in 1871. The City has an area of 19.98 square miles and a population of approximately 24,200. The City provides a full range of municipal services, including general government administration, public safety and judicial administration, education, health and welfare services, recreation, planning and community development, and water, sewer, and refuse utilities. The City is a political subdivision of the Commonwealth of Virginia and operates under the Council-Manager form of government. Staunton was the first city in the United States to utilize this form of government.

A. The Financial Reporting Entity

Discretely Presented Component Units: Discretely presented component units are entities that are legally separate from the City, but for which the City is financially accountable, or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. They are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

City of Staunton School Board

The City of Staunton School Board (School Board) was created as a separate legal entity by the City to oversee the operation and management of its publicly funded primary and secondary schools. The members of the School Board are elected by the voters. The School Board does not have the authority to levy taxes and is fiscally dependent on the City to provide the significant funding to operate and maintain the public school system. In addition, the City has final approval of the school budget and must approve any debt issues related to the schools.

The component unit School Board is governmental in nature. The Schools have several funds. As a result, the complete activity of the School Board is included in the discretely presented component unit column of the government-wide financial statements. Individual fund statements are included as supplementary information. Separate financial statements of the School Board are not available.

Staunton Economic Development Authority

The Staunton Economic Development Authority (EDA) was established under the Industrial Development and Revenue Bond Act of the *Code of Virginia* and has the responsibility to promote industry and develop trade by inducing manufacturing, industrial, and other commercial enterprises to locate or remain in the City. The City appoints all seven members of the EDA's Board of Directors. In addition, the City has incurred debt to provide capital grants and other property to the EDA. As a result, the EDA imposes a financial burden on the City. Separate financial statements of the EDA are not available.

Note 1. Summary of Significant Accounting Policies (Continued)

A. The Financial Reporting Entity (Continued)

Related organizations:

The City also participates in the following entities:

Augusta Regional Landfill

The City, along with the City of Waynesboro and County of Augusta, participates in the Augusta Regional Landfill (the "Landfill"). The Landfill is a hybrid undivided/joint interest venture formed to develop regional refuse disposal, including the development of facilities and systems for recycling, waste reduction, and disposal alternatives with the ultimate goal of acquiring, financing, constructing, and operating/maintaining regional solid waste disposal areas, systems, and facilities. The City's share of revenues, expenses, assets, and liabilities are reported in the City's Environmental fund.

Middle River Regional Jail Authority

The City, in conjunction with the City of Waynesboro and the County of Augusta, participates in the Middle River Regional Jail Authority. Capital and operating costs are allocated annually based on the percentage of prisoners from each member jurisdiction over the previous three calendar years. In accordance with the service agreement, the Authority has divided its charges to member jurisdictions into an operating component and a debt service component. The City paid the Authority $1,590,705 for the current year. This entity is not included in the City's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities that report information on all the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements, as well as the proprietary fund financial statements, report all their activities using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become both measurable and available. Accordingly, real and personal property taxes are recorded as deferred revenue and receivables when levied, net of allowances for uncollectible amounts. Real and personal property taxes recorded at June 30 and received within the first 45 days after year-end are included in tax revenues, with the related amount reduced from deferred revenues. Sales and utility taxes, which are collected by the State or utility companies and subsequently remitted to the City, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one or two months preceding receipt by the City. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, State and other grants for the purpose of specific funding are recognized when earned or at the time of the specific reimbursable expenditure. Revenues from general-purpose grants are recognized in the period in which the grant applies. Investment earnings are recorded when earned, as are unbilled accounts receivable in the enterprise funds. All other revenue items are considered to be measurable and available only when the government receives cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund and is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The City has established the Capital Improvements Fund for this purpose.

Additionally, the City reports the following individual non-major governmental funds:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The City has established the following non-major special revenue funds: Blue Ridge Court Services Fund, Community Development Fund and the State and Federal Grants Fund.

Debt Service Funds are used to account for resources and payments made for principal and interest on long-term general obligation debt of governmental funds. The City has established the Debt Service Fund for this purpose.

Proprietary Funds are used to account for the City's ongoing activities similar to those found in the private sector. The City reports the following major proprietary funds:

The ***Water Fund*** accounts for the operations of the City's water distribution system.
The ***Sewer Fund*** accounts for the operations of the City's wastewater collection system.
The ***Stormwater Fund*** accounts for the operation of the City's storm water system.
The ***Environmental Fund*** accounts for the operations of the City's refuse collection and participation in a regional landfill operation.

Additionally, the City reports the following individual non-major proprietary funds:

The ***Parking Fund*** accounts for the operations of the City's parking garage and lot system.
The ***Golf Fund*** accounts for the operations of the City's Gypsy Hill Golf Course. The golf fund was closed as of 6/30/2018 and operations reverted to the general fund 7/1/2018.

Internal Service Funds are used to account for employee health benefits and goods and services provided to other departments on a cost reimbursement basis and they derive their funding from charges assessed to the user departments and employees. The City has established the ***Health Insurance Fund and the Inventory Fund*** for these purposes. These funds are included in the governmental activities for government-wide reporting purposes. The excess revenues or expenses for the funds are allocated to the appropriate functional activity.

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, other governmental units, or other funds. ***The OPEB Trust Fund*** accounts for the assets held for, and costs of, other post-employment benefits (OPEB). It is accounted for in the same manner as a proprietary fund type. Measurement focus is upon determination of the change in net position.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues for the City's enterprise funds and internal service fund consist of charges to customers for goods and services. Operating expenses for these funds include the costs of sales and service, administrative expenses and depreciation of capital assets. Any revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Cash and Cash Equivalents

The City maintains an internal cash management pool in which the primary government and component units share. Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value. The reported value of the state-sponsored investment pool is the same as the fair value of the pooled shares and is reported within the guidelines of GASB 79.

Receivables and Allowance for Uncollectible Accounts

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance for uncollectible accounts is calculated using historical collection data, specific account analysis and management's judgment. The allowance at June 30 consisted of the following:

General Fund (property taxes)	$	678,181
General Fund (other local taxes)		11,316
Water Fund (charges for services)		37,317
Sewer Fund (charges for services)		47,501
Stormwater Fund (charges for services)		17,979
Parking Fund (charges for services)		3,465
Environmental Fund (charges for services)		32,990
	$	828,749

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Inventory

Inventory is generally recorded at cost. Inventory in the internal service fund consists of expendable supplies held for consumption. The costs are recorded as expenditures or expenses when consumed rather than when purchased.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life of at least 3 years (2 years for component unit school board). All capital assets are valued at historical cost or estimated historical cost, if actual cost was not available. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives. No depreciation is taken in the year of acquisition for infrastructure assets. For constructed assets, all associated costs necessary to bring such assets to the condition and location necessary for their intended use are initially capitalized as construction in progress and are transferred to the appropriate asset class when the assets are substantially complete and ready for use.

ASSETS	Estimated Useful Life
Buildings/building improvements	10-50 years
Land improvements	10-50 years
Infrastructure	20-50 years
Utility transmission lines and mains	50 years
Furniture and equipment	3-10 years
Vehicles	3-10 years

Depreciation of landfill cell development and site costs is recorded based on remaining units of capacity.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statements that present financial position report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditures) until then. The government has several items that qualify for reporting in this category. The first is the deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded debt. The second consists of contributions subsequent to the measurement date for pensions and OPEB; these amounts will be applied to the net pension and net OPEB liability in the next fiscal year. Lastly are various components of outflows for pensions and OPEB, which may include the net difference between projected and actual earnings on pension or OPEB plan investments, changes in proportion and differences between employer contributions and the proportionate share of employer contributions, changes in assumptions, and the net difference between expected and actual experience in the pension and OPEB plans. These items will be recognized in pension or OPEB expense either 1) over a closed five-year period or 2) amortized over the average expected remaining service lives of all employees.

In addition to liabilities, the statements that present financial position report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has several items that qualify for reporting in this category. The first item occurs only under the modified accrual basis of accounting; this item, *unavailable revenue*, is reported only on the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and other receivables not collected within 45 days of year end. These unavailable revenue amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Also reported as deferred inflows are various components of inflows for pensions and OPEB, which may include the net difference between projected and actual earnings on pension or OPEB plan investments, changes in proportion and differences between employer contributions and the proportionate share of employer contributions, changes in assumptions, and the net difference between expected and actual experience in the pension and OPEB plans. These items will be recognized in pension or OPEB expense either 1) over a closed five-year period or 2) amortized over the average expected remaining service lives of all employees.

Compensated Absences

All liabilities for compensated absences are accrued when incurred in the government-wide and proprietary financial statements. In governmental funds a liability for these amounts is reported only if they have matured; for example, as a result of employee resignations and retirements.

City Employees

City employees earn general leave based on length of service. In the event of resignation or retirement, a City employee is compensated at his or her then current rate of pay for accumulated general leave, up to a 480 hour maximum (640 hour maximum for fire personnel). There is no liability for unpaid accumulated major illness leave since the City does not have a policy to pay any amounts when employees separate from service. Exempt employees who resign or retire, who have accumulated at least 360 hours (45 days) of general leave, have their entire pay out deposited to the 401(a) plan.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Component Unit School Board Employees

School Board employees on twelve-month contracts earn vacation leave based on length of service and can carry over an unlimited number of accumulated vacation leave days to a succeeding fiscal year. In the event of resignation or retirement, provided the employee gives the required notice, the employee is compensated at his or her then current rate of pay for accumulated vacation leave, up to a 480 hour maximum.

All School Board employees may accrue unlimited days of sick leave at the rate of one day per month of employment. Upon retirement, VRS Plan 1 and 2 employees with at least ten years of service, with the previous five consecutive years having been with the School Board, and that are qualified to retire under the terms of the Virginia Retirement System, are compensated for all days of accumulated sick leave at the rate of $20 per day. VRS hybrid employees with at least ten years of service, with the previous five consecutive years having been with the School Board, and that are qualified to retire under the terms of the Virginia Retirement System, are compensated for a maximum of 90 days at $20 per day.

For any terminating school board employee, accumulated vacation and sick leave amounts that, individually or combined, total $15,000 or greater are paid directly into the 403b plan.

Unearned Revenue

In the Water fund, unearned revenue consists of cell tower rental fees which apply to subsequent periods.

In the General fund, unearned revenue consists of cell tower rental fees and golf membership fees which apply to subsequent periods.

In the School Board component unit, unearned revenue consists of summer school fees which apply to subsequent periods.

Long-Term Obligations

In the government-wide financial statements (and proprietary fund types in the fund financial statements), long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period but not as long-term liabilities. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Repayments and issuance costs are reported as debt service expenditures.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Pensions

The Virginia Retirement System (VRS) Political Subdivision and School Division Non-professional Retirement Plan is a multi-employer, agent plan. The Virginia Retirement System (VRS) Teacher employee Retirement Plan is a multiple employer, cost-sharing plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Political Subdivision and School Division's Retirement Plan and the Teacher Employee Retirement Plan, as well as the additions to/deductions from both Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS).

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Health Insurance Credit Program

The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan. The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program is a multiple-employer, cost-sharing plan. Both plans provide a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers and for retired teachers. The Health Insurance Credit Programs were established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net Health Insurance Credit Programs OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Programs OPEB, and OPEB expense, information about the fiduciary net position of the Programs; including and the additions to/deductions from the Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Encumbrances

The City uses encumbrance accounting, wherein purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign that portion of fund balance.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Net Position

Net position in the government-wide and proprietary financial statements is classified as net investment in capital assets; restricted; and unrestricted. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations. Restricted net position arose from contributions and grants required to be used for specific purposes.

The component unit school board had a negative net position totaling $15,875,460 at June 30, 2019 as a result of recognizing the net pension and OPEB liabilities. This deficit is not expected to be recovered in the near term.

Fund Balance Policies

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

Nonspendable Fund Balance: includes amounts that cannot be spent because they are either not in spendable form such as inventories, property acquired for resale, prepaid amounts, or amounts that are legally or contractually required to remain intact.

Restricted Fund Balance: includes amounts that have constraints placed on their use by external sources such as creditors (debt covenants), grantors, contributors, or laws or other regulations of other governments. Restricted fund balance can also be imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance: includes amounts that can only be used for specific purposes determined by a formal action of City Council. City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance: includes amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned Fund Balance: includes amounts not assigned to other funds, or restricted, committed or assigned within the same fund. Unassigned fund balance includes all spendable amounts not contained in the other classifications and is technically available for any purpose. The general fund is the only fund that reports positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceeds the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Fund Balance Policies (Continued)

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Stabilization Arrangement:
City Council has formally adopted by resolution a requirement to establish and maintain a safety net reserve equal to a minimum of 15% of the subsequent fiscal year's adopted expenditure budget for the general fund and all other major operating funds, including water, sewer, storm water, and environmental. In the adopted resolution, the safety net reserve is to be reported as committed fund balance. The safety net reserve at June 30, 2019 for the general fund is $8,891,250. The specific and non-routine circumstances allowing the use of the safety net reserve include:

1. Damage from unanticipated natural disasters or unseen infrastructure damage such as water or sewer system deterioration, bridge repair, etc. exceeding $100,000 in damages.
2. Imposition of mandates by Federal and State governments such as water, sewer, and landfill regulations, construction of court and jail facilities, etc. exceeding $100,000 in costs.
3. Court decisions resulting in unbudgeted expenditures, in excess of $100,000.
4. Acts of terrorism against the City destroying the City's infrastructure or causing a financial hardship to provide services to citizens, in excess of $100,000.

Funds to be used from the safety net reserve must be appropriated through the annual budget ordinance or by a budget amendment ordinance approved and adopted by City Council.

City council also formally adopted by resolution a requirement to establish and maintain a general contingency amount of $250,000 in the General Fund, categorized as unassigned fund balance.

Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and reported revenues, expenditures, and expenses. Actual results could differ from those estimates.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and are described as follows.

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

Note 2. Deposits and Investments

Deposits:

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that range in amount from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments:

Investment policy

In accordance with the *Code of Virginia* and other applicable law, including regulations, the City's investment policy (Policy) permits investments in U.S. Treasury Securities, U.S. agency securities, prime quality commercial paper, non-negotiable certificates of deposit and time deposits of Virginia banks, negotiable certificates of deposit of domestic banks, banker's acceptances with domestic banks, Commonwealth of Virginia and Virginia Local Government Obligations, obligations of states other than Virginia, obligations of World Bank, the Asian and African Development Banks, corporate notes or bonds rated in the AAA or AA category, money market funds regulated by the SEC, repurchase agreements collateralized by the U. S. Treasury/Agency securities, the Virginia State Non-Arbitrage Program or other authorized Arbitrage Investment Management programs, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP).

Pursuant to Sec. 2.1-234.7 of the *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings and the carrying value of the position in LGIP is the same as the value of the pool shares (i.e., the LGIP maintains a stable net asset value of $1 per share) in accordance with GASB 79.

The Policy limits investment maturities to five years maximum maturity for any investment, unless specifically disclosed in writing to City Council.

Note 2. Deposits and Investments (Continued)

Investment policy (Continued)

As of June 30, the City's investments consisted of the following:

Investment Type	Fair Value	S & P Credit Rating
Primary Government		
Money Market Funds	$ 45,399	Not Rated
Federal Agency Bonds and Notes	10,088,849	AA+
US Treasury Bills	297,402	AA+
Corporate Bonds/Notes	1,133,540	AA- to AAA
VA State Non-Arbitrage Program	43,833,104	AAAm
Local Government Investment Pool (LGIP)	1,547,843	AAAm
Total primary government	56,946,137	
Component Unit School Board		
Local Government Investment Pool (LGIP)	364,744	AAAm
Total Component Unit School Board	364,744	
Grand total	$ 57,310,881	

Credit Risk:

As required by state statute or by the City, the Policy requires that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from at least two of the following: Moody's Investors Service, Standard & Poor's, and Fitch Investor's Service, provided that the issuing corporation has a net worth of at least $50 million and its long-term debt is rated "A" or better by Moody's and Standard & Poor's. Banker's acceptances and certificates of deposit maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investor Service.

Concentration of Credit Risk:

The City had the following investments at June 30 that exceeded 5 percent of the total investment balance. These investments were not considered by management to represent a risk to the City.

Issuer	Percent of Total Portfolio
Federal Home Loan Bank	5.10%
Federal Home Loan Mortgage Corp	6.63%

Note 2. Deposits and Investments (Continued)

Interest Rate Risk: In accordance with the City's investment policy, the City manages its exposure to declines in fair value by limiting the average maturity of its investment portfolio to less than 3 years.

The carrying values and weighted average maturity of investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (years)
Money Market Funds	$ 45,399	N/A
Federal Agency Notes and Bonds	10,088,849	.80
US Treasury Bills	297,402	.41
Corporate Bonds/Notes	1,133,540	.28
VA State Non-Arbitrage Program	43,833,104	.21
Local Government Investment Pool (LGIP)	1,912,587	.23
	$ 57,310,881	

The above items are reflected in the financial statements as follows:

	Primary Government	Component Units	
		School Board	EDA
Deposits and investments:			
Cash on hand	$ 13,118	$ 50	$ -
Deposits	41,331,129	6,001,453	497,125
Investments	56,946,137	364,744	-
	$ 98,290,384	$ 6,366,247	$ 497,125
Statement of net position:			
Cash and cash equivalents	$ 40,240,893	$ 6,366,247	$ 497,125
Investments	11,565,189	-	-
Restricted-cash and cash equivalents	46,484,302	-	-
	$ 98,290,384	$ 6,366,247	$ 497,125

Fair Value:

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of June 30, 2019:

	Level 2
Debt securities	
U.S. Agency securities	$ 10,386,251
Corporate bonds	1,133,540
	$ 11,519,791

Debt securities classified in Level 2 of the fair value hierarchy are valued with significant other observable inputs, which include matrix pricing by a service, which is widely accepted as industry practice.

Note 3. Due From Other Governmental Units

Amounts due from other governments at June 30 were as follows:

	Primary Government		Component Unit
	Governmental Activities	Business-type Activities-	School Board
Various state and federal grants	$ 2,865,641	$ -	$ 2,563,157
Virginia revolving loans	-	2,120,658	-
Regional jail buy-in	3,736,893	-	-
	$ 6,602,534	$ 2,120,658	$ 2,563,157

Virginia Revolving Loans:

The City's Sewer fund reports loans receivable for the Augusta County Service Authority's share of the Middle River Wastewater Treatment Plant Virginia Revolving Loans. The Service Authority reimburses the City for its share of the debt service on these loans as each loan payment is due.

At June 30, principal amounts and related interest outstanding on each loan were as follows:

	Principal	Interest
Amount receivable within 1 year	$ 224,212	$ 53,181
Amount receivable within 2 to 5 years	744,689	156,829
Amount receivable beyond 5 years	1,151,757	96,494
	$ 2,120,658	$ 306,504

Regional Jail Buy-in

Effective July 1, 2015, the City entered into an agreement with the Counties of Augusta and Rockingham and the Cities of Waynesboro and Harrisonburg, where the County of Rockingham and City of Harrisonburg agreed to "buy-in" to the Middle River Regional Jail Authority. The total purchase price was $21,543,588. The purchase price was determined pursuant to an arm's length negotiation and calculated based in part upon the original replacement cost of the jail and an assumed usage of 250 beds by the buyers.

The City's share of the purchase price was 31.17% or $6,715,136. The purchase price is to be paid to the City over 10 years in equal annual installments of $670,964, which includes interest calculated at 2.17% per annum.

	Governmental Activities	
	Principal	Interest
Amount receivable within 1 year	$ 589,874	$ 81,091
Amount receivable within 2 to 5 years	2,490,305	193,551
Amount receivable beyond 5 years	656,714	14,251
	$ 3,736,893	$ 288,893

Note 4. Interfund Transfers and Obligations

Primary Government:

Transfers Out	Transfers In			
	Capital Projects Fund	Nonmajor Governmental Funds	Nonmajor Business-Type Funds	Total
General Fund	$ 3,391,050	$ 5,147,750	$ 21,025	$ 8,559,825
Total	$ 3,391,050	$ 5,147,750	$ 21,025	$ 8,559,825

Transfers between the general fund and other nonmajor governmental and proprietary funds were primarily to support debt service, capital projects, and operating costs.

Component Unit School Board:

Transfers Out	Transfers In		
	Education Fund	Nonmajor Governmental Funds	Total
Education fund	$ -	$ 1,148,315	$ 1,148,315
Nonmajor governmental funds	92,356	-	92,356
Total	$ 92,356	$ 1,148,315	$ 1,240,671

All transfer activities of the School Board component unit were made to support current operations.

Interfund Advances:

In the School Board Component Unit, the Education Fund has a receivable in the amount of $603,835 from the State Operated Programs Fund for an advance to cover a cash deficit. The advance is expected to be collected in the subsequent year when grant reimbursements are received.

Note 5. Capital Assets

Primary Government:

Capital asset activity for the primary government is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities:				
Capital assets, not depreciated:				
Land (including easements)	$ 4,737,487	$ 24,694	$ -	$ 4,762,181
Construction in progress	542,567	3,625,936	-	4,168,503
Total capital assets, not depreciated	5,280,054	3,650,630	-	8,930,684
Capital assets, depreciated:				
Buildings	13,233,458	61,577	-	13,295,035
Improvements	3,900,871	732,824	-	4,633,695
School assets*	22,373,964	-	-	22,373,964
Equipment	16,417,321	471,170	25,756	16,862,735
Infrastructure	62,379,570	14,928	-	62,394,498
Total capital assets, depreciated	118,305,184	1,280,499	25,756	119,559,927
Less accumulated depreciation for:				
Buildings	6,728,818	337,084	-	7,065,902
Improvements	2,323,448	449,659	-	2,773,107
School assets*	7,354,104	485,566	-	7,839,670
Equipment	11,696,788	1,030,595	24,122	12,703,261
Infrastructure	40,691,005	1,174,359	-	41,865,364
Total accumulated depreciation	68,794,163	3,477,263	24,122	72,247,304
Total capital assets, depreciated, net	49,511,021	(2,196,764)	1,634	47,312,623
Total capital assets, net, governmental activities	$ 54,791,075	$ 1,453,866	$ 1,634	$ 56,243,307

Additions to the accumulated depreciation of governmental activities differ from depreciation expense for governmental activities due to internal service fund depreciation in the amount of $3,398; the transfer of a fully depreciated asset from the environmental fund in the amount of $17,899; the transfer of assets from the closing of the golf fund in the amount of $415,305; and the reactivation of a previously retired asset in the amount of $4,792.

*School Board capital assets are jointly owned by the City (primary government) and the Component Unit – School Board. The City reports the School Board capital assets as long as debt is owed on such assets by the City. When debt is completely paid off, the entire capital asset balance less accumulated depreciation reverts to the school board. The City reports depreciation on its share of these assets as an element of its share of the costs of the public school system.

Note 5. Capital Assets (Continued)

Primary Government: (Continued)

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Business-type activities:				
Capital assets, not depreciated:				
Land (including easements)	$ 1,961,788	$ -	$ 24,694	$ 1,937,094
Construction in progress	1,117,090	716,466	704,910	1,128,646
Total capital assets, not depreciated	3,078,878	716,466	729,604	3,065,740
Capital assets, depreciated:				
Landfill	3,629,990	-	43,028	3,586,962
Buildings	42,382,054	-	61,577	42,320,477
Improvements	3,480,292	2,435,418	621,040	5,294,670
Equipment	13,801,283	226,004	205,637	13,821,650
Utility lines	63,439,445	274,836	-	63,714,281
Total capital assets, depreciated	126,733,064	2,936,258	931,282	128,738,040
Less accumulated depreciation				
Landfill	2,277,133	67,590	43,028	2,301,695
Buildings	14,729,142	946,066	35,383	15,639,825
Improvements	1,589,047	51,849	313,108	1,327,788
Equipment	8,714,434	657,924	205,637	9,166,721
Utility lines	27,685,370	1,538,618	-	29,223,988
Total accumulated depreciation	54,995,126	3,262,047	597,156	57,660,017
Total capital assets, depreciated, net	71,737,938	(325,789)	334,126	71,078,023
Total capital assets, net, business-type activities	$ 74,816,816	$ 390,677	$ 1,063,730	$ 74,143,763

Additions to accumulated depreciation of business-type activities differs from depreciation expense for business-type activities due to the transfer of a fully depreciated asset from governmental activities to the water fund in the amount of $12,383.

Note 5. Capital Assets (Continued)

Component Unit – School Board

Capital asset activity for the Component Unit – School Board is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Component Unit – School Board:				
Capital assets, not depreciated:				
Land	$ 236,000	$ -	$ -	$ 236,000
Total capital assets, not depreciated	236,000	-	-	236,000
Buildings	40,445,079	-	-	40,445,079
Improvements	761,079	-	-	761,079
School assets allocated to the City*	(22,373,964)	-	-	(22,373,964)
Equipment	7,172,487	324,170	30,940	7,465,717
Total capital assets, depreciated	26,004,681	324,170	30,940	26,297,911
Less accumulated depreciation				
Buildings	16,922,826	893,352	-	17,816,178
Improvements	452,283	24,081	-	476,364
School assets allocated to the City*	(7,354,104)	(485,566)	-	(7,839,670)
Equipment	5,641,360	308,395	30,940	5,918,815
Total accumulated depreciation	15,662,365	740,262	30,940	16,371,687
Total capital assets, depreciated, net	10,342,316	(416,092)	-	9,926,224
Total capital assets, net	$ 10,578,316	$ (416,092)	$ -	$ 10,162,224

*School Board capital assets are jointly owned by the City (primary government) and the Component Unit – School Board. The City reports the School Board capital assets as long as debt is owed on such assets by the City. When debt is completely paid off, the entire capital asset balance less accumulated depreciation reverts to the school board. The City reports depreciation on its share of these assets as an element of its share of the costs of the public school system.

Note 5. Capital Assets (Continued)

Component Unit – EDA

Capital asset activity for the Component Unit – EDA is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Component Unit – EDA:				
Capital assets, not depreciated:				
Land	$ 793,946	$ -	$ -	$ 793,946
Total capital assets, not depreciated	793,946	-	-	793,946
Capital assets, depreciated:				
Buildings	8,305,640	-	-	8,305,640
Equipment	1,990,831	-	-	1,990,831
Total capital assets, depreciated	10,296,471	-	-	10,296,471
Less accumulated depreciation				
Buildings	2,168,864	164,746	-	2,333,610
Equipment	1,523,391	64,474	-	1,587,865
Total accumulated depreciation	3,692,255	229,220	-	3,921,475
Total capital assets, depreciated, net	6,604,216	(229,220)	-	6,374,996
Total capital assets, net	$ 7,398,162	$ (229,220)	$ -	$ 7,168,942

Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government administration	$	183,266
Judicial administration		14,430
Public safety		373,499
Public works		1,617,100
Health and welfare		18,389
Education		485,566
Parks, recreation, and culture		341,335
Community development		2,284
Total depreciation expense – governmental	$	3,035,869

Business-type activities:

Water	$	1,030,675
Sewer		1,248,127
Storm water		482,812
Environmental		343,851
Parking		144,199
Total depreciation expense – business-type	$	3,249,664

Depreciation expense was charged to functions/programs of the Component Unit – School Board as follows:

Instruction	$	577,831
Administration, attendance and health		802
Pupil transportation		98,302
School food service		16,152
Operation and maintenance		47,175
Total depreciation expense – School Board	$	740,262

Depreciation expense was charged to functions/programs of the Component Unit – EDA as follows:

Community Development	$	229,220

Note 6. Long-Term Liabilities

The following is a summary of long-term liability transactions (including current amounts):

Primary Government:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Governmental activities:					
General obligation debt:					
General obligation bonds	$ 21,244,490	$ 44,195,000	$ 1,647,575	$ 63,791,915	$ 1,694,399
Literary fund loans	9,050,000	-	950,000	8,100,000	950,000
	30,294,490	44,195,000	2,597,575	71,891,915	2,644,399
Plus unamortized premium	-	2,329,862	-	2,329,862	38,831
Less unamortized discount	(82,979)	(4,598)	(9,299)	(78,278)	(8,867)
Total general obligation debt	30,211,511	46,520,264	2,588,276	74,143,499	2,674,363
Other liabilities:					
Compensated absences	1,602,812	1,031,440	940,042	1,694,210	981,771
Claims payable	953,882	5,509,239	5,515,266	947,855	706,026
Total other liabilities	2,556,694	6,540,679	6,455,308	2,642,065	1,687,797
Total governmental activities long-term liabilities	$ 32,768,205	$ 53,060,943	$ 9,043,584	$ 76,785,564	$ 4,362,160

In governmental activities of the primary government, compensated absences and worker compensation claims payable are generally liquidated by the General Fund. Health insurance claims payable are liquidated by the Health insurance fund.

Additions include Golf fund general obligation bonds in the amount of $435,000 and related unamortized discount in the amount of $4,598 which were transferred to governmental activities upon closing of the golf fund.

Note 6. Long-Term Liabilities (Continued)

Primary Government (Continued):

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Business-type activities:					
Bonds payable:					
Virginia revolving loans	$ 17,300,361	$ -	$ 1,736,532	$ 15,563,829	$ 1,896,866
General obligation bonds*	544,645	-	544,645	-	-
	17,845,006	-	2,281,177	15,563,829	1,896,866
Plus unamortized premium	1,174,884	-	130,867	1,044,017	130,867
Less unamortized discount	(38,038)	-	(10,438)	(27,600)	(4,851)
Total bonds and loans payable	18,981,852	-	2,401,606	16,580,246	2,022,882
Other liabilities:					
Landfill closure/post closure liability	2,317,973	53,519	66,719	2,304,773	66,719
Compensated absences	245,917	166,611	187,060	225,468	174,250
Total other liabilities	2,563,890	171,930	253,779	2,530,241	240,969
Total business-type activities long-term liabilities	$ 21,545,742	$ 171,930	$ 2,655,385	$ 19,110,487	$ 2,263,851
Component Unit – School Board					
Other liabilities:					
Compensated absences	$ 557,396	$ 241,136	$ 162,922	$ 635,610	$ 152,276
Total Component Unit School Board long-term liabilities	$ 557,396	$ 241,136	$ 162,922	$ 635,610	$ 152,276

*Golf fund general obligation bonds in the amount of $435,000 and related unamortized discount in the amount of $4,598 were transferred to governmental activities upon closing of the golf fund.

Note 6. Long-Term liabilities (Continued)

Details of long-term indebtedness are as follows:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Governmental Activities	Business-Type Activities
General Obligation Bonds:						
2005 CIP Bonds (City and School Improvement projects)	3.43%	06/2005	02/2025	$ 4,600,000	$ 1,781,124	$ -
2007 GO Refunding & CIP Bonds (Refunding Hotel GO bonds and golf course improvements)	3.50-4.25%	01/2007	02/2034	10,600,000	8,190,000	-
2019A VPSA Spring Pool – Staunton High School	3.05-5.05%	5/2019	7/2049	43,760,000	43,760,000	-
2012 GO Bonds (Staunton Crossing)	2.21%	10/2012	10/2027	10,000,000	6,836,791	-
2013 GO Bonds (Staunton Crossing)	2.58%	01/2013	01/2028	5,000,000	3,224,000	-
					$ 63,791,915	$ -
Literary Fund Loans:						
2002 Bessie Weller Elem renovations	4.00%	02/2002	03/2022	4,000,000	$ 600,000	$ -
2008 McSwain Elem renovations	3.00%	08/2008	08/2028	7,500,000	3,750,000	-
2008 Ware Elem renovations	3.00%	08/2008	08/2028	7,500,000	3,750,000	-
					$ 8,100,000	$ -
Virginia Revolving Loan Funds:						
Middle River Wastewater Phase II improvements	3.50%	09/1999	03/2021	6,411,399	-	873,952
Middle River Wastewater Phase IIIA improvements	3.00%	01/2008	03/2030	9,309,033	-	5,829,009
Middle River Wastewater Phase IIIB improvements	3.00%	09/2008	03/2030	2,066,747	-	1,295,786
2009A Refunding Bonds-Water Treatment Plant	1.125%-5.125%	06/2009	10/2021	4,150,000	-	910,000
2010A VRA Water and Sewer CIP projects	2.78%-5.2%	06/2010	10/2030	7,080,000	-	650,000
New Hope Road Industrial Park Sewer Lines	3.85%	03/2002	09/2021	629,734	-	110,082
2017C Water and Sewer Refunding Bonds	4.829-5.125%	11/2017	10/2030	3,940,000	-	3,940,000
2018A VRA Parking Bonds-renovation of parking garages	3.125-5.125%	5/2018	10/2033	1,955,000	-	1,955,000
					$ -	$ 15,563,829

Note 6. Long-Term liabilities (Continued)

Annual debt service requirements to maturity are as follows:

	Governmental Activities			
Year Ending	General Obligation Bonds		Literary Fund Loans	
June 30,	Principal	Interest	Principal	Interest
2020	$ 1,694,399	$ 1,775,698	$ 950,000	$ 249,000
2021	2,472,743	2,209,609	950,000	218,500
2022	2,562,407	2,120,270	950,000	188,000
2023	2,656,402	2,027,305	750,000	157,500
2024	2,751,740	1,929,902	3,750,000	135,000
2025-2029	12,689,224	8,127,586	750,000	337,500
2030-2034	9,620,000	5,873,856	-	-
2035-2039	7,605,000	4,168,800	-	-
2040-2044	8,920,000	2,847,158	-	-
2045-2049	10,505,000	1,271,407	-	-
2050-2054	2,315,000	38,198	-	-
	$ 63,791,915	$ 32,389,789	$ 8,100,000	$ 1,285,500

	Business-Type Activities	
Year Ending	Virginia Revolving Loan	
June 30,	Principal	Interest
2020	$ 1,896,866	$ 543,542
2021	1,963,134	471,801
2022	1,036,815	412,642
2023	1,044,140	376,948
2024	1,084,714	339,846
2025-2029	6,036,351	1,069,110
2030-2034	2,501,809	136,555
	$ 15,563,829	$ 3,350,444

Note 7. Defined Benefit Pension Plan

Plan Description

All full-time, salaried permanent employees of the City of Staunton (the "Political Subdivision") and permanent non-professional employees (non-teachers) of the City of Staunton (the "School Division") are automatically covered by VRS Retirement Plan upon employment. This plan is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria a defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The School Division (School) was the fiscal agent for a separate legal entity, the Shenandoah Valley Regional Alternative Education Program - Genesis ("Genesis"). Genesis participated in VRS through inclusion in the School's pension plan. This participation has been considered a cost sharing relationship for Genesis. The Genesis program was dissolved as of June 30, 2019. As a result, all employees that were included with the School's pension plan were re-employed with the School Board. Therefore, the School has included the proportionate share of the Genesis' participation in the School's pension plan in the School's pension related balances.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at

- https://www.varetire.org/members/benefits/defined-benefit/plan1.asp,
- https://www.varetire.org/members/benefits/defined-benefit/plan2.asp,
- https://www.varetirement.org/hybrid.html

Employees Covered by Benefit Terms

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	City
Inactive members or their beneficiaries currently receiving benefits	284
Inactive members:	
Vested inactive members	47
Non-vested inactive members	64
Inactive members active elsewhere in VRS	121
Total inactive members	232
Active members	281
Total covered employees	797

Note 7. Defined Benefit Pension Plan (Continued)

	School Non-Professional
Inactive members or their beneficiaries currently receiving benefits	47
Inactive members:	
Vested inactive members	7
Non-vested inactive members	32
Inactive members active elsewhere in VRS	14
Total inactive members	53
Active members	42
Total covered employees	142

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The political subdivision's and school division's contractually required contribution rate for the year ended June 30, 2019 was 15.68% and 7.39%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were $2,001,376 and $2,082,997 for the years ended June 30, 2019 and June 30, 2018, respectively. Contributions to the pension plan from the school division were $85,079 and $91,000 for the years ended June 30, 2019 and June 30, 2018, respectively.

Net Pension Liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2017 rolled forward to the measurement date of June 30, 2018.

Note 7. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Inflation	2.50%
General Employees - Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	7.00%, net of pension plan investment expense, including inflation*

Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 70% of deaths are assumed to be service related. Mortality is projected using the applicable RP-2014 Mortality Table Projected to 2020 with various set backs or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rates at older ages, changed final retirement from 70 to 75; lowered disability rates, no change to salary scale, increased rate of line of duty disability from 14% to 20%.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Update mortality table; adjustment to rates of retirement by increasing rate at 50 and lowering rate at older ages; adjusted rates of withdrawal and disability to better fit experience; changes to line of duty rates, and no changes to salary scale.

Note 7. Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	40.00 %	4.54 %	1.82 %
Fixed Income	15.00	.69	.10
Credit Strategies	15.00	3.96	.59
Real Assets	15.00	5.76	.86
Private Equity	15.00	9.53	1.43
Total	100.00 %		4.80 %
		Inflation	2.50 %
	*Expected arithmetic nominal return		7.30 %

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2018, the alternate rate was the employer contribution rate used in the FY 2012 or 90% of the actuarially determined employer contribution rate from the June 30, 2015, actuarial valuations, whichever is greater. From July 1, 2018 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Note 7. Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability-City

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) – (b)**
Balances at June 30, 2017	$ 76,795,210	$ 59,827,456	$ 16,967,754
Changes for the year:			
Service cost	1,474,558	-	1,474,558
Interest	5,223,818	-	5,223,818
Differences between expected and actual experience	(372,060)	-	(372,060)
Contributions – employer	-	2,047,913	(2,047,913)
Contributions – employee	-	679,027	(679,027)
Net investment income	-	4,399,332	(4,399,332)
Benefit payments, including refunds of employee contributions	(4,338,469)	(4,338,469)	-
Administrative expenses	-	(38,606)	38,606
Other changes	-	(3,884)	3,884
Net changes	1,987,847	2,745,313	(757,466)
Balances at June 30, 2018	$ 78,783,057	$ 62,572,769	$ 16,210,288
Add Net Pension Liability from Landfill			17,478
Total Net Pension Liability at June 30, 2018			$ 16,227,766

Note 7. Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability-School Nonprofessionals

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2017	$ 4,434,043	$ 4,021,876	$ 412,167
Changes for the year:			
Add back Genesis	72,003	65,343	6,660
Service cost	95,627	-	95,627
Interest	303,757	-	303,757
Differences between expected and actual experience	(94,997)	-	(94,997)
Contributions – employer	-	86,071	(86,071)
Contributions – employee	-	51,516	(51,516)
Net investment income	-	296,521	(296,521)
Benefit payments, including refunds of employee contributions	(333,320)	(333,320)	-
Administrative expenses	-	(2,667)	2,667
Other changes	-	(260)	260
Net changes	43,070	163,204	(120,134)
Balances at June 30, 2018	$ 4,477,113	$ 4,185,080	$ 292,033

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the political subdivision using the discount rate of 7.00%, as well as what the political subdivision's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
City's net pension liability	$ 25,760,303	$ 16,210,288	$ 8,229,456
School nonprofessional employees net pension liability	$ 729,768	$ 292,033	$ (82,501)

Note 7. Defined Benefit Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the City recognized pension expense of $289,234. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 907,501
Change in assumptions	-	52,189
Net difference between projected and actual earnings on pension plan investments	-	528,047
Employer contributions subsequent to the measurement date	2,001,376	-
Total	$ 2,001,376	$ 1,487,737
Add deferred outflows and inflows from the landfill*	16,804	18,629
Total	$ 2,018,180	$ 1,506,366

*The City's share of deferred outflows and inflows of the Augusta Regional Landfill, a hybrid undivided/joint interest venture.

For the year ended June 30, 2019, the school division recognized pension expense of $(10,981) for nonprofessional employees. At June 30, 2019, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 54,507
Change in assumptions	598	-
Net difference between projected and actual earnings on pension plan investments	-	28,595
Employer contributions subsequent to the measurement date	85,079	-
Total	$ 85,677	$ 83,102

Note 7. Defined Benefit Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The $2,001,376 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2020	$ (541,282)
2021	(267,829)
2022	(624,765)
2023	(53,861)

The $85,079 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2020	$ (27,694)
2021	(9,183)
2022	(42,154)
2023	(3,473)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan-City

At June 30, 2019, approximately $224,415 was payable to the Virginia Retirement System for the legally required contributions related to June 2019 payroll.

Note 7. Defined Benefit Pension Plan (Continued)

Payables to the Pension Plan-School Division

At June 30, 2019, approximately $6,919 was payable to the Virginia Retirement System for the legally required contributions related to June 2019 payroll.

Note 8. Defined Benefit Pension Plan – Teacher Cost Sharing Pool

General Information about the Teacher Cost Sharing Plan

Plan Description

All full-time, salaried permanent (professional) employees of Virginia public school divisions, including City of Staunton, (the "School Division"), are automatically covered by the VRS Teacher Retirement Plan upon employment. This multiple employer, cost sharing plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employers pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously funded service.

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those described in Note 7.

Data in this note excludes Genesis Regional Alternative Education Program.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

Each school division's contractually required contribution rate for the year ended June 30, 2019 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were $ 2,664,870 and $2,728,291 for the years ended June 30, 2019 and June 30, 2018, respectively.

Note 8. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the school division reported a liability of $25,034,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the school division's proportion was .21287% as compared .21545% at June 30, 2017.

For the year ended June 30, 2019, the school division recognized pension expense of $1,226,000. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2019, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,141,000
Change in assumptions	299,000	-
Net difference between projected and actual earnings on pension plan investments	-	531,000
Changes in proportion and differences between Employer contributions and proportionate share of contributions	189,000	848,000
Employer contributions subsequent to the measurement date	2,728,289	-
Total	$ 3,216,289	$ 3,520,000

Note 8. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The $2,728,289 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2020	$ (521,000)
2021	(669,000)
2022	(1,262,000)
2023	(453,000)
2024	(127,000)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2018, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	$ 46,679,555
Plan Fiduciary Net Position	34,919,563
Employers' Net Pension Liability (Asset)	$ 11,759,992
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.81%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Note 8. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the net pension liability of the school division using the discount rate of 7.00%, as well as what the school division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
School division's proportionate share of the VRS Teacher Employee Retirement plan net pension liability	$ 38,240,000	$ 25,034,000	$ 14,103,000

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Teacher Cost Sharing Pension Plan

At June 30, 2019, approximately $89,075 was payable to the Virginia Retirement System for the legally required contributions related to June 2019 payroll.

Note 9. Other Post-Employment Benefits

The City and School Board provide OPEB for retirees through a single-employer defined benefit plan. The City has established a joint trust fund with the School Board to fund the cost of OPEB. The joint trust fund was established by the City and School Board with the Virginia Pooled OPEB Trust Fund (Trust), sponsored by the Virginia Municipal League and the Virginia Association of Counties. The Trust is established as an investment vehicle for participating employers to accumulate assets to fund OPEB. Plans are segregated and restricted in a trust, in which (a) contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer or plan administrator, for the payment of benefits in accordance with terms of the plan.

Note 9. Other Post-Employment Benefits (Continued)

Trust Fund Investments

Investment decisions for the fund's assets are made by the Board of Trustees. The Board of Trustees established investment objectives, risk tolerance and asset allocation policies in light of the investment policy, market and economic conditions, and generally prevailing prudent investment practices. The Board of Trustees also monitors the investments to ensure adherence to the adopted policies and guidelines. In addition, the Trustees review, monitor, and evaluate the performance of the investments and its investment advisors in light of available investment opportunities, market conditions and publicly available indices for the generally accepted evaluation and measurement of such performance. The investment objective of the Fund is to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection.

The long-term expected rate of return on OPEB investments was determined using an arithmetic model in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Equities	59.00 %	11.85 %	8.37 %
Fixed Income	21.00	6.40	2.92
Diversified Hedge Funds	10.00	8.77	5.29
Real Assets	10.00	8.52	5.04
Total	100.00 %		21.62 %
		Inflation	3.48 %

Note 9. Other Post-Employment Benefits (Continued)

Concentrations. There are no investments in any one organization that represent 5 percent or more of the OPEB Trust's fiduciary net position.

Rate of return. For the year ended June 30, 2019 the annual money-weighted rate of return on investments, net of investment expense, was +4.67 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Additional investment information for the Trust can be obtained by writing to VML/VACo Finance Program, 1108 East Main Street, Richmond, Virginia 23219.

Plan Description

Medical insurance benefits are available to eligible City retirees, their spouses and dependents. Retirees are eligible to participate in the City's health insurance plan if they: a) meet VRS requirements for service retirement or disability retirement and will immediately be receiving a retirement annuity from VRS, b) currently participate in the City's health insurance program, and c) are under age 65 and not eligible for Medicare.

Plan Membership-City

Inactive members or their beneficiaries currently receiving benefits	47
Active members	278
Total covered employees	325

Medical insurance benefits are available to eligible School Board retirees, their spouses and dependents. Retirees are eligible to participate in the Board's health insurance plan if they: a) are eligible for VRS retirement with at least 10 years VRS experience, the last 5 years of which are with the Staunton City School Board, b) have participated in the Board's health insurance program for all of the 5 years immediately preceding retirement, and c) are under age 65.

Plan Membership-School Board

Inactive members or their beneficiaries currently receiving benefits	30
Active members	423
Total covered employees	453

Current year health insurance claims are paid out of current City and School Board funds. The difference between the actuarial calculated annual required contribution and the current year claims is contributed to the trust.

Note 9. Other Post-Employment Benefits (Continued)

Funding Policy

Current year health insurance claims are paid out of current City and School Board funds. The difference between the actuarial calculated annual required contribution and the current year claims is contributed to the trust.

City

The contribution requirements of the City healthcare plan members and City are established and may be amended by the City Council. During fiscal year 2019, the City paid an average of 83% for the various types of health insurance coverage. The retiree is required to pay the remaining amount.

For the fiscal year ended June 30, 2019, the City contributed $414,000 to the City's healthcare plan for health insurance and contributed $187,000 to the Virginia Pooled OPEB Trust. The contribution to the trust and the City contributions to the healthcare plan combine to fully fund the annual required contribution (ARC) of $601,000 for fiscal year 2019. It is the City's intent to fully fund the ARC each year.

School Board

The contribution requirements of the School Board healthcare plan members and School Board are established and may be amended by the School Board. During fiscal year 2019, the School Board paid approximately 71% of the existing rate for subscriber only coverage and the retiree paid the remaining 29% plus any additional premium for spouse or dependent coverage.

For the fiscal year ended June 30, 2019, the School Board contributed $402,000 to the School Board's healthcare plan for health insurance and contributed $141,000 to the Virginia Pooled OPEB Trust. The contribution to the trust and contributions to the healthcare plan combine to over fund the annual required contribution of $543,000 for fiscal year 2019. It is the School Board's intent to fully fund the annual required contribution each year.

Net OPEB Liability

The City and School Board's total net OPEB liability of $6,612,000 and $2,681,000, respectively, was measured as of July 1, 2018 and was determined by an actuarial valuation performed as of July 1, 2018.

Note 9. Other Post-Employment Benefits (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases, including inflation	2.5%
Healthcare cost trend rates	0.0% for fiscal year end 2018, 2% for fiscal year 2019 (to reflect actual experience), then 6.5% for fiscal year 2020, then decreasing .25% per year to an ultimate rate of 4.5%
Investment rate of return	7.5%
Mortality rates	RP-2014 Mortality table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2018

Discount Rate

For both the City and the School Board, the discount rate used was 6.59%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Note 9. Other Post-Employment Benefits (Continued)

Changes in Net OPEB Liability-City

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2017	$ 7,928,000	$ 1,073,000	$ 6,855,000
Changes for the year:			
Service cost	189,000	-	189,000
Interest	588,000	-	588,000
Difference between expected and actual experience	(489,000)	-	(489,000)
Contributions – employer	-	643,000	(643,000)
Contributions – employee	-	69,000	(69,000)
Net investment income	-	101,000	(101,000)
Other changes	282,000	-	282,000
Benefit payments	(566,000)	(566,000)	-
Net changes	4,000	247,000	(243,000)
Balances at June 30, 2018	$ 7,932,000	$ 1,320,000	$ 6,612,000

Changes in Net OPEB Liability-Schools

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2017	$ 4,228,000	$ 954,000	$ 3,274,000
Changes for the year:			
Service cost	135,000	-	135,000
Interest	318,000	-	318,000
Difference between expected and actual experience	(318,000)	-	(318,000)
Contributions – employer	-	293,000	(293,000)
Contributions – employee	-	118,000	(118,000)
Net investment income	-	90,000	(90,000)
Other changes	(227,000)	-	227,000
Benefit payments	(237,000)	(237,000)	-
Net changes	(329,000)	264,000	(593,000)
Balances at June 30, 2018	$ 3,899,000	$ 1,218,000	$ 2,681,000

Note 9. Other Post-Employment Benefits (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability using the discount rate of 6.59%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.59%) or one percentage point higher (7.59%) than the current rate:

	1.00% Decrease (5.59%)	Current Discount Rate (6.59%)	1.00% Increase (7.59%)
City's net OPEB liability	$ 7,324,000	$ 6,612,000	$ 5,978,000
School Board net OPEB liability	$ 3,025,000	$ 2,681,000	$ 2,369,000

Sensitivity of the Net OPEB Liability to Changes in the healthcare cost trends

The following presents the net OPEB liability using the healthcare cost trends rate of 9.0%, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (8.0%) or one percentage point higher (7.0%) than the current rate:

	1.00% Decrease (8.0%)	Current Healthcare Cost Trend Rates Rate (9.0%)	1.00% Increase (7.0%)
City's net OPEB liability	$ 5,819,000	$ 6,612,000	$ 7,532,000
School Board net OPEB liability	$ 2,262,000	$ 2,681,000	$ 3,171,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of $672,000. At June 30, 2019, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 416,000
Change in assumptions	240,000	-
Net difference between projected and actual earnings on OPEB plan investments	-	21,000
Employer contributions subsequent to the measurement date	601,000	-
Total	$ 841,000	$ 437,000

Note 9. Other Post-Employment Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The $601,000 reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2020	$ (36,000)
2021	(36,000)
2022	(36,000)
2023	(37,000)
2024	(31,000)
Thereafter	(21,000)

For the year ended June 30, 2019, the School Board recognized OPEB expense of $301,000. At June 30, 2019, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 275,000
Change in assumptions	-	196,000
Net difference between projected and actual earnings on OPEB plan investments	-	10,000
Employer contributions subsequent to the measurement date	543,000	-
Total	$ 543,000	$ 481,000

Note 9. Other Post-Employment Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The $543,000 reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2020	$ (76,000)
2021	(76,000)
2022	(76,000)
2023	(78,000)
2024	(74,000)
Thereafter	(101,000)

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the City of Staunton (the "Political Subdivision" and the City of Staunton School Board (the School Division") also participate in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

Plan Descriptions

Group Life Insurance Program

All full-time teachers and employees of political subdivisions and public school divisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp.

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Teacher Employee Health Insurance Credit Program

All full time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Specific information about the Teacher HIC is available at https://www.varetire.org/retirees/insurance/healthinscredit/index.asp

The GLI and Teacher HIC are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple employer, cost sharing plans.

General Employee Health Insurance Credit Program – School Division

The General Employee Health Insurance Credit Program (HIC) is available for all full time, salaried employees of local government entities other than Teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer agent plan. The School division non-professional employees are covered in this plan, but the political subdivision employees are not.

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Number
Inactive members or their beneficiaries currently receiving benefits	21
Inactive members:	
Vested inactive members	1
Non-vested inactive members	-
Inactive members active elsewhere in VRS	-
Total inactive members	22
Active members	42
Total covered employees	64

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2017. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program-City

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.31% of covered employee compensation. Rate allocated 60/40; 0.79% employee and 0.52% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2019 Contribution	$76,785
June 30, 2018 Contribution	$72,824

Group Life Insurance Program-School Division

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.31% of covered employee compensation. Rate allocated 60/40; 0.79% employee and 0.52% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2019 Contribution	$96,556
June 30, 2018 Contribution	$95,777

Teacher Health Insurance Credit Program

Governed by:	*Code of Virginia* 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.20% of covered employee compensation.
June 30, 2019 Contribution	$208,798
June 30, 2018 Contribution	$212,605

General Employee Health Insurance Credit Program – School Division

Governed by:	*Code of Virginia* 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	.65% of covered employee compensation.
June 30, 2019 Contribution	$7,483
June 30, 2018 Contribution	$7,334

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

The net OPEB liabilities were measured as of June 30, 2018 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of that date. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program-City

June 30, 2019 proportionate share of liability	$1,118,000
June 30, 2018 proportion	.07365%
June 30, 2017 proportion	.07217%
June 30, 2019 expense	$9,000

Group Life Insurance Program-School Division Professional employees

June 30, 2019 proportionate share of liability	$1,382,000
June 30, 2018 proportion	.09095%
June 30, 2017 proportion	.09260%
June 30, 2019 expense	$3,000

Group Life Insurance Program-School Division Non-professional employees

June 30, 2019 proportionate share of liability	$90,000
June 30, 2018 proportion	.00592%
June 30, 2017 proportion	.00579%
June 30, 2019 expense	$3,000

Teacher Health Insurance Credit Program

June 30, 2019 proportionate share of liability	$2,713,000
June 30, 2018 proportion	.21373%
June 30, 2017 proportion	.21573%
June 30, 2019 expense	$210,000

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

General Employee Health Insurance Credit Program – School Division

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (a) – (b)**
Balances at June 30, 2017	$ 100,343	$ 26,702	$ 73,641
Changes for the year:			
Service cost	1,766	-	1,766
Interest	6,669	-	6,669
Differences between expected and actual experience	1,259	-	1,259
Contributions – employer	-	7,334	(7,334)
Net investment income	-	1,774	(1,774)
Benefit payments, including refunds of employee contribution	(10,140)	(10,140)	-
Administrative expenses	-	(38)	38
Other changes	-	(149)	149
Net changes	(466)	(1,219)	773
Balances at June 30, 2018	$ 99,897	$ 25,483	$ 74,414

The School Division recognized OPEB expense of $6,448 related to the General Employee Health Insurance Credit Program.

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

At June 30, 2019, the City and School Division reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program- City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 55,000	$ 20,000
Change in assumptions	-	47,000
Net difference between projected and actual earnings on OPEB plan investments	-	36,000
Changes in proportion	20,000	15,000
Employer contributions subsequent to the measurement date	76,785	-
Total	$ 151,785	$ 118,000

Group Life Insurance Program-School Division

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 72,000	$ 25,000
Change in assumptions	-	62,000
Net difference between projected and actual earnings on OPEB plan investments	-	48,000
Changes in proportion	-	36,000
Employer contributions subsequent to the measurement date	96,556	-
Total	$ 168,556	$ 171,000

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 13,000
Change in assumptions	-	24,000
Net difference between projected and actual earnings on OPEB plan investments	-	2,000
Changes in proportion	-	66,000
Employer contributions subsequent to the measurement date	208,798	-
Total	$ 208,798	$ 105,000

General Employee Health Insurance Credit Program – School Division

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 998	$ -
Change in assumptions	-	1,325
Net difference between projected and actual earnings on OPEB plan investments	-	639
Employer contributions subsequent to the measurement date	7,483	-
Total	$ 8,481	$ 1,964

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

The deferred outflows of resources related to OPEB resulting from the political subdivision and school division's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Group Life Insurance Program-City

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2020	$ (16,000)
2022	(16,000)
2022	(16,000)
2023	(5,000)
2024	4,000
Thereafter	6,000

Group Life Insurance Program-School Division

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2020	$ (28,000)
2022	(28,000)
2022	(29,000)
2023	(15,000)
2024	-
Thereafter	1,000

Teacher Health Insurance Credit Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2020	$ (18,000)
2021	(18,000)
2022	(18,000)
2023	(17,000)
2024	(17,000)
Thereafter	(17,000)

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

General Employee Health Insurance Credit Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2020	$ (410)
2021	(410)
2022	(359)
2023	213

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2017, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018:

Inflation	2.5%
Salary increases, including inflation:	
• Locality- general employees	3.5 – 5.35%
• Locality – hazardous duty employees	3.5 – 4.75%
• Teachers	3.5 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.75 – 5.00%
• Ages 65 and older	5.75 – 5.00%
Investment rate of return, net of expenses, including inflation*	GLI & HIC: 7.0%

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment rate for GASB purposes of slightly more than the assumed percent above. However, since the difference was minimal, and a more conservative investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be the percent noted above to simplify preparation of OPEB liabilities.

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 7.

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2018, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB Liability	$ 3,113,508	$ 1,381,313
Plan fiduciary net position	1,594,773	111,639
Employers' net OPEB liability (asset)	$ 1,518,735	$ 1,269,674
Plan fiduciary net position as a percentage of total OPEB liability	51.22%	8.08%

The total liability is calculated by the VRS actuary and each plan's fiduciary net position is reported in the VRS financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	*Target Allocation*	*Arithmetic Long-Term Expected Rate of Return*	*Weighted Average Long-Term Expected Rate of Return*
Public Equity	40.00 %	4.54 %	1.82 %
Fixed Income	15.00	0.69	0.10
Credit Strategies	15.00	3.96	0.59
Real Assets	15.00	5.76	0.86
Private Equity	15.00	9.53	1.43
Total	100.00 %		4.80 %
		Inflation	2.50 %
	*Expected arithmetic nominal return		7.30 %

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

* The above allocation provides for a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.5%.

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liabilities of the political subdivision and school division, as well as what the political subdivision and school division's net OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
GLI Net OPEB liability-City	$ 1,461,000	$ 1,118,000	$ 839,000
GLI Net OPEB liability-School division nonprofessional	$ 118,000	$ 90,000	$ 68,000
GLI Net OPEB liability-School division professional	$ 1,806,000	$ 1,382,000	$ 1,038,000
Teacher HIC Net OPEB liability	$ 3,031,000	$ 2,713,000	$ 2,443,000
General Employee HIC Net OPEB liability – School Division	$ 82,798	$ 74,414	$ 66,968

Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the OPEB Plan

At June 30, 2019, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2019 payroll.

• Group Life Insurance-political subdivision	$ 6,494
• Group Life Insurance-school division-non professional	322
• Group Life Insurance-school division-professional	2,301
• Teacher Employee Health Insurance Credit	5,309
• General Employee Health Insurance Credit	402

Note 11. Summary of Pension and other Postemployment Benefit Elements

A summary of pension and other postemployment benefit (OPEB) related financial statement elements is as follows:

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit (School Board)
Deferred outflows of resources - Related to Pensions:				
VRS-City	$ 1,756,207	$ 245,169	$ 2,001,376	$ -
Net deferred Outflows from Augusta County Service Authority	-	16,804	16,804	-
VRS-School Non-professional	-	-	-	85,677
VRS-School Professional	-	-	-	3,216,291
Total deferred outflows of resources - Pensions	$ 1,756,207	$ 261,973	$ 2,018,180	$ 3,301,968
Deferred outflows of resources - OPEB:				
OPEB Local Health plan	$ 738,397	$ 102,603	$ 841,000	$ 543,000
Net OPEB Outflows from Augusta Regional Landfill	-	1,443	1,443	-
VRS Group Life plan	138,124	13,661	151,785	168,556
VRS Health insurance credit plan-Professional	-	-	-	208,798
VRS Health insurance credit plan-Non-professional	-	-	-	8,481
Total deferred outflows of resources - OPEB	$ 876,521	$ 117,707	$ 994,228	$ 928,835
Net pension liability:				
VRS-City	$ 14,224,528	$ 1,985,760	$ 16,210,288	$ -
Net Pension liability from Augusta County Service Authority	-	17,478	17,478	-
VRS-School Non-professional	-	-	-	292,033
VRS-School Professional	-	-	-	25,034,000
Total net pension liability	$ 14,224,528	$ 2,003,238	$ 16,227,766	$ 25,326,033
Net OPEB liability:				
OPEB Local Health plan	$ 5,805,335	$ 806,665	$ 6,612,000	$ 2,681,000
Net OPEB Liability from Augusta Regional Landfill	-	42,708	42,708	-
VRS Group Life plan	1,017,380	100,620	1,118,000	1,472,000
VRS Health insurance credit plan-Professional	-	-	-	2,713,000
VRS Health insurance credit plan-Non-professional	-	-	-	74,414
Total net OPEB liability	$ 6,822,715	$ 949,993	$ 7,772,708	$ 6,940,414
Deferred inflows of resources - Related to Pensions:				
VRS-City	$ 1,305,490	$ 182,247	$ 1,487,737	$ -
Net deferred inflow from Augusta County Service Authority	-	18,629	18,629	-
VRS-School Non-professional	-	-	-	83,102
VRS-School Professional	-	-	-	3,520,000
Total deferred inflows of resources - Pensions	$ 1,305,490	$ 200,876	$ 1,506,366	$ 3,603,102
Deferred inflows of resources - OPEB:				
OPEB Local Health plan	$ 383,685	$ 53,315	$ 437,000	$ 481,000
Net OPEB inflow from Augusta Regional Landfill	-	6,340	6,340	-
VRS Group Life plan	107,380	10,620	118,000	171,000
VRS Health insurance credit plan-Professional	-	-	-	105,000
VRS Health insurance credit plan-Non-professional	-	-	-	1,964
Total deferred inflows of resources - OPEB	$ 491,065	$ 70,275	$ 561,340	$ 758,964

Note 12. Commitments and Contingencies

State and Federal Programs:

The City is the recipient of Federal and State grants which are subject to audit to determine compliance with their requirements. City management believes that any required refunds will be immaterial.

Legal Matters:

The City is a potential defendant in litigation involving claims for damages of various types. City officials estimate that any ultimate liability not covered by insurance will be immaterial.

EDA Commitments

In June 2014, the EDA entered into an agreement with a developer concerning the property at the intersection of US Route 250, Cochran Parkway, and South Frontier Drive. This agreement included an economic development grant equal to a percentage share of the incremental increase in taxes generated for sixteen fiscal years commencing with the beginning of the fiscal year in which the City approves the first occupancy permit for new building construction on the property. To fund this grant, the EDA entered into a contribution agreement with the City evidencing the City's conditional obligation to provide the Authority sums to fund the Grant portion of the development agreement. The source of City funds shall be incremental taxes generated by the development of the property.

Commonwealth Opportunity Fund

In May 2016, the City and EDA were notified of the award of a Commonwealth Opportunity Grant in the amount of $250,000. The funds were received and disbursed to the related local business during FY2017. The required local match for the grant is $282,100. Local enterprise zone grants from the City, through the EDA, for 5 years are expected to serve as the required local match. If the enterprise zone grants do not equal the required match at the end of 5 years, the City, through the EDA, will pay the necessary amounts to the local business to meet the match requirements.

Construction and Other Significant Commitments including Encumbrances

The City has entered into construction contracts, which include several water, sewer and storm water related projects as well as street related projects. As of June 30, the City had outstanding construction contracts totaling $42,073,142 that will be financed from operating funds and bond issue proceeds. Other significant commitments include the encumbrances outstanding for the general fund and nonmajor governmental funds as shown below.

	Construction Commitments	Encumbrances
Storm Water fund	$ 72,140	$ -
General fund	29,950	661,940
Capital Improvements Fund	41,971,052	51,352
Nonmajor funds	-	75,026
	$ 42,073,142	$ 788,318

Note 13. General Property Taxes

The City levies real estate taxes on all real estate within its boundaries, except that exempted by statute. These levies are assessed biannually as of January 1 on the estimated market value of the property. January 1 is also the date an enforceable, legal claim to the receivable applies. The City reassesses all property biannually. Public utility property is assessed by the Commonwealth.

Real estate taxes are billed in semiannual installments, 75% due June 20 and 25% due December 5. For the current fiscal year, the real estate taxes budgeted for and reported as revenue in the fund financial statements include those assessed as of January 1, 2018 and due December 5, 2018 as well as the portion of the January 1, 2019 assessment due June 20, 2019, less an allowance for uncollectibles and less taxes not collected within 45 days of year end plus collections of previously delinquent taxes. The tax rates for the January 1, 2018 and 2019 levies were $.97 and $.95 per $100 of assessed value. Real estate taxes receivable, assessed as of January 1, 2019 and due December 5, 2019, are reflected in the accompanying financial statements as a receivable and are offset by deferred inflows of resources, in the amount of $2,220,267, which is consistent with the City's budget ordinance. Real estate taxes paid in advance as of June 30, 2019 are also included in deferred inflows of resources, in the amount of $2,549,936 since they are not intended to finance the current fiscal year.

The City levies personal property taxes on motor vehicles and tangible personal business property. These levies are assessed as of January 1 and are due December 5. During fiscal year 2019, the personal property taxes budgeted for and reported as revenue in the fund financial statements include the January 1, 2018 assessment due December 5, 2018, less an allowance for uncollectibles, plus collections on previously delinquent taxes. The 2018 tax rate for machinery and tools was $1.24 per $100 of assessed value. The 2018 tax rate for all other personal property was $2.90 per $100 of assessed value.

Note 14. Restricted Assets

Restricted assets as of June 30 consist of cash and cash equivalents and amounts due from other governments that are restricted for certain purposes as follows:

	Governmental Activities	Business Type Activities
Customer deposits	$ 7,000	$ 317,411
Receivable for share of debt	-	2,120,658
Unspent bond proceeds	43,422,170	249,731
Landfill sinking fund	-	2,487,990
Total	$ 43,429,170	$ 5,175,790

Note 15. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss including property, theft, auto liability, general liability, and construction insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage for each of the past three years. There was no reduction in insurance coverage during 2019. In addition, the City provides various surety bond coverage as required under regulations and at industry-recommended levels.

Note 15. Risk Management (Continued)

Through the Virginia Municipal League, the City and School Board have joined together with other Virginia public bodies in the Virginia Municipal League Insurance programs pools currently operating as a common risk management and insurance programs for members in Virginia. The City and School Board pay an annual premium to VML Insurance Programs for its workers' compensation and employer's liability, general liability, excess property, crime, and automobile coverage. The agreement for formation of the VML Insurance Programs Pool provides that it will be self-sustaining through member premiums. Workers' compensation coverage provides the benefits as set forth in the Virginia Workers' Compensation Act. VML Insurance programs will reinsure through commercial insurance companies for claims in excess of $5 million for general liability, and $5 million for automotive liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

As of June 1, 2003, the City discontinued its self-insured worker's compensation arrangement and began insurance coverage with the Virginia Municipal League. As of June 30, 2019, the City still retains a liability related to workers compensation claims outstanding at the time of the policy change. The City reimburses VML as needed for claims payments on these old outstanding claims in excess of any reinsurance amounts. The City has not established a separately funded reserve for such claims. The portion currently due and payable is $1,331 and is reported in the General Fund. The long-term liability is estimated to be $246,524.

As of January 1, 2015, the City and School system established a self-insured health insurance program. Premiums are developed based upon estimates from the claims processor that should cover administrative expenses, stop loss insurance premiums, and claims. Stop loss provisions limit catastrophic claims in excess of $150,000. At June 30, incurred but not reported claims for the City and Schools are estimated to be $700,000.

Changes in the claims liability amount in fiscal years 2017, 2018 and 2019 were as follows:

Year Ended June 30,	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
2017	$ 1,065,083	$ 5,380,675	$ 5,653,485	$ 792,273
2018	$ 792,273	$ 5,316,995	$ 5,155,386	$ 953,882
2019	$ 953,882	$ 5,509,239	$ 5,515,266	$ 947,855

Note 16. Landfill Closure and Post-closure Care Costs

The City and two other localities share the costs of landfill operations through undivided interests in the Augusta Regional Landfill. The City and the County of Augusta share the costs of an old landfill operation (Permit 21), which was closed in 2003. The costs of a second landfill operation (Permit 585), which was begun in fiscal year 1999, are shared between the cities of Staunton and Waynesboro and the County of Augusta.

State and federal laws and regulations require the Augusta Regional Landfill to place a final cover or cap on a landfill cell when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Under the cost sharing agreement, the City will bear 39.67% of such costs for Permit 21 and 25.11% of such costs for Permit 585. The cost sharing percentage of Permit 585 is adjusted each year based on usage by each locality. The remainder of the Permit 585 costs will be borne by the County and the City of Waynesboro. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each fiscal year ending date.

Note 16. Landfill Closure and Post-closure Care Costs (Continued)

The $1,367,520 reported as landfill closure liability at June 30, 2019 represents the cumulative amount reported to date based on the use of 90.3% of the estimated capacity of the Permit #585 (Phases 1-3) landfill, 30.7% of the estimated capacity of the Permit #585 Phase 4 landfill and the stockpile financial assurance liability. The $937,253 reported as post-closure monitoring liability at June 30, 2019, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the Permit #21 landfill and 90.3% of the estimated capacity of the Permit #585 (Phases 1-3) landfill and 30.7% of the estimated capacity of the Permit #585 Phase 4 landfill. Total closure and post-closure care costs and post-closure monitoring costs accrued at June 30, 2019 for both joint ventures are $2,304,773.

The City will recognize the majority of the remaining estimated cost of closure and post-closure care and post-closure monitoring of $157,603 for Permit #585 (phases 1-3) landfill as the remaining estimated capacity is filled over the next 18 to 24 months and $562,667 for the newly constructed Phase 4 cell as the remaining estimated capacity is filled over the next 6 to 8 years.

The amount for the Permit #21 landfill is based on what it would have cost to perform all post-closure care in 2004 and has been inflated annually at the DEQ-approved inflation rate. The amounts for the Permit #585 landfill were re-evaluated in March 2008 based on what it would cost to perform all closure and post-closure care in 2008 and approved by the Virginia Department of Environmental Quality as part of a permit to expand the landfill beyond the first three phases. These costs have been inflated at the DEQ-approved inflation rate since 2009. Actual costs for both permitted landfills may be different due to actual inflation or deflation, changes in technology, or changes in laws or regulations.

Each participating locality is required to submit to the Virginia Department of Environmental Quality by December 30 of each year financial assurance they can meet their allocated financial responsibility for the Augusta Regional Landfill (see Note 1). The City uses the financial test method of demonstrating assurance for closure and post-closure care. Each locality met this requirement for calendar year 2018.

Note 17. Community Development

Staunton Crossing:

In November 2009, the City and the EDA entered into an agreement with the Commonwealth of Virginia to purchase approximately 278 acres of land owned by the Commonwealth, known as the Western State Hospital (WSH) campus, for $15 million. The EDA also agreed to deed approximately 66 acres of EDA land to the Commonwealth to re-locate and build a new mental health hospital.

The WSH campus land was transferred to the EDA during fiscal year 2010 for development. The EDA intends to contract with and sell the land to developers to develop the multi-use site into commercial, retail, and office property. Any proceeds from the land's disposition will be paid to the City to reduce the City's debt related to the project.

In October 2012 and January 2013, the City issued $10 million and $5 million, respectively, in bank qualified debt to pay for the property.

The land was recorded as inventory by the EDA at its estimated fair value of $14,000,000 at the time of its acquisition. As a result of a partial sale of property during fiscal year 2017, the adjusted inventory value was reported at $12,970,053 as of June 30, 2017 and remains the same as of June 30, 2019.

In fiscal year 2019, the City's management concluded that no material declines in the property's value had occurred and the amount due back to the City is still valued at $12,750,000.

Note 17. Community Development (Continued)

The property is strategically located at the interchange of Interstate 81 and Interstate 64 in the City. While owned by the State, the WSH campus produced no tax revenue to the City. City officials believe that the private development of this site will increase the City's tax base and generate significant local real estate, meals, lodging, and sales taxes.

Note 18. Operating Lease

In August 2013, the City, as a lessee, entered into an operating lease for certain office facilities. A summary of future minimum lease payments under such operating leases is as follows:

Year Ending June 30,	
2020	$ 44,241
2021	45,125
2022	46,028
2023	46,948
2024	47,887
2025-2027	149,486
Total	$ 379,715

Note 19. Fund Balance

The following schedule provides details for the categories of fund balance for governmental funds as of June 30, 2019:

	General	Capital Improvements Fund	Nonmajor governmental	School Board Component Unit
Nonspendable				
Prepaids	$ 97,630	$ -	$ -	$ 3,460
Total Nonspendable	$ 97,630	$ -	$ -	$ 3,460
Restricted:				
Donor purposes	$ 25,439	$ -	$ -	$ 29,133
Programs	225,514	-	14,987	87,867
Total restricted	$ 250,953	$ -	$ 14,987	$ 117,000
Committed:				
Stabilization arrangement	$ 8,891,250	$ -	$ -	$ -
Assigned:				
Accrued leave	$ 1,652,481	$ -	$ -	$ -
Capital projects	-	10,112,433	-	2,913,889
Debt service	-	-	5,045,776	-
General government administration	343,751	21,850	-	-
Judicial administration	19,993	-	-	-
Public safety	27,518	-	191,171	-
Public works	130,356	24,184	-	-
Parks and recreation	154,219	-	-	-
Community development	17,953	29,502	216,802	-
Education	-	41,898,500	-	2,653,637
Textbooks	-	-	-	847,137
Food service	-	-	-	307,438
Total assigned	$ 2,346,271	$ 52,086,469	$ 5,453,749	$ 6,722,101
Unassigned	$ 4,630,500	$ -	$ -	$ -

Note 20. Tax Abatements

Economic Development Incentive Programs – The City is subject to tax abatements granted by the Staunton Economic Development Authority. The EDA is authorized under Virginia Code Section 15.2-4905 to make grants to businesses for the purpose of promoting economic development for the City. Development agreements between the EDA and developers are accompanied by contribution agreements between the City and the EDA to fund the development agreements. The contribution agreements are authorized under Virginia Code Section 15.2-953, which authorizes gifts, donations and appropriations to Economic Development Authorities for the purposes of promoting economic development in the City. Agreements can take the form of tax grants based on the rehabilitated real estate programs or as reimbursement for some portion of sales, meals and/or lodging taxes generated by the development. Developer agreements are analyzed on a case by case basis to determine what tax abatements would be most advantageous to the EDA/City in attracting new businesses with the related tax increases offset by any payment back to the developer.

Tax Abatement Program	Amount of Taxes Abated
Economic Development Incentive Programs	
Incremental taxes-Frontier	$ 388,155
Incremental taxes-Villages	23,799
Real estate tax abatement-Villages	69,339
Total	$ 481,293

Note 21. Prior Period Adjustment

The following is a summary of the restatement to fund balance and net position resulting from errors in previously reported accounts receivable.

	Water Fund	Business Type Activities
Balance, as previously reported, June 30, 2018	$ 20,305,432	$ 70,512,668
To correct errors in previously recorded accounts receivable	(78,454)	(78,454)
Balance, as restated, June 30, 2018	$ 20,226,978	$ 70,434,214

Note 22. Subsequent Events

During fiscal year 2020, the City plans to advance refinance the General Obligation Public Improvement and Refunding Bond Series 2007, the 2008 Literary Note-McSwain Elementary, and the 2008 Literary Note-Ware Elementary. The anticipated cost savings is approximately $1,300,000 over a 15-year period.

During fiscal year 2020, The City intends to place a deposit and purchase property to be used as a public safety complex. The purchase price of the property is estimated to be $2,500,000.

Note 23. Conduit Debt Obligation-EDA

In March 2019, the EDA issued Industrial Revenue Bonds for the purpose of obtaining and constructing facilities deemed to be in the public interest. The bonds are payable solely from the revenues of the projects and do not constitute an obligation of the Commonwealth of Virginia, the City, the EDA or any political subdivision thereof. All of the EDA's rights (other than indemnification and its fees) are assigned to a Trustee to administer the bonds for the benefit of bondholders. The EDA neither receives nor disburses funds. Deeds of trust or letters of credit secure outstanding bond obligations; although the EDA provides a conduit to execute such transactions, it does not retain either the benefits of asset ownership or the liability for bond liquidation. Accordingly, the EDA does not recognize associated assets, liabilities, income, or interest expense in its financial statements. Approximately $2,500,000 of such conduit bonds were outstanding at June 30, 2019.

Note 24. New Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following Statements which are not yet effective.

The GASB issued **Statement No. 84**, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018.

The GASB issued **Statement No. 87**, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019.

The GASB issued **Statement No. 90**, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61* in August 2018. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for periods beginning after December 15, 2018.The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

The GASB issued **Statement No. 91**, *Conduit Debt Obligations* in May 2019. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF STAUNTON, VIRGINIA

BUDGETARY COMPARISON SCHEDULE –
GENERAL FUND
Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
General property taxes	$ 25,084,635	$ 25,084,635	$ 26,357,304	$ 1,272,669
Other local taxes	14,724,500	14,724,500	15,960,067	1,235,567
Permits, privilege fees, and regulatory licenses	267,300	267,300	254,962	(12,338)
Fines and forfeitures	91,000	121,570	254,056	132,486
Revenue from use of money and property	211,100	211,100	261,111	50,011
Charges for services	1,804,678	1,804,678	1,850,246	45,568
Miscellaneous	28,500	145,790	106,412	(39,378)
Recovered costs	1,118,833	1,207,543	1,228,767	21,224
Intergovernmental:				
Federal	1,339,888	1,339,888	1,382,964	43,076
Commonwealth	11,924,566	12,908,981	12,429,694	(479,287)
Total revenues	56,595,000	57,815,985	60,085,583	2,269,598
EXPENDITURES				
Current:				
General government administration	6,149,069	6,168,629	5,617,599	551,030
Judicial administration	1,976,920	2,068,197	1,984,912	83,285
Public safety	11,384,476	11,668,020	11,372,797	295,223
Public works	6,090,148	6,322,762	6,099,271	223,491
Health and welfare	6,777,652	7,988,652	6,906,155	1,082,497
Education	13,208,000	13,208,000	13,208,000	-
Parks, recreation, and cultural	3,711,304	3,908,143	3,602,905	305,238
Community development	1,783,631	2,070,292	2,047,456	22,836
Total expenditures	51,081,200	53,402,695	50,839,095	2,563,600
Excess of revenues over expenditures	5,513,800	4,413,290	9,246,488	4,833,198
OTHER FINANCING SOURCES (USES)				
Appropriation of prior year reserves/encumbrances	-	4,125,510	-	(4,125,510)
Transfers out	(5,513,800)	(8,538,800)	(8,559,825)	(21,025)
Total other financing sources (uses)	(5,513,800)	(4,413,290)	(8,559,825)	(4,146,535)
Net change in fund balance	$ -	$ -	$ 686,663	$ 686,663

See Notes to Required Supplementary Information.

EXHIBIT 11

CITY OF STAUNTON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PRIMARY GOVERNMENT
Year Ended June 30, 2019

	Plan Year				
	2014	2015	2016	2017	2018
Total Pension Liability					
Service cost	$ 1,379,588	$ 1,417,990	$ 1,428,109	$ 1,469,762	$ 1,474,558
Interest on total pension liability	4,740,682	4,916,956	5,029,018	5,157,439	5,223,818
Difference between expected and actual experience	-	(1,160,922)	(946,229)	(1,483,949)	(372,060)
Changes in assumptions	-	-	-	(140,647)	-
Benefit payments, including refunds of employee contributions	(3,640,294)	(3,563,843)	(3,582,452)	(3,770,176)	(4,338,469)
Net change in total pension liability	2,479,976	1,610,181	1,928,446	1,232,429	1,987,847
Total pension liability - beginning	69,544,178	72,024,154	73,634,335	75,562,781	76,795,210
Total pension liability - ending	72,024,154	73,634,335	75,562,781	76,795,210	78,783,057
Plan Fiduciary Net Position					
Contributions - employer	2,180,741	2,260,879	2,349,913	1,956,240	2,047,913
Contributions - employee	632,939	636,054	655,097	688,105	679,027
Net investment income	7,195,341	2,383,649	947,931	6,585,902	4,399,332
Benefit payments, including refunds of employee contributions	(3,640,294)	(3,563,843)	(3,582,452)	(3,770,176)	(4,338,469)
Administrative expenses	(39,137)	(32,790)	(33,522)	(38,364)	(38,606)
Other	379	(504)	(399)	(5,847)	(3,884)
Net change in plan fiduciary net position	6,329,969	1,683,445	336,568	5,415,860	2,745,313
Plan fiduciary net position - beginning	46,061,614	52,391,583	54,075,028	54,411,596	59,827,456
Plan fiduciary net position - ending	52,391,583	54,075,028	54,411,596	59,827,456	62,572,769
Net pension liability - ending	$ 19,632,571	$ 19,559,307	$ 21,151,185	$ 16,967,754	$ 16,210,288
Add Net Pension Liability from Augusta Regional landfill	23,723	29,260	48,902	23,253	17,478
Total Net pension liability - ending	$ 19,656,294	$ 19,588,567	$ 21,200,087	$ 16,991,007	$ 16,227,766
Plan fiduciary net position as a percentage of total pension liability	73%	73%	72%	78%	79%
Covered payroll of the plan year	$ 12,343,202	$ 12,625,654	$ 13,175,660	$ 13,293,478	$ 13,979,807
Net pension liability as a percentage of covered payroll	159%	155%	161%	128%	116%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Additional years will be included as they become available.

See Notes to Required Supplementary Information

CITY OF STAUNTON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
COMPONENT UNIT-SCHOOL NONPROFESSIONAL
Year Ended June 30, 2019

	Plan Year				
	2014	**2015**	**2016**	**2017**	**2018**
Total Pension Liability					
Service cost	$ 88,093	$ 79,198	$ 101,429	$ 102,400	$ 95,627
Interest on total pension liability	289,866	290,196	289,147	295,498	303,757
Other changes	-	-	-	62	-
Difference between expected and actual experience	-	(60,971)	33,649	(15,763)	(94,997)
Changes in assumptions	-	-	-	3,268	-
Benefit payments, including refunds of employee contributions	(282,780)	(323,637)	(324,923)	(342,985)	(333,320)
Net change in total pension liability	95,179	(15,214)	99,302	42,480	(28,933)
Total pension liability - beginning	4,282,336	4,377,515	4,292,261	4,391,563	4,434,043
Adjustment to add (remove) add Genesis	-	(70,040)	-	-	72,003
Total pension liability - ending	4,377,515	4,292,261	4,391,563	4,434,043	4,477,113
Plan Fiduciary Net Position					
Contributions - employer	102,300	102,963	115,259	82,788	86,071
Contributions - employee	41,269	44,375	49,030	49,531	51,516
Net investment income	547,950	173,171	63,623	448,101	296,521
Benefit payments, including refunds of employee contributions	(282,780)	(323,637)	(324,922)	(342,985)	(333,320)
Administrative expenses	(3,047)	(2,510)	(2,465)	(2,735)	(2,667)
Other	29	(36)	(28)	(393)	(260)
Net change in plan fiduciary net position	405,721	(5,674)	(99,503)	234,307	97,861
Plan fiduciary net position - beginning	3,550,322	3,956,043	3,887,072	3,787,569	4,021,876
Adjustment to add (remove) Genesis	-	(63,297)	-	-	65,343
Plan fiduciary net position - ending	3,956,043	3,887,072	3,787,569	4,021,876	4,185,080
Net pension liability - ending	$ 421,472	$ 405,189	$ 603,994	$ 412,167	$ 292,033
Plan fiduciary net position as a percentage of total pension liability	90%	91%	86%	91%	93%
Covered payroll for the plan year	$ 828,365	$ 921,127	$ 1,041,460	$ 1,048,417	$ 1,111,195
Net pension liability as a percentage of covered payroll	51%	44%	58%	39%	26%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Additional years will be included as they become available.

CITY OF STAUNTON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
Year Ended June 30, 2019

Entity Fiscal Year Ended June 30	Actuarially Determined Contribution*	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2019	$ 2,001,376	$ 2,001,376	$ -	$ 14,726,831	13.59%
2018	2,082,997	2,082,997	-	13,979,807	14.90%
2017	1,980,734	1,980,734	-	13,293,478	14.90%
2016	2,363,713	2,363,713	-	13,175,660	17.94%
2015	2,265,042	2,265,042	-	12,625,654	17.94%
Schools - Nonprofessional Employees					
2019	$ 85,079	$ 85,079	$ -	$ 1,151,298	7.39%
2018	91,000	91,000	-	1,093,747	8.32%
2017	87,226	87,226	-	1,048,417	8.32%
2016	119,455	119,455	-	1,041,460	11.47%
2015	112,193	112,193	-	921,127	12.18%

Schedule is intended to show information for 10 years. Additional years will be included as they come available

*Does not include regional landfill

EXHIBIT 14

CITY OF STAUNTON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
VRS TEACHER RETIREMENT PLAN
Year Ended June 30, 2019

Plan Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll-Plan year	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.21287%	$ 25,034,000	$ 17,285,216	144.83%	74.81%
2017	0.21545%	25,788,557	16,558,204	155.74%	72.92%
2016	0.22048%	30,051,395	16,313,392	184.21%	68.28%
2015	0.21775%	26,647,826	15,705,288	169.67%	70.68%
2014	0.21711%	25,560,457	15,304,922	167.01%	70.88%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the school division's fiscal year.

EXHIBIT 15

CITY OF STAUNTON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
VRS TEACHER RETIREMENT PLAN
Year Ended June 30, 2019

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	$ 2,728,289	$ 2,728,289	$ -	$ 17,399,819	15.68%
2018	2,745,601	2,745,601	-	16,823,514	16.32%
2017	2,427,393	2,427,393	-	16,558,204	14.66%
2016	2,293,663	2,293,663	-	16,313,392	14.06%
2015	2,277,267	2,277,267	-	15,705,288	14.50%

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

See Notes to Required Supplementary Information

EXHIBIT 16

CITY OF STAUNTON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
PRIMARY GOVERNMENT
Year Ended June 30, 2019

	Local Plan		
	2016	**2017**	**2018**
Total OPEB Liability			
Service cost	$ 1,621,000	$ 184,000	$ 189,000
Interest	-	571,000	588,000
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	-	(489,000)
Benefit payments, including refunds of employee contributions	(507,000)	(513,000)	(566,000)
Other changes	-	-	282,000
Net change in total pension liability	1,114,000	242,000	4,000
Total OPEB liability - beginning	6,306,000	7,420,000	7,928,000
Adjustment to beginning balance	-	266,000	-
Total OPEB liability - ending	7,420,000	7,928,000	7,932,000
Plan Fiduciary Net Position			
Contributions - employer	648,000	712,000	643,000
Contributions - employee	-	-	69,000
Net investment income	(2,730)	100,000	101,000
Benefit payments, including refunds of employee contributions	(507,000)	(513,000)	(566,000)
Administrative expenses	(1,000)	-	-
Net change in plan fiduciary net position	137,270	299,000	247,000
Plan fiduciary net position - beginning	636,680	773,950	1,073,000
Adjustment to beginning balance	-	50	-
Plan fiduciary net position - ending	773,950	1,073,000	1,320,000
Total Net OPEB liability - ending	$ 6,646,050	$ 6,855,000	$ 6,612,000
Plan fiduciary net position as a percentage of total OPEB liability	10.43%	13.53%	16.64%
Covered employee payroll	$ 11,179,000	$ 13,777,000	$ 14,063,000
Net OPEB liability as a percentage of covered employee payroll	59.45%	49.76%	47.02%
Annual money-weighted rate of return, net of investment expense	13.04%	11.57%	8.81%

This schedule is intended to show information for 10 years. Additional years will be included as they become available.

The plan year above is reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2016 information is presented in the entity's fiscal year 2017 financial report.

EXHIBIT 17

CITY OF STAUNTON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SCHOOL BOARD COMPONENT UNIT
Year Ended June 30, 2019

	Local Plan			VRS Health Insurance-School Non professional	
	2016	2017	2018	2017	2018
Total OPEB Liability					
Service cost	$ 1,384,000	$ 132,000	$ 135,000	$ 2,087	$ 1,766
Interest	1,000	304,000	318,000	6,865	6,669
Difference between expected and actual experience	-	-	(318,000)	-	1,259
Changes in assumptions/adjustments	(1,000)	-	-	(2,243)	-
Benefit payments, including refunds of employee contributions	(275,000)	(263,000)	(237,000)	(8,899)	(10,140)
Other changes	-	-	(227,000)	-	-
Net change in total pension liability	1,109,000	173,000	(329,000)	(2,190)	(446)
Total OPEB liability - beginning	3,010,000	4,119,000	4,228,000	102,533	100,343
Adjustment to beginning balance	-	(64,000)	-	-	-
Total OPEB liability - ending	4,119,000	4,228,000	3,899,000	100,343	99,897
Plan Fiduciary Net Position					
Contributions - employer	339,000	433,000	293,000	7,031	7,334
Contributions - employee	-	-	118,000	-	-
Net investment income (loss)	(2,719)	90,000	90,000	2,786	1,774
Benefit payments, including refunds of employee contributions	(275,000)	(263,000)	(237,000)	(8,899)	(10,140)
Administrative expenses	(995)	-	-	(41)	(38)
Other changes	-	-	-	149	(149)
Net change in plan fiduciary net position	60,286	260,000	264,000	1,026	(1,219)
Plan fiduciary net position - beginning	634,029	694,315	954,000	25,676	26,702
Adjustment to beginning balance	-	(315)	-	-	-
Plan fiduciary net position - ending	694,315	954,000	1,218,000	26,702	25,483
Total Net OPEB liability - ending	$ 3,424,685	$ 3,274,000	$ 2,681,000	$ 73,641	$ 74,414
Plan fiduciary net position as a percentage of total OPEB liability	16.86%	22.56%	31.24%	26.61%	25.51%
Covered employee payroll	$ 12,820,000	$ 18,550,000	$ 18,641,000		
Covered payroll				$ 1,065,247	$ 1,111,195
Net OPEB liability as a percentage of covered employee payroll/covered payroll	26.71%	17.65%	14.38%	6.91%	6.70%
Annual money-weighted rate of return, net of investment expense	13.04%	11.69%	8.65%	na	na

This schedule is intended to show information for 10 years. Additional years will be included as they become available.

The plan year above is reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2016 information is presented in the entity's fiscal year 2017 financial report.

Covered employee payroll represents the payroll of employees that are provided with OPEB through the OPEB plan since contributions are not based on measure of pay
Covered payroll represents the payroll on which contributions to the OPEB plan are based

See Notes to Required Supplementary Information

CITY OF STAUNTON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS-PRIMARY GOVERNMENT AND SCHOOL BOARD COMPONENT UNIT
Year Ended June 30, 2019

Entity Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
Primary Government					
Local Plan:					
2019	$ 601,000	$ 601,000	$ -	$ 14,063,000	4.27%
2018	712,000	712,000	-	13,777,000	5.17%
School Board Component Unit					
Local Plan:					
2019	$ 543,000	$ 543,000	$ -	$ 18,641,000	2.91%
2018	433,000	433,000	-	18,550,000	2.33%
VRS Health Insurance Credit Non-Professional Plan:					
2019	$ 7,483	$ 7,483	$ -	$ 1,151,298	0.65%
2018	7,334	7,334	-	1,111,195	0.66%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The local plan uses covered-employee payroll (the payroll of employees that are provided with OPEB through the OPEB plan), since contributions to the plan are not based on measure of pay.

The VRS Health insurance credit plan uses covered payroll (the payroll on which contributions to the OPEB plan are based).

The amounts above are for the entity's fiscal year ie. The year in which the contributions were made.

CITY OF STAUNTON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY - VRS PLANS
June 30, 2019

Plan Year	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Primary Government					
Virginia Retirement System - Group Life Insurance - General Employees					
2018	0.73650%	$ 1,118,000	$ 14,004,555	7.98%	51.22%
2017	0.07217%	1,086,000	13,311,529	8.16%	48.86%
School Board Component Unit					
Virginia Retirement System - Health Insurance Credit - Teachers					
2018	0.21373%	$ 2,713,000	$ 17,285,216	15.70%	7.04%
2017	0.21573%	2,737,000	17,025,052	16.08%	7.04%
Virginia Retirement System - Group Life Insurance - Schools					
2018	0.90950%	$ 1,472,000	$ 18,418,733	7.99%	51.22%
2017	0.09260%	1,481,000	18,149,297	8.16%	48.86%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

CITY OF STAUNTON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS - VRS PLANS
June 30, 2019

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
Virginia Retirement System - Group Life Insurance - General Employees					
2019	$ 76,785	$ 76,785	$ -	$ 14,766,392	0.52%
2018	72,824	72,824	-	14,004,555	0.52%
School Board Component Unit					
Virginia Retirement System - Health Insurance Credit - Teachers					
2019	$ 208,798	$ 208,798	$ -	$ 17,399,819	1.20%
2018	212,605	212,605	-	17,285,216	1.23%
Virginia Retirement System - Group Life Insurance - Schools					
2019	$ 96,556	$ 96,556	$ -	$ 18,568,571	0.52%
2018	95,777	95,777	-	18,418,733	0.52%

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

CITY OF STAUNTON, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

Note 1. Budgetary Comparison Schedule – General Fund

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets for states and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. The City and many other governments revise their original budgets over the course of the year for a variety of reasons.

Prior to April 1, the City Manager submits to the Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budgets include proposed expenditures and the means of financing them. Public hearings are conducted to obtain citizen comments. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

The Appropriations Resolution places legal restrictions on expenditures at the fund level. Only the Council can revise the appropriation for each fund. The City Manager is authorized, within the Appropriations Resolution, to transfer budgeted amounts within any City fund and the School Board is authorized to transfer budgeted amounts within the school system's budget. Appropriations lapse on June 30, for all City funds, except for carry-forward requests approved by Council and project balances in the Capital Improvements Fund.

Appropriated annual budgets are legally adopted and budgetary integration is employed as a management control device during the year for all governmental funds. The budgetary data, as presented in the Required Supplementary Information for all major funds with annual budgets, compares the expenditures with the amended budgets. All budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) and are presented on the modified accrual basis of accounting. All governmental funds have legally adopted annual budgets, except the CIP fund, which operates with project length budgets.

Accordingly, the Budgetary Comparison Schedule for the General Fund present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with legally adopted budgets as amended. Original, final budget, actual revenue and expenditures, and variances between final budget and actual for the General Fund are presented on Exhibit 10.

Note 2. Schedules of Changes in Net Pension Liability and Pension Contributions and Net OPEB liability and OPEB contributions VRS plans

Changes of Benefit Terms

Pension: There have been no actuarially material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

Other Postemployment Benefits (OPEB): There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Note 2. Schedules of Changes in Net Pension Liability and Pension Contributions and Net OPEB liability and OPEB contributions VRS plans

Changes of Assumptions (Continued)

The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest 10 – Non-Hazardous Duty:
- Update mortality table
- Lowered in rates of service retirement
- Update withdrawal rates to better fit experience
- Lowered in rates of disability retirement
- No changes to salary rates
- .Increase Line of Duty Disability rates
- Applicable to: Pension, GLI OPEB, and HIC OPEB

Largest 10 – Hazardous Duty/Public Safety Employees:
- Update mortality table
- Lowered rates of retirement at older ages
- Update withdrawal rates to better fit experience
- Increased disability rates
- No changes to salary rates
- Increased Line of Duty disability rates
- Applicable to: Pension and GLI OPEB

All Others (Non 10 Largest) – Non-Hazardous Duty:
- Update mortality table
- Lowered rates of retirement at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience
- Lowered disability rates
- No changes to salary rates
- Increased Line of Duty disability rates.
- Applicable to: Pension, GLI OPEB, and HIC OPEB

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:
- Update mortality table
- Increased retirement rate at age 50 and lowered rates at older ages
- Update withdrawal rates to better fit experience
- Update disability rates to better fit experience
- No changes to salary rates
- Lowered Line of Duty rate
- Applicable to: Pension and GLI OPEB

Teacher cost-sharing pool
- Update mortality table
- Lowered retirement rates at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience
- Update disability rates to better fit experience
- No changes to salary rates
- Applicable to: Pension, GLI OPEB, and HIC OPEB

Note 3. Schedules of Changes in Net OPEB Liability and OPEB Contributions

Changes of Assumptions

The last full actuarial valuation for both the City and School Board was performed as of July 1, 2017.

The valuation was updated as of July 1, 2018. The following items have changed:

- The termination and retirement tables have been updated to be consistent with the June 30, 2018 VRS Comprehensive annual financial report.
- The mortality table has been updated to the RP-2014, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2018.
- The discount rate was decreased from 7.5% to 6.59%.
- Medical trend rates were assumed to increase 2% to 9% for 2019, decrease to 6.5% for 2020, then decrease .25% per year to an ultimate rate of 4.5%

THIS PAGE INTENTIONALLY BLANK

OTHER SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY BLANK

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Blue Ridge Court Services Fund – This fund accounts for the activities of Blue Ridge Court services, which provides parole and probation services. Financing is provided by charges for services and state and federal funds.

Grants Fund – This fund accounts for state and federal grant programs of the City. Financing is provided by state and federal funds, along with local matching funds. These funds may be used only for specific purposes.

Community Development Fund – This fund is used to account for the proceeds of federal Community Development grants and other federal and state source revenue for community development. Expenditures are restricted by terms of the grants to community development activities. Community Development Block Grants (CDBG) for general government purposes are also reported in this fund.

Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

CITY OF STAUNTON, VIRGINIA

COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue Funds			Debt Service Fund	Total
	Blue Ridge Court Services	Grants	Community Development	Debt Service	Nonmajor Governmental
Assets					
Cash and cash equivalents	$ 173,623	$ -	$ 196,315	$ 5,045,776	$ 5,415,714
Receivables, net	73,424	-	-	-	73,424
Due from other governmental units	-	13,030	77,332	-	90,362
Total assets	$ 247,047	$ 13,030	$ 273,647	$ 5,045,776	$ 5,579,500
Liabilities					
Accounts payable	$ 17,609	$ 13,030	$ 56,845	$ -	$ 87,484
Accrued liabilities	23,280	-	-	-	23,280
Total liabilities	40,889	13,030	56,845	-	110,764
Fund balances					
Restricted	14,987	-	-	-	14,987
Assigned	191,171	-	216,802	5,045,776	5,453,749
Total fund balances	206,158	-	216,802	5,045,776	5,468,736
Total liabilities and fund balances	$ 247,047	$ 13,030	$ 273,647	$ 5,045,776	$ 5,579,500

CITY OF STAUNTON, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	Special Revenue Funds			Debt Service Fund	Total
	Blue Ridge Court Services	Grants	Community Development	Debt Service	Nonmajor Governmental
REVENUES					
Revenues from use of money and property	$ 235	$ -	$ 533	$ 7,169	$ 7,937
Charges for services	154,704	-	-	-	154,704
Miscellaneous	98,354	-	-	-	98,354
Intergovernmental:					
Federal	-	53,967	32,370	-	86,337
Commonwealth	717,653	-	44,962	-	762,615
Total revenues	970,946	53,967	77,865	7,169	1,109,947
EXPENDITURES					
Current:					
Judicial administration	-	6,657	-	-	6,657
Public safety	995,975	47,310	-	-	1,043,285
Community development	-	-	122,294	-	122,294
Debt service:					
Principal retirement	-	-	-	2,597,575	2,597,575
Interest and fiscal charges	-	-	-	964,810	964,810
Total expenditures	995,975	53,967	122,294	3,562,385	4,734,621
Excess (deficiency) of revenues over expenditures	(25,029)	-	(44,429)	(3,555,216)	(3,624,674)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	5,147,750	5,147,750
Total other financing sources	-	-	-	5,147,750	5,147,750
Net change in fund balance	(25,029)	-	(44,429)	1,592,534	1,523,076
Fund balances - beginning of year	231,187	-	261,231	3,453,242	3,945,660
Fund balances - ending of year	$ 206,158	$ -	$ 216,802	$ 5,045,776	$ 5,468,736

CITY OF STAUNTON, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
BLUE RIDGE COURT SERVICES FUND
Year Ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Revenues from use of money and property	$ -	$ 235	$ 235
Charges for services	255,805	154,704	(101,101)
Miscellaneous	99,812	98,354	(1,458)
Intergovernmental:			
Commonwealth	716,383	717,653	1,270
Total revenues	1,072,000	970,946	(101,054)
EXPENDITURES			
Current:			
Public safety	1,072,000	995,975	76,025
Total expenditures	1,072,000	995,975	76,025
Deficiency of revenues over expenditures	-	(25,029)	(25,029)
Net change in fund balance	$ -	$ (25,029)	$ (25,029)

CITY OF STAUNTON, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GRANTS FUND
Year Ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental:			
Federal	$ 52,280	$ 53,967	$ 1,687
Total revenues	52,280	53,967	1,687
EXPENDITURES			
Current:			
Judicial Administration	-	6,657	(6,657)
Public Safety	52,280	47,310	4,970
Total expenditures	52,280	53,967	(1,687)
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	$ -	$ -	$ -

CITY OF STAUNTON, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
Year Ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Revenues from use of money and property	$ -	$ 533	$ 533
Intergovernmental:			
Federal	50,000	32,370	(17,630)
Commonwealth	75,000	44,962	(30,038)
Total revenues	125,000	77,865	(47,135)
EXPENDITURES			
Current:			
Community Development	201,000	122,294	78,706
Total expenditures	201,000	122,294	78,706
Excess of revenues over expenditures	(76,000)	(44,429)	31,571
OTHER FINANCING SOURCES (USES)			
Appropriation of prior year reserves/encumbrances	76,000	-	(76,000)
Total other financing sources (uses)	76,000	-	(76,000)
Net change in fund balance	$ -	$ (44,429)	$ (44,429)

CITY OF STAUNTON, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Revenues from use of money and property	$ -	$ 7,169	$ 7,169
Total revenues	-	7,169	7,169
EXPENDITURES			
Current:			
Debt Service			
Principal	2,490,580	2,597,575	(106,995)
Interest and fiscal charges	955,720	964,810	(9,090)
Debt reserve	1,701,450	-	1,701,450
Total expenditures	5,147,750	3,562,385	1,585,365
Deficiency of revenues over expenditures	(5,147,750)	(3,555,216)	1,592,534
OTHER FINANCING SOURCES			
Transfers in:			
Transfer from General fund	5,147,750	5,147,750	-
Total other financing sources	5,147,750	5,147,750	-
Net change in fund balance	$ -	$ 1,592,534	$ 1,592,534

CITY OF STAUNTON, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND
From Inception of Project through June 30, 2019

	Prior Years Actual	Current Year Actual	Total Actual to Date	Project Authorization
REVENUES				
Revenues from use of money and property	$ 261,661	$ 145,350	$ 407,011	$ 305,314
Recovered costs	2,406,271	-	2,406,271	2,471,983
Miscellaneous	24,450	-	24,450	450
Intergovernmental:				
Federal	644,672	20,568	665,240	2,290,907
Commonwealth of Virginia	3,484,361	946,398	4,430,759	5,198,817
Total revenues	6,821,415	1,112,316	7,933,731	10,267,471
EXPENDITURES				
Capital outlay:				
General government administration	2,601,125	21,850	2,622,975	2,716,210
Public safety	6,712,708	-	6,712,708	7,757,942
Public works	9,790,814	1,047,316	10,838,130	16,365,137
Education	1,033,193	3,819,423	4,852,616	50,338,940
Parks, recreation, and culture	2,050,860	87,682	2,138,542	2,888,587
Community development	2,902,027	47,700	2,949,727	5,743,419
Debt service:				
Bond issuance costs	-	114,508	114,508	119,708
Interest and fiscal charges	165,000	-	165,000	165,000
Total expenditures	25,255,727	5,138,479	30,394,206	86,094,943
Deficiency of revenues over expenditures	(18,434,312)	(4,026,163)	(22,460,475)	(75,827,472)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	43,760,000	43,760,000	46,000,000
Premium on school constrution bonds	-	2,329,862	2,329,862	-
Transfers in	25,638,729	3,391,050	29,029,779	37,003,254
Transfers out	(7,656,943)	-	(7,656,943)	(7,656,943)
Total other financing sources (uses)	17,981,786	49,480,912	67,462,698	75,346,311
Net change in fund balance		$ 45,454,749		

NONMAJOR PROPRIETARY FUNDS

Proprietary Funds are used to account for the City's ongoing organizations and activities similar to those found in the private sector.

Golf Fund – This fund accounts for the operations of the City's Gypsy Hill Golf Course. The golf fund was closed as of 7/1/2018 and operations reverted to the general fund

Parking Fund – This fund accounts for the operations of the City's parking garage and lot system.

CITY OF STAUNTON, VIRGINIA

COMBINING STATEMENT OF NET POSITION – NONMAJOR PROPRIETARY FUNDS
June 30, 2019

	Business-Type Activities – Nonmajor Enterprise Funds		
	Golf	Parking	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ -	$ 656,210	$ 656,210
Receivables, net	-	17,595	17,595
Restricted assets:			
Cash and cash equivalents	-	255,045	255,045
Total current assets	-	928,850	928,850
Capital assets:			
Nondepreciable	-	1,034,249	1,034,249
Depreciable, net	-	5,887,951	5,887,951
Total capital assets, net	-	6,922,200	6,922,200
Total noncurrent assets	-	6,922,200	6,922,200
Total assets	-	7,851,050	7,851,050
LIABILITIES			
Current liabilities:			
Accounts payable	-	109,553	109,553
Accrued liabilities	-	27,292	27,292
Deposits payable	-	5,314	5,314
Virginia Revolving Loan Fund	-	103,744	103,744
Total current liabilities	-	245,903	245,903
Noncurrent liabilities:			
Virginia Revolving Loan Fund	-	2,064,369	2,064,369
Total noncurrent liabilities	-	2,064,369	2,064,369
Total liabilities	-	2,310,272	2,310,272
NET POSITION			
Net investment in capital assets	-	4,896,437	4,896,437
Unrestricted	-	644,341	644,341
Total net position	$ -	$ 5,540,778	$ 5,540,778

CITY OF STAUNTON, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2019

	Business-Type Activities – Nonmajor Enterprise Funds		
	Golf	Parking	Total
OPERATING REVENUES			
Parking fines	$ -	$ 65,493	$ 65,493
Charges for services	-	352,217	352,217
Rental of property	-	4,510	4,510
Miscellaneous	-	489	489
Total operating revenues	-	422,709	422,709
OPERATING EXPENSES			
Personal services	-	113,953	113,953
Rental of property	-	10,051	10,051
Repairs and maintenance	-	2,035	2,035
Contractual services	-	10,748	10,748
Materials and supplies	-	4,896	4,896
Depreciation	-	144,199	144,199
Utilities	-	30,294	30,294
Other expenses	-	120,337	120,337
Total operating expenses	-	436,513	436,513
Operating income (loss)	-	(13,804)	(13,804)
NONOPERATING REVENUES (EXPENSES)			
Interest income	-	31,895	31,895
Interest and fiscal charges	-	(87,118)	(87,118)
Total nonoperating revenues (expenses)	-	(55,223)	(55,223)
Loss before transfers	-	(69,027)	(69,027)
Capital Contributed from governmental activities	168,291	-	168,291
Transfers in	21,025	-	21,025
Change in net position	189,316	(69,027)	120,289
Total net position	(189,316)	5,609,805	5,420,489
Total net position - end of year	$ -	$ 5,540,778	$ 5,540,778

EXHIBIT B-3

CITY OF STAUNTON, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS –
NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2019

	Business-Type Activities – Nonmajor Enterprise Funds		
	Golf	Parking	Total
OPERATING ACTIVITIES			
Cash received from customers	$ -	$ 423,545	$ 423,545
Cash paid to suppliers	-	(177,871)	(177,871)
Cash paid to employees for services	-	(113,090)	(113,090)
Net cash provided by operating activities	-	132,584	132,584
NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(2,218)	-	(2,218)
Net cash used by noncapital financing activities	(2,218)	-	(2,218)
CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(1,790,903)	(1,790,903)
Principal paid on long-term debt	-	(109,645)	(109,645)
Interest paid on long-term debt	-	(87,020)	(87,020)
Net cash used by capital and related financing activities	-	(1,987,568)	(1,987,568)
INVESTING ACTIVITIES			
Interest received	-	31,895	31,895
Net cash provided by investing activities	-	31,895	31,895
Net decrease in cash and cash equivalents	(2,218)	(1,823,089)	(1,825,307)
CASH AND CASH EQUIVALENTS			
Beginning of year	2,218	2,734,344	2,736,562
End of year	$ -	$ 911,255	$ 911,255
Cash and cash equivalents at end of year is composed of the following:			
Cash and cash equivalents	$ -	$ 656,210	$ 656,210
Restricted cash and cash equivalents	-	255,045	255,045
Total	$ -	$ 911,255	$ 911,255

CITY OF STAUNTON, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS –
NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2019

	Business-Type Activities – Nonmajor Enterprise Funds		
	Golf	Parking	Total
Reconciliation of loss to net cash provided by operating activities:			
Operating loss	$ -	$ (13,804)	$ (13,804)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	-	144,199	144,199
Change in assets and liabilities:			
Increase in accounts receivable	-	(28)	(28)
Increase in accounts payable	-	490	490
Increase in accrued liabilities	-	863	863
Iecrease in deposits payable	-	864	864
Net cash provided (used) by operating activities	$ -	$ 132,584	$ 132,584
Noncash investing, capital, and financing activities:			
Capital assets purchased on account	$ -	$ 43,311	$ 43,311
Total noncash activities	$ -	$ 43,311	$ 43,311

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services to other departments of the City on a cost reimbursement basis.

Health Insurance Fund – This fund is a self-insured fund used to account for employee health care costs.

Inventory Fund – This fund accounts for the sale of goods to other departments of the City.

CITY OF STAUNTON, VIRGINIA

COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
June 30, 2019

	Health Insurance	Inventory	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 5,728,547	$ 502,630	$ 6,231,177
Receivables, net	60,606	4,541	65,147
Inventory	-	218,297	218,297
Prepaid items	-	19,852	19,852
Total current assets	5,789,153	745,320	6,534,473
Noncurrent assets:			
Capital assets:			
Depreciable, net	-	53,871	53,871
Total capital assets, net	-	53,871	53,871
Total noncurrent assets	-	53,871	53,871
Total assets	5,789,153	799,191	6,588,344
LIABILITIES			
Current liabilities:			
Accounts payable	8,741	15,706	24,447
Claims payable	700,000	-	700,000
Total current liabilities	708,741	15,706	724,447
Total liabilities	708,741	15,706	724,447
NET POSITION			
Net investment in capital assets	-	53,871	53,871
Unrestricted	5,080,412	729,614	5,810,026
Total net position	$ 5,080,412	$ 783,485	$ 5,863,897

CITY OF STAUNTON, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS
Year Ended June 30, 2019

	Health Insurance	Inventory	Total
OPERATING REVENUES			
Charges for services	$ 7,477,148	$ 914,416	$ 8,391,564
Miscellaneous	24,736	-	24,736
Total operating revenues	7,501,884	914,416	8,416,300
OPERATING EXPENSES			
Claims paid	5,509,239	-	5,509,239
Rental of property	-	2,573	2,573
Administrative charges	266,209	-	266,209
Stop loss fees	948,308	-	948,308
Contractual services	-	28,430	28,430
Materials and supplies	-	27,308	27,308
Depreciation	-	3,398	3,398
Other expenses	-	841,417	841,417
Total operating expenses	6,723,756	903,126	7,626,882
Operating income	778,128	11,290	789,418
NONOPERATING REVENUES			
Interest income	12,805	1,039	13,844
Total nonoperating revenues	12,805	1,039	13,844
Change in net position	790,933	12,329	803,262
Total net position - beginning of year	4,289,479	771,156	5,060,635
Total net position - end of year	$ 5,080,412	$ 783,485	$ 5,863,897

EXHIBIT C-3

CITY OF STAUNTON, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS –
INTERNAL SERVICE FUNDS
Year Ended June 30, 2019

	Health Insurance	Inventory	Total
OPERATING ACTIVITIES			
Cash received from internal services provided	$ 7,685,079	$ 928,269	$ 8,613,348
Cash paid to suppliers	-	(878,202)	(878,202)
Claims paid	(5,752,217)	-	(5,752,217)
Administrative and stop loss fees	(1,215,824)	-	(1,215,824)
Net cash provided by operating activities	717,038	50,067	767,105
INVESTING ACTIVITIES			
Interest received	12,805	1,039	13,844
Net cash provided by investing activities	12,805	1,039	13,844
Net increase in cash and cash equivalents	729,843	51,106	780,949
CASH AND CASH EQUIVALENTS			
Beginning of year	4,998,704	451,524	5,450,228
End of year	$ 5,728,547	$ 502,630	$ 6,231,177
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 778,128	$ 11,290	$ 789,418
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	3,398	3,398
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(59,783)	13,853	(45,930)
Increase in prepaid items	-	(3,919)	(3,919)
Decrease in inventory	-	28,307	28,307
Decrease in accounts payable	(1,307)	(2,862)	(4,169)
Net cash provided by operating activities	$ 717,038	$ 50,067	$ 767,105

There were no noncash investing, capital, or financing activities.

THIS PAGE INTENTIONALLY BLANK

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

Major Funds

Special Revenue Funds:

Education Fund – This fund is used to account for the operations and maintenance of the six city owned schools. Financing is provided by state and federal funds, and by appropriations from the City's general revenues. State and federal education funds received may be used only for this purpose. Annual appropriations from general revenues were restricted by the Appropriations Resolution to education expenditures.

Nonmajor Funds

Special Revenue Funds:

School Cafeteria Fund – This fund is used to account for the operation and maintenance of the cafeterias of the six City owned schools. Financing is provided primarily from charges for services and federal and state lunch subsidies. Such funds are limited to expenditure for cafeteria operations and maintenance by federal and state law.

Textbook Fund – This fund is used to account for the purchase and sale of school textbooks. Financing is provided primarily by state subsidies and the required local match. Funds so received are limited by the Commonwealth to expenditure only for school textbooks.

State Operated Programs Fund – This fund is used to account for revenues and expenditures associated with the operation of education programs in certain state-run hospital and juvenile detention facilities. The state contracts with the School Board to provide education programs to persons in those facilities who are required by law to receive the benefit of public education. The education programs are fully funded by state operating grants with occasional funding by federal operating grants. Thus, revenues equal the expenditures that are composed primarily of staff salaries and fringe benefits, along with moderate amounts of educational materials and purchase of services.

Capital Projects Funds:

School Construction Fund – This fund is used to account for the construction of school facilities and other major capital projects. Financing is provided by transfers from the General Fund and certain state revenues, limited to expenditure for school capital projects.

Agency Fund:

Genesis Fund – This fund is used to account for the operations, in a fiscal agent capacity, of a regional alternative education program for the Cities of Staunton, Harrisonburg, and Waynesboro, and the County of Augusta. Receipts consist of state education funds and tuition payments from the participating localities, and are restricted to use only for this regional program.

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 6,366,247
Accounts receivable	206,824
Due from other governmental units	2,563,157
Prepaid items	3,460
Capital assets:	
Land	236,000
Other capital assets, net of accumulated depreciation	9,926,224
Total assets	19,301,912
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	3,301,968
Deferred outflows related to other post employment benefits	928,835
	4,230,803
LIABILITIES	
Accounts payable	362,974
Accrued liabilities	1,772,666
Amounts held for others	7,412
Unearned revenue	1,000
Noncurrent liabilities:	
Due within one year	152,276
Due in more than one year	
Net pension liability	25,326,033
Net other post employment benefit liability	6,940,414
Other debt	483,334
Total liabilities	35,046,109
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	3,603,102
Deferred inflows related to other postemployment benefits	758,964
Total deferred inflows of resources	4,362,066
NET POSITION	
Net investment in capital assets	10,162,224
Restricted for:	
Programs	87,867
Donor purposes	29,133
Unrestricted	(26,154,684)
Total net position	$ (15,875,460)

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
Instruction and related services	$ 26,106,900	$ 1,129,389	$ 10,484,389	$ 17,670	$ (14,475,452)
Administration, attendance, and health	1,733,192	-	-	-	(1,733,192)
Pupil transportation	1,349,619	-	5,926	-	(1,343,693)
Food service	1,463,535	294,240	1,254,915	-	85,620
Operations	2,768,666	-	29,856	75,255	(2,663,555)
Facilities	24,684	-	20,617	-	(4,067)
Technology	1,403,342	-	-	-	(1,403,342)
Total School Board	$ 34,849,938	$ 1,423,629	$ 11,795,703	$ 92,925	(21,537,681)

General revenues:	
Unrestricted investment earnings	19,572
Grants and contributions not restricted to specific programs	10,558,945
Net payment from City of Staunton	13,400,000
Total general revenues	23,978,517
Change in net position	2,440,836
Net position - beginning of year	(18,316,296)
Net position - end of year	$ (15,875,460)

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2019

	Education	Other Governmental	Total Governmental
Assets			
Cash and cash equivalents	$ 2,312,998	$ 4,053,249	$ 6,366,247
Accounts receivable	131,832	74,992	206,824
Prepaid items	475	2,985	3,460
Due from other governmental units	1,752,671	810,486	2,563,157
Due from other funds	603,835	-	603,835
Total assets	$ 4,801,811	$ 4,941,712	$ 9,743,523
Liabilities			
Accounts payable	$ 346,664	$ 16,310	$ 362,974
Accrued liabilities	1,601,551	192,913	1,794,464
Due to other funds	-	603,835	603,835
Unearned revenue	1,000	-	1,000
Held for others	2,124	5,288	7,412
Total liabilities	1,951,339	818,346	2,769,685
Deferred Inflows of Resources			
Unavailable revenue	131,277	-	131,277
Fund Balances			
Nonspendable	475	2,985	3,460
Restricted			
Programs	37,500	50,367	87,867
Donor	24,598	4,535	29,133
Assigned	2,656,622	4,065,479	6,722,101
Total fund balances	2,719,195	4,123,366	6,842,561
Total liabilities, deferred inflows of resources and fund balances	$ 4,801,811	$ 4,941,712	$ 9,743,523

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
RECONCILIATION OF BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2019

Total Fund Balances – Component Unit School Board		$ 6,842,561
Amounts reported for governmental activities in the statement of net position (Exhibit D-1) are different because:		
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.		
Capital assets	$ 26,533,911	
Less: accumulated depreciation	(16,371,687)	10,162,224
Receivables that are not available to pay for current period expenditures are not reported in the funds.		131,277
Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows	$ 3,301,968	
Deferred inflows	(3,603,102)	
Net pension liability	(25,326,033)	(25,627,167)
Financial statement elements related to other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows	$ 928,835	
Deferred inflows	(758,964)	
Net OPEB liability	(6,940,414)	(6,770,543)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(613,812)
Total Net Position – Component Unit School Board		$ (15,875,460)

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	Education	Other Governmental	Total Governmental
REVENUES			
Revenues from use of money and property	$ 16,517	$ 18,445	$ 34,962
Charges for services	1,113,999	294,240	1,408,239
Miscellaneous	212,725	87,748	300,473
Recovered costs	78,800	415,737	494,537
Intergovernmental:			
Federal	1,911,567	1,087,068	2,998,635
Commonwealth	16,049,315	2,508,646	18,557,961
City of Staunton	13,200,000	200,000	13,400,000
Total revenues	32,582,923	4,611,884	37,194,807
EXPENDITURES			
Current:			
Education	31,186,656	4,235,142	35,421,798
Capital projects	-	128,899	128,899
Total expenditures	31,186,656	4,364,041	35,550,697
Excess (deficiency) of revenues over expenditures	1,396,267	247,843	1,644,110
OTHER FINANCING SOURCES (USES)			
Transfers in	92,356	1,148,315	1,240,671
Transfers out	(1,148,315)	(92,356)	(1,240,671)
Total other financing sources (uses)	(1,055,959)	1,055,959	-
Net change in fund balances	340,308	1,303,802	1,644,110
Fund balances - beginning of year	2,378,887	2,819,564	5,198,451
Fund balances - end of year	$ 2,719,195	$ 4,123,366	$ 6,842,561

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities (Exhibit D-2) are different because:		
Net changes in fund balances - school board component unit		$ 1,644,110
Governmental funds report the cost of capital assets acquired as current expenditures while the statement of activities reports depreciation expense to allocate those expenditures over the life of the assets.		
Depreciation	$ (740,262)	
Capital expenses	317,395	
Contributed Capital	6,775	(416,092)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		1,571
Governmental funds report employer contributions to other postemployment benefit as expenditures. However, in the statement of activities the cost of other postemployment benefits earned net of employee contributions is reported as OPEB expense.		
Employer OPEB contributions	$ 855,837	
OPEB expense	(356,821)	499,016
Governmental funds report employer pension contributions as expenditures. However in the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Employer pension contributions	$ 2,813,370	
Pension expense	(2,011,175)	802,195
Some expenses reported in the statement of activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences		(89,964)
Change in net position of governmental activities		$ 2,440,836

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue Funds			Capital Projects Fund	
	School Cafeteria	Textbook	State Operated Programs	School Construction	Total Nonmajor Governmental
Assets					
Cash and cash equivalents	$ 390,556	$ 847,137	$ -	$ 2,815,556	$ 4,053,249
Receivables:					
Accounts receivable	-	-	74,992	-	74,992
Prepaid expenses	-	-	2,985	-	2,985
Due from other governmental units	34,818	-	677,335	98,333	810,486
Total assets	$ 425,374	$ 847,137	$ 755,312	$ 2,913,889	$ 4,941,712
Liabilities					
Accounts payable	$ 15,139	$ -	$ 1,171	$ -	$ 16,310
Accrued liabilities	47,895	-	145,018	-	192,913
Due to other funds	-	-	603,835	-	603,835
Held for others	-	-	5,288	-	5,288
Total liabilities	63,034	-	755,312	-	818,346
Fund Balance					
Nonspendable	-	-	2,985	-	2,985
Restricted					
Programs	50,367	-	-	-	50,367
Donor	4,535	-	-	-	4,535
Assigned	307,438	847,137	(2,985)	2,913,889	4,065,479
Total fund balances	362,340	847,137	-	2,913,889	4,123,366
Total liabilities and fund balances	$ 425,374	$ 847,137	$ 755,312	$ 2,913,889	$ 4,941,712

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	Special Revenue Funds			Capital Projects Fund	
	School Cafeteria	Textbook	State Operated Programs	School Construction	Total Nonmajor Governmental
REVENUES					
Revenues from use of money and property	$ 655	$ 1,625	$ -	$ 16,165	$ 18,445
Charges for services	294,240	-	-	-	294,240
Miscellaneous	56,541	-	31,207	-	87,748
Recovered costs	-	-	415,737	-	415,737
Intergovernmental:					
Federal	1,060,641	-	26,427	-	1,087,068
Commonwealth	50,112	158,969	2,201,232	98,333	2,508,646
City of Staunton	-	-	-	200,000	200,000
Total revenues	1,462,189	160,594	2,674,603	314,498	4,611,884
EXPENDITURES					
Current:					
Education	1,438,523	156,502	2,582,247	57,870	4,235,142
Capital projects	-	-	-	128,899	128,899
Total expenditures	1,438,523	156,502	2,582,247	186,769	4,364,041
Excess (deficiency) of revenues over expenditures	23,666	4,092	92,356	127,729	247,843
OTHER FINANCING SOURCES (USES)					
Transfers in	-	98,315	-	1,050,000	1,148,315
Transfers out	-	-	(92,356)	-	(92,356)
Total other financing sources (uses)	-	98,315	(92,356)	1,050,000	1,055,959
Net change in fund balances	23,666	102,407	-	1,177,729	1,303,802
Fund balances - beginning of year	338,674	744,730	-	1,736,160	2,819,564
Fund balances - end of year	$ 362,340	$ 847,137	$ -	$ 2,913,889	$ 4,123,366

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE –
EDUCATION FUND
Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from use of money and property	$ 25,000	$ 25,000	$ 16,517	$ (8,483)
Charges for services	932,448	932,448	1,113,999	181,551
Miscellaneous	105,751	158,661	212,725	54,064
Recovered costs	21,000	62,652	78,800	16,148
Intergovernmental:				
Federal	1,732,406	2,616,977	1,911,567	(705,410)
Commonwealth	15,618,818	15,706,318	16,049,315	342,997
City of Staunton	13,200,000	13,200,000	13,200,000	-
Total revenues	31,635,423	32,702,056	32,582,923	(119,133)
EXPENDITURES				
Current:				
Education	31,670,685	33,160,190	31,186,656	1,973,534
Total expenditures	31,670,685	33,160,190	31,186,656	1,973,534
Excess (deficiency) of revenues over expenditures	(35,262)	(458,134)	1,396,267	1,854,401
OTHER FINANCING SOURCES (USES)				
Appropriation of prior year reserve/encumbrances	100,000	1,522,872	-	(1,522,872)
Transfers in:				
Transfer from State Operated Programs Fund	83,577	83,577	92,356	8,779
Transfers out:				
Transfer to School Textbook Fund	(98,315)	(98,315)	(98,315)	-
Transfer to School Construction Fund	(50,000)	(1,050,000)	(1,050,000)	-
Total other financing sources (uses)	35,262	458,134	(1,055,959)	(1,514,093)
Net change in fund balance	$ -	$ -	$ 340,308	$ 340,308

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019

	Agency Fund Genesis
ASSETS	
Cash and cash equivalents	$ 485,340
Total assets	$ 485,340
LIABILITIES	
Amounts held for Program	$ 443,582
Accounts payable	2,080
Accrued liabilities	39,678
Total liabilities	$ 485,340

EXHIBIT D-9

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUND
Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
GENESIS FUND				
ASSETS				
Cash and cash equivalents	$ 546,953	$ 670,997	$ 732,610	$ 485,340
Accounts receivable	-	182,334	182,334	-
Total assets	$ 546,953	853,331	914,944	$ 485,340
LIABILITIES				
Amounts held for Program	$ 513,772	$ 702,097	$ 772,287	$ 443,582
Accounts payable	5,112	48,851	51,883	2,080
Accrued liabilities	28,069	40,253	28,644	39,678
Total liabilities	$ 546,953	$ 791,201	$ 852,814	$ 485,340

DISCRETELY PRESENTED COMPONENT UNIT – EDA

The Economic Development Authority of the City of Staunton, VA (EDA) was created as a political subdivision of the Commonwealth of Virginia by ordinance of the City Council of Staunton, VA on January 26, 1984, pursuant to the provisions of the Industrial Development and Revenue Bond Act (Chapter 33, Section 15.1-1373. et seq., of the Code of Virginia (1050) as amended). The original name was the Industrial Development Authority of the City of Staunton, VA. The name was formally changed to the Economic Development Authority of the City of Staunton, VA effective July 26, 2010.

The EDA is governed by seven directors appointed by the City Council. It is authorized to acquire, own, lease, and dispose of properties to the end that such activities may promote industry and develop trade by inducing enterprises to locate and remain in Staunton.

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – EDA
STATEMENT OF NET POSITION
June 30, 2019

ASSETS	
Cash and cash equivalents	$ 497,125
Accounts receivable	16,667
Inventory	12,970,053
Capital assets:	
Nondepreciable assets	793,946
Depreciable assets, net	6,374,996
Total assets	20,652,787
LIABILITIES	
Accounts payable	463,539
Due to primary government	12,750,000
Total liabilities	13,213,539
NET POSITION	
Net investment in capital assets	7,168,942
Unrestricted	270,306
Total net position	$ 7,439,248

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – EDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2019

OPERATING REVENUES		
Charges for services	$	6,957
Rental of property		6,000
Operating grants-City		585,346
Sale of salvage		9,500
Total operating revenues		607,803
OPERATING EXPENSES		
Professional fees		3,696
Stonewall Jackson rental payment		25,000
Enterprise Zone payment		79,053
Villages		95,554
Staunton Frontier		388,155
Depreciation		229,220
Total operating expenses		820,678
Operating loss		(212,875)
NONOPERATING REVENUES (EXPENSES)		
Interest income		124
Total nonoperating revenues (expenses)		124
Change in net position		(212,751)
Net position - beginning of year		7,651,999
Net position - end of year	$	7,439,248

CITY OF STAUNTON, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – EDA
STATEMENT OF CASH FLOWS
Year Ended June 30, 2019

OPERATING ACTIVITIES		
Cash received from customers	$	37,957
Cash paid to suppliers/grantees		(263,957)
Other operating grants		560,346
Sale of salvage		9,500
Net cash provided by operating activities		343,846
INVESTING ACTIVITIES		
Interest received		124
Net cash provided by investing activities		124
Net increase in cash and cash equivalents		343,970
CASH AND CASH EQUIVALENTS		
Beginning of year		153,155
End of year	$	497,125
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	(212,875)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation		229,220
Change in assets and liabilities:		
Increase in accounts payable		327,501
Net cash provided by operating activities	$	343,846

There were no noncash investing, capital, or financing activities.

SUPPLEMENTARY SCHEDULES

Certain Governmental Funds and Discretely Presented Component Unit – School Board

Schedule 1: Schedule of Revenues – Budget and Actual

Schedule 2: Schedule of Expenditures – Budget and Actual

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF REVENUES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Major and Minor Revenue Source	Final Budget	Actual	Variance Positive (Negative)
PRIMARY GOVERNMENT:			
General Fund:			
Revenue from Local Sources:			
General property taxes:			
Real property taxes	$ 18,345,000	$ 19,018,706	$ 673,706
Real and personal public service corporation property taxes	804,000	905,126	101,126
Personal property taxes	5,015,000	5,456,542	441,542
Machinery and tools taxes	520,635	514,772	(5,863)
Penalties and interest	400,000	462,158	62,158
Total General Property Taxes	25,084,635	26,357,304	1,272,669
Other local taxes:			
Local sales and use taxes	4,015,000	4,434,974	419,974
Consumers' utility taxes	1,150,000	1,172,913	22,913
Local communication tax	1,320,000	1,185,978	(134,022)
Business license taxes	2,200,000	2,353,732	153,732
Bank stock taxes	425,000	525,685	100,685
Taxes on recordation and wills	187,000	235,078	48,078
Lodging taxes	890,000	874,948	(15,052)
Restaurant food tax	4,112,500	4,727,323	614,823
Short term rental tax	25,000	26,236	1,236
Cigarette tax	400,000	423,200	23,200
Total Other Local Taxes	14,724,500	15,960,067	1,235,567
Permits, privilege fees, and regulatory licenses:			
Animal licenses	12,000	10,188	(1,812)
Permits and other licenses	255,300	244,774	(10,526)
Total Permits, Privilege Fees, and Regulatory Licenses	267,300	254,962	(12,338)
Fines and forfeitures	121,570	254,056	132,486
Revenue from use of money and property:			
Revenue from use of money	165,000	213,737	48,737
Revenue from use of property	46,100	47,374	1,274
Total Revenue from Use of Money and Property	211,100	261,111	50,011

(Continued)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF REVENUES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Major and Minor Revenue Source	Final Budget	Actual	Variance Positive (Negative)
PRIMARY GOVERNMENT: (cont'd)			
General Fund: (cont'd)			
Revenue from Local Sources: (cont'd)			
Charges for services:			
Court costs	$ 4,000	$ 3,730	$ (270)
Charges for Commonwealth's Attorney	3,000	4,595	1,595
Charges for Sheriff	2,617	2,617	-
Courtroom security fee	30,000	49,752	19,752
Jail admission fee	3,500	3,504	4
Court recorder fees	9,000	11,105	2,105
Charges for publications and maps	2,000	332	(1,668)
Charges for parks and recreation	342,000	387,271	45,271
Charges for golf	102,000	88,847	(13,153)
Charges for library fines	25,000	21,622	(3,378)
Tourism advertising	-	2,500	2,500
Property clean up fees	2,000	2,291	291
Administrative fees	28,000	33,331	5,331
Payments in lieu of tax from Enterprise funds	1,246,761	1,233,959	(12,802)
Charges for tax-exempt organizations	4,800	4,790	(10)
Total Charges for Services	1,804,678	1,850,246	45,568
Miscellaneous revenue:			
Payment in lieu of tax-SRHA	13,500	13,593	93
Sale of salvage and surplus	15,000	7,420	(7,580)
Donations	117,290	61,452	(55,838)
Tourism grants	-	14,114	14,114
Miscellaneous	-	9,833	9,833
Total Miscellaneous Revenue	145,790	106,412	(39,378)
Recovered Costs	1,207,543	1,228,767	21,224
Total Revenue from Local Sources	43,567,116	46,272,925	2,705,809
Revenue from the Commonwealth:			
Non-categorical Aid:			
Public facilities tax	120,000	108,779	(11,221)
Rolling stock taxes	14,000	9,764	(4,236)
Auto rental taxes	75,000	89,568	14,568
Law enforcement	886,250	919,044	32,794
Grantor's tax	45,000	59,084	14,084
Recordation tax	57,000	71,993	14,993
PPTRA reimbursement	1,652,200	1,652,200	-
Total Non-Categorical Aid	2,849,450	2,910,432	60,982

(Continued)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF REVENUES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Major and Minor Revenue Source	Final Budget	Actual	Variance Positive (Negative)
PRIMARY GOVERNMENT: (cont'd)			
General Fund: (cont'd)			
Revenue from the Commonwealth: (cont'd)			
Categorical Aid:			
Shared expenses:			
Commonwealth's attorney	$ 415,000	$ 405,077	$ (9,923)
Sheriff	292,800	289,319	(3,481)
Commissioner of the revenue	122,485	119,215	(3,270)
Treasurer	111,792	109,972	(1,820)
Registrar/Electoral Board	37,000	37,500	500
Circuit court clerk	283,140	263,478	(19,662)
Circuit court clerk-technology trust fund	14,300	29,784	15,484
Total Shared Expenses	1,276,517	1,254,345	(22,172)
Health and welfare	1,494,212	1,316,222	(177,990)
Other Categorical Aid:			
Street and highway maintenance	4,214,660	4,214,660	-
Circuit Court Library grant	-	3,617	3,617
Library	147,129	147,908	779
E911 Wireless funds	70,000	94,209	24,209
Fire programs	75,000	83,987	8,987
Commission for the Arts	4,800	4,800	-
Comprehensive Services Act funds	2,691,600	2,288,427	(403,173)
Four-for-Life funds	20,000	45,560	25,560
Animal license plates	600	735	135
Victim/Witness funds	14,500	24,666	10,166
Forfeited assets	43,513	31,039	(12,474)
Jurors/Witness fees	7,000	9,087	2,087
Total Other Categorical Aid	7,288,802	6,948,695	(340,107)
Total Categorical Aid	10,059,531	9,519,262	(540,269)
Total Revenue from the Commonwealth	12,908,981	12,429,694	(479,287)
Revenue from the Federal Government:			
Categorical aid:			
Health and welfare	1,127,212	1,060,503	(66,709)
Victim/Witness	80,000	73,997	(6,003)
Historic district guidelines grant	-	5,105	5,105
SAFER grant	132,676	243,359	110,683
Total Revenue from the Federal Government	1,339,888	1,382,964	43,076
Total General Fund	$ 57,815,985	$ 60,085,583	$ 2,269,598

(Continued)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF REVENUES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Major and Minor Revenue Source	Final Budget	Actual	Variance Positive (Negative)
PRIMARY GOVERNMENT: (cont'd)			
Special Revenue Funds:			
Blue Ridge Court Services Fund:			
Revenue from Local Sources:			
Revenue from use of money and property:			
Revenue from use of money	$ -	$ 235	$ 235
Total Revenue from Use of Money and Property	-	235	235
Charges for services:			
Supervision fees	20,000	30,143	10,143
Drug screen fees	10,000	7,539	(2,461)
Home electronic monitoring fees	200,000	112,058	(87,942)
Group therapy fees	25,805	4,964	(20,841)
Total Charges for Services	255,805	154,704	(101,101)
Miscellaneous:			
CAPSAW	20,500	20,500	-
Augusta Health	28,000	18,354	(9,646)
Donations			-
VCSB-MH Rural Jail diversion	-	2,476	2,476
VCSB-Therapeutic docket	51,312	57,024	5,712
Total Miscellaneous Revenue	99,812	98,354	(1,458)
Total Revenue from Local Sources	355,617	253,293	(102,324)
Revenue from the Commonwealth:			
Supreme Court - Drug Court	67,500	77,808	10,308
Supreme Court - Behavioral health docket	37,500	21,203	(16,297)
Community Corrections and Pre-trial services funds	611,383	618,642	7,259
Total Revenue from the Commonwealth	716,383	717,653	1,270
Total Blue Ridge Court Services Fund	$ 1,072,000	$ 970,946	$ (101,054)
Grants Fund:			
Revenue from the Federal Government:			
LEMPG-fire equipment	7,500	7,500	-
JAG-Law enforcement training	18,000	13,030	(4,970)
JAG-Byrne Justice Assistance Grant	26,780	33,437	6,657
Total Revenue from the Federal Government	52,280	53,967	1,687
Total Grants Fund	$ 52,280	$ 53,967	$ 1,687

(Continued)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF REVENUES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Major and Minor Revenue Source	Final Budget	Actual	Variance Positive (Negative)
PRIMARY GOVERNMENT: (cont'd)			
Special Revenue Funds:			
Community Development Fund:			
Revenue from Local Sources:			
Revenue from use of money	$ -	$ 533	$ 533
Total Revenue from Local Sources	-	533	533
Revenue from the Commonwealth:			
Dam Safety, Flood Prevention and Protection Assistance funds	75,000	44,962	(30,038)
Total Revenue from the Commonwealth	75,000	44,962	(30,038)
Revenue from the Federal Government:			
HUD entitlement	50,000	32,370	(17,630)
Total Revenue from the Federal Government	50,000	32,370	(17,630)
Total Community Development Fund	$ 125,000	$ 77,865	$ (47,135)
Total Special Revenue Funds	$ 1,249,280	$ 1,102,778	$ (146,502)
Grand Total Revenues - Primary Government			
General and special revenue funds	$ 59,065,265	$ 61,188,361	$ 2,123,096
COMPONENT UNIT – SCHOOL BOARD:			
Special Revenue Funds:			
Education Fund:			
Revenue from Local Sources:			
Revenue from use of money and property:			
Revenue from use of money	$ -	$ 1,127	$ 1,127
Revenue from use of property	25,000	15,390	(9,610)
Total Revenue from Use of Money and Property	25,000	16,517	(8,483)
Charges for services:			
Charges for education	13,550	12,760	(790)
Tuition or other payments from another county or city	918,898	1,101,239	182,341
Total Charges for Services	932,448	1,113,999	181,551
Miscellaneous revenue:			
Donations	103,745	25,730	(78,015)
E-Rate reimbursement	56,423	57,120	697
Wellness program	15,000	13,026	(1,974)
Miscellaneous grants	76,863	82,397	5,534
Sale of salvage and surplus	-	34,452	34,452
Total Miscellaneous Revenue	252,031	212,725	(39,306)
Recovered Costs	65,652	78,800	13,148
Contribution from City of Staunton	13,200,000	13,200,000	-
Total Revenue from Local Sources	14,475,131	14,622,041	146,910

(Continued)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF REVENUES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Major and Minor Revenue Source	Final Budget	Actual	Variance Positive (Negative)
COMPONENT UNIT – SCHOOL BOARD (Cont'd):			
Special Revenue Funds (Cont'd):			
Education Fund (Cont'd):			
Revenue from the Commonwealth:			
Categorical Aid:			
Share of state sales tax	$ 3,312,150	$ 3,366,353	$ 54,203
Basic school aid	7,123,817	7,191,024	67,207
Foster care	25,000	38,328	13,328
Gifted and talented-SOQ	78,196	78,940	744
Remedial Education-SOQ	325,294	328,389	3,095
ISAEP funds	15,717	16,710	993.0
Special education-SOQ	658,386	664,672	6,286
Special education-foster care	25,000	10,095	(14,905)
Homebound	5,088	2,473	(2,615)
Regional tuition programs	544,298	557,790	13,492
Primary Class size (K-3)	363,105	360,636	(2,469)
Vocational education-SOQ	326,858	329,968	3,110
Social security instructional	448,844	453,114	4,270
VRS retirement instructional	991,522	1,000,955	9,433
Lottery	491,508	574,918	83,410
Group Life Insurance instructional	31,278	31,576	298
At risk	294,385	329,410	35,025
VPSA Technology grants	180,000	180,000	-
At Risk - Four Year Olds (VPSI)	204,172	209,506	5,334
STEM recruitment	-	1,000	1,000
Remedial Summer School	44,047	40,901	(3,146)
English as a second language	29,295	27,232	(2,063)
Early Reading Intervention	55,350	45,100	(10,250)
SOL-Algebra readiness	39,501	37,451	(2,050)
Vision Screening	-	5,733	5,733
Vocational - Equipment	-	10,000	10,000
Project Graduation	3,939	3,939	-
Mentor Teacher Program	2,068	2,889	821
DMAS Medicaid	-	49,217	49,217
National board certification	-	7,500	7,500
High School Program Innovation (HSPI)	50,000	50,000	-
CTE Competitive Innovative Program Equipment grant	37,500	37,500	-
Other state funds	-	5,996	5,996
Total Categorical Aid	15,706,318	16,049,315	342,997
Total Revenue from the Commonwealth	15,706,318	16,049,315	342,997

(Continued)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF REVENUES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Major and Minor Revenue Source	Final Budget	Actual	Variance Positive (Negative)
COMPONENT UNIT – SCHOOL BOARD (Cont'd):			
Special Revenue Funds (Cont'd):			
Education Fund (Cont'd):			
Revenue from the Federal Government:			
Categorical Aid:			
Title I	$ 1,025,175	$ 751,646	$ (273,529)
Title 1 Neglected and Delinquent	139,333	105,105	(34,228)
Title VI - B - Special Education	907,026	728,915	(178,111)
Preschool grants	52,963	23,865	(29,098)
Title II A-Improving teacher training	183,801	161,195	(22,606)
Title IV A-Student Support and Academic Enrichment	63,022	46,414	(16,608)
Title III ESEA - Limited English proficient	4,565	8,657	4,092
Career Tech Ed grants (BRCC)	4,795	-	(4,795)
Perkins CTE-Vocational education basic grant	56,849	56,760	(89)
School improvement grant	179,448	29,010	(150,438)
Total Categorical Aid	2,616,977	1,911,567	(705,410)
Total Revenue from the Federal Government	2,616,977	1,911,567	(705,410)
Total Education Fund	$ 32,798,426	$ 32,582,923	$ (215,503)
School Cafeteria Fund:			
Revenue from Local Sources:			
Revenue from the use of money and property:			
Revenue from use of money	$ 50	$ 655	$ 605
Charges for services:			
Charges for food service	330,400	294,240	(36,160)
Miscellaneous Revenue:			
Donations	-	3,866	3,866
Chef Ann Foundation Grant	50,000	50,000	-
Share our Strength grant	-	500	500
Other	4,800	2,175	(2,625)
Total Miscellaneous revenue	54,800	56,541	1,741
Total Revenue from Local Sources	385,250	351,436	(33,814)
Revenue from the Commonwealth:			
Meal reimbursement	13,800	14,725	925
State Breakfast Incentive	19,100	26,077	6,977
Breakfast after the Bell	4,900	9,310	4,410
Total revenue from the Commonwealth	37,800	50,112	12,312
Revenue from the Federal Government:			
Child care food program	2,000	6,914	4,914
National school lunch and breakfast program	950,000	1,053,727	103,727
Total Revenue from the Federal Government	952,000	1,060,641	108,641
Total School Cafeteria Fund	$ 1,375,050	$ 1,462,189	$ 87,139

(Continued)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF REVENUES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Major and Minor Revenue Source	Final Budget	Actual	Variance Positive (Negative)
COMPONENT UNIT – SCHOOL BOARD: (cont'd)			
Special Revenue Funds: (cont'd)			
Textbook Fund:			
Revenue from Local Sources:			
Revenue from use of money and property:	$ -	$ 1,625	$ 1,625
Total Revenue from Local Sources	-	1,625	1,625
Revenue from the Commonwealth:			
Textbook payment (including lottery fund)	155,927	158,969	3,042
Total Textbook Fund	$ 155,927	$ 160,594	$ 4,667
State Operated Programs Fund:			
Revenue from Local Sources:			
E-rate reimbursement	$ -	$ 31,207	$ 31,207
Recovered costs	412,263	415,737	3,474
Total Revenue from local sources	412,263	446,944	34,681
Revenue from the Commonwealth:			
Hospitals, clinics, and detention homes	2,527,737	2,201,232	(326,505)
Revenue from the Federal Government:			
Categorical Aid			
Title I Part D	5,000	12,462	7,462
Title VI-B	10,000	13,965	3,965
Total Revenue from Federal Government	15,000	26,427	11,427
Total State Operated Programs Fund	$ 2,955,000	$ 2,674,603	$ (280,397)
Total Special Revenue Funds	$ 4,485,977	$ 4,297,386	$ (188,591)
Grand Total Revenues - Component Unit School Board	$ 37,284,403	$ 36,880,309	$ (404,094)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Function, Activity, and Elements:	Final Budget	Actual	Variance Positive (Negative)
PRIMARY GOVERNMENT:			
General Fund:			
General Government Administration:			
Legislative:			
Clerk of City Council	$ 62,344	$ 57,290	$ 5,054
City Council	153,776	143,505	10,271
Total Legislative	216,120	200,795	15,325
General and Financial Administration:			
City Manager	612,801	609,895	2,906
City Attorney	363,038	316,779	46,259
City Memberships	28,076	27,797	279
Professional Consultants	70,000	65,400	4,600
Commissioner of the Revenue	318,492	300,571	17,921
Assessor and Equalization Board	292,833	266,914	25,919
Treasurer	426,654	418,393	8,261
Finance	1,163,149	914,289	248,860
Information Technology	1,231,820	1,093,363	138,457
Risk Management	583,269	575,908	7,361
Human Resources	626,422	608,944	17,478
Communications Manager	103,774	102,742	1,032
Total General and Financial Administration	5,820,328	5,300,995	519,333
Board of Elections:			
Electoral Board and Registrar	132,181	115,809	16,372
Total Board of Elections	132,181	115,809	16,372
Total General Government Administration	6,168,629	5,617,599	551,030
Judicial Administration:			
Courts:			
Circuit court	159,184	146,472	12,712
General District Court	10,800	6,302	4,498
Juvenile and Domestic Relations Court	65,845	69,059	(3,214)
Clerk of the Circuit Court	530,492	518,151	12,341
Sheriff	584,648	550,700	33,948
Victim/Witness	113,598	110,424	3,174
Magistrates	2,000	1,900	100
Total Courts	1,466,567	1,403,008	63,559
Commonwealth Attorney	601,630	581,904	19,726
Total Judicial Administration	2,068,197	1,984,912	83,285

(Continued)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Function, Activity, and Elements:	Final Budget	Actual	Variance Positive (Negative)
PRIMARY GOVERNMENT: (cont'd)			
General Fund: (cont'd)			
Public Safety:			
Law Enforcement and Traffic Control:			
Police Department	$ 5,284,567	$ 5,123,462	$ 161,105
E-911 Communications	721,555	713,903	7,652
Total Law Enforcement and Traffic Control	6,006,122	5,837,365	168,757
Fire and Rescue Services:			
Fire Department	3,189,574	3,187,007	2,567
EMS Council/Four for Life	37,530	22,254	15,276
State Fire Programs	114,501	26,576	87,925
Total Fire and Rescue Services	3,341,605	3,235,837	105,768
Correction and Detention:			
Juvenile Detention Home - Contribution	114,191	114,188	3
Jail Facility	1,591,231	1,590,705	526
Youth Commission	150,500	146,090	4,410
Total Correction and Detention	1,855,922	1,850,983	4,939
Inspections:			
Building Inspection	378,650	363,404	15,246
Other Protection:			
Animal control - Animal Care	85,500	84,988	512
Medical Examiner	221	220	1
Total Other Protection	85,721	85,208	513
Total Public Safety	11,668,020	11,372,797	295,223
Public Works:			
Administration	291,228	272,086	19,142
Traffic Engineering (lines and signs)	200,742	189,073	11,669
Highways, Streets, and Sidewalks	3,338,319	3,296,786	41,533
City Engineering	338,296	313,358	24,938
Traffic Signals	308,798	220,839	87,959
Total	4,477,383	4,292,142	185,241
Maintenance of General Buildings, Grounds, and Equipment:			
General Properties Maintenance	1,395,472	1,368,989	26,483
Equipment Maintenance	449,907	438,140	11,767
Total Maintenance of General Buildings, Grounds, Equipment	1,845,379	1,807,129	38,250
Total Public Works	6,322,762	6,099,271	223,491

(Continued)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Function, Activity, and Elements:	Final Budget	Actual	Variance Positive (Negative)
PRIMARY GOVERNMENT: (cont'd)			
General Fund: (cont'd)			
Health and Welfare:			
Health:			
Local Health Department	$ 288,813	$ 288,535	$ 278
Mental Health and Mental Retardation:			
Chapter X Board	162,771	162,771	-
Total Health	451,584	451,306	278
Welfare:			
DSS-public assistance	3,365,376	2,997,499	367,877
Children Services Act	3,870,000	3,159,556	710,444
Tax Relief - Elderly and Disabled	130,000	118,685	11,315
Tax Relief - Veterans	75,000	82,417	(7,417)
Valley Children's Advocacy Center	2,000	2,000	-
Staunton Senior Center	6,000	6,000	-
CAPSAW	26,650	26,650	-
Contribution to Area Agency on Aging (VPAS)	20,000	20,000	-
CATS Contribution	42,042	42,042	-
Total Welfare	7,537,068	6,454,849	1,082,219
Total Health and Welfare	7,988,652	6,906,155	1,082,497
Education:			
Contribution to Community College	8,000	8,000	-
Contribution to Component Unit - School Board	13,200,000	13,200,000	-
Total Education	13,208,000	13,208,000	-
Parks, Recreation and Cultural:			
Parks and Recreation:			
Administration	1,203,433	1,137,912	65,521
Park Maintenance	1,190,247	1,018,911	171,336
Golf	108,343	104,418	3,925
Horticulture	163,364	166,029	(2,665)
Boys and Girls Club	20,000	20,000	-
Total Parks and Recreation	2,685,387	2,447,270	238,117
Cultural Enrichment:			
Contributions to Community Organizations	14,000	14,000	-
Total Cultural Enrichment	14,000	14,000	-
Library:			
Library Administration and Operations	1,208,756	1,141,635	67,121
Total Library	1,208,756	1,141,635	67,121
Total Parks, Recreation, and Cultural	3,908,143	3,602,905	305,238

(Continued)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Function, Activity, and Elements:	Final Budget	Actual	Variance Positive (Negative)
PRIMARY GOVERNMENT: (cont'd)			
General Fund: (cont'd)			
Community Development:			
Planning and Community Development:			
Economic Development	$ 895,096	$ 884,455	$ 10,641
Planning and Development	316,928	308,870	8,058
Tourism Development	413,392	409,605	3,787
VRT-Trolley Operation	63,000	63,000	-
Staunton Welcome Center	53,455	53,355	100
Special Service District (SDDA)	170,000	170,860	(860)
Contribution - Valley Airport	49,159	48,159	1,000
Planning District Commission	34,262	34,152	110
Historic Staunton Foundation	35,000	35,000	-
GART Tourism Board	20,000	20,000	-
Staunton Creative Community Fund	20,000	20,000	-
Total Planning and Community Development	2,070,292	2,047,456	22,836
Total Community Development	2,070,292	2,047,456	22,836
Total General Fund	$ 53,402,695	$ 50,839,095	$ 2,563,600
Special Revenue Funds:			
Blue Ridge Court Services Fund:			
Public Safety:			
Correction and Detention:			
Community Corrections	$ 872,234	$ 788,468	$ 83,766
Therapeutic Docket	55,369	57,024	(1,655)
MH rural jail diversion	-	3,556	(3,556)
Augusta Health Grant	-	19,413	(19,413)
Behavioral Health docket	37,500	28,269	9,231
Drug Court	106,897	99,245	7,652
Total Correction and Detention	1,072,000	995,975	76,025
Total Public Safety	1,072,000	995,975	76,025
Total Blue Ridge Court Services Fund	$ 1,072,000	$ 995,975	$ 76,025
State and Federal Grants Fund:			
Judicial Administration			
Sheriff Department Grants	$ -	$ 6,657	$ (6,657)
Public Safety			
Police department grants	44,780	39,810	4,970
Fire department grants	7,500	7,500	-
Total Public Safety	52,280	47,310	4,970
Total State and Federal Grants Fund	$ 52,280	$ 53,967	$ (1,687)
Community Development Fund			
Community Development:			
Flood Plain study	$ 151,000	$ 89,924	$ 61,076
HUD Entitlement	50,000	32,370	17,630
Total Community Development Fund	$ 201,000	$ 122,294	$ 78,706
Total Special Revenue Funds	$ 1,325,280	$ 1,172,236	$ 153,044
Grand Total - Expenditures -Primary Government- General and special revenue	$ 54,727,975	$ 52,011,331	$ 2,716,644

(Continued)

CITY OF STAUNTON, VIRGINIA

GENERAL AND SPECIAL REVENUE FUNDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 2019

Fund, Function, Activity, and Elements:	Final Budget	Actual	Variance Positive (Negative)
COMPONENT UNIT – SCHOOL BOARD:			
Education:			
Instructional Costs	$ 25,182,150	$ 23,725,246	$ 1,456,904
Administration, Attendance & Health	2,076,195	1,917,563	158,632
Pupil Transportation	1,288,986	1,282,059	6,927
Operations and Maintenance	2,908,497	2,796,531	111,966
Technology	1,683,362	1,444,640	238,722
Facility	21,000	20,617	383
Total Education Fund	$ 33,160,190	$ 31,186,656	$ 1,973,534
School Cafeteria Fund:			
Food Service	$ 1,537,960	$ 1,438,523	$ 99,437
Total School Cafeteria Fund	$ 1,537,960	$ 1,438,523	$ 99,437
Textbook Fund			
Education:			
Instructional costs	$ 382,255	$ 156,502	$ 225,753
Total Textbook Fund	$ 382,255	$ 156,502	$ 225,753
State Operated Programs Fund			
Education:			
Instructional costs	$ 2,887,976	$ 2,582,247	$ 305,729
Total State Operated Programs Fund	$ 2,887,976	$ 2,582,247	$ 305,729
Total Special Revenue Funds	$ 4,808,191	$ 4,177,272	$ 630,919
Grand Total - Expenditures - Component Unit - School Board	$ 37,968,381	$ 35,363,928	$ 2,604,453

STATISTICAL SECTION

Financial Trends – These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity – These tables contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity – These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information – These tables offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place and to help make comparison over time and with other governments.

Operating Information – These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

Note: For presentation purposes, the impact of new GASB statements is applied prospectively.

CITY OF STAUNTON, VIRGINIA

Financial Trends Information
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	$ 41,909,936	$ 43,232,721	$ 45,372,360	$ 43,963,323	$ 32,734,112	$ 32,253,859	$ 31,074,300	$ 31,321,359	$ 29,909,806	$ 24,406,532
Restricted	265,941	31,265	41,469	27,466	117,646	122,452	120,217	184,868	103,639	27,485
Unrestricted	15,995,982	8,386,181	9,292,048	6,545,657	6,839,895	21,671,005	20,530,870	17,813,098	18,269,177	16,550,240
Total governmental activities net position	$ 58,171,859	$ 51,650,167	$ 54,705,877	$ 50,536,446	$ 39,691,653	$ 54,047,316	$ 51,725,387	$ 49,319,325	$ 48,282,622	$ 40,984,257
Business-type activities										
Net investment in capital assets	$ 57,742,860	$ 57,260,176	$ 55,688,479	$ 54,599,310	$ 53,499,079	$ 51,946,042	$ 51,646,845	$ 51,212,802	$ 49,958,761	$ 50,278,514
Unrestricted	14,228,629	13,252,492	13,842,399	12,535,217	12,545,752	15,594,582	15,253,532	16,101,004	17,720,858	15,786,830
Total business-type activities net position	$ 71,971,489	$ 70,512,668	$ 69,530,878	$ 67,134,527	$ 66,044,831	$ 67,540,624	$ 66,900,377	$ 67,313,806	$ 67,679,619	$ 66,065,344
Primary government										
Net investment in capital assets	$ 99,652,796	$ 100,492,897	$ 101,060,839	$ 98,562,633	$ 86,233,191	$ 82,721,145	$ 82,721,145	$ 79,868,567	$ 74,685,046	$ 74,164,611
Restricted	265,941	31,265	41,469	27,466	117,646	120,217	120,217	103,639	27,485	32,366
Unrestricted	30,224,611	21,638,673	23,134,447	19,080,874	19,385,647	35,784,402	35,784,402	35,990,035	32,337,070	31,482,456
Total primary net position	$ 130,143,348	$ 122,162,835	$ 124,236,755	$ 117,670,973	$ 105,736,484	$ 118,625,764	$ 118,625,764	$ 115,962,241	$ 107,049,601	$ 105,679,433

CITY OF STAUNTON, VIRGINIA

Financial Trends Information
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental Activities:										
General government	$ 9,410,713	$ 8,613,523	$ 8,881,755	$ 9,063,531	$ 6,639,656	$ 4,744,935	$ 4,524,704	$ 4,372,745	$ 4,269,567	$ 4,240,405
Judicial administration	1,795,684	1,844,938	1,882,696	1,774,669	1,753,470	1,750,740	1,703,187	1,734,157	1,612,892	1,624,017
Public safety	12,042,436	11,829,002	11,718,559	10,622,194	10,864,551	11,088,236	10,869,981	10,137,714	9,808,670	9,402,422
Public works	8,339,556	6,647,903	7,688,195	7,195,893	6,975,749	6,645,051	7,053,141	6,262,440	5,666,355	5,718,532
Health and welfare	6,917,916	7,051,987	6,236,892	5,975,631	6,438,253	6,075,695	5,642,143	5,587,112	5,532,072	5,018,405
Education	14,139,047	16,566,371	12,895,304	12,792,065	12,245,921	12,136,856	11,597,335	11,199,889	10,814,412	12,096,550
Parks, recreation and culture	3,600,576	3,420,386	3,488,880	3,354,852	3,368,301	3,115,119	3,091,574	2,905,849	2,860,422	2,935,093
Community development	2,066,747	1,541,098	2,243,574	1,621,715	1,682,092	1,672,001	1,508,661	2,067,996	1,720,234	3,040,240
Interest on long-term debt	1,153,272	1,017,723	1,111,334	1,207,248	1,290,984	1,360,734	1,333,627	1,198,129	1,332,691	1,361,328
Total governmental activities expenses	59,465,947	58,532,931	56,147,189	53,607,798	51,258,977	48,589,367	47,324,353	45,466,031	43,617,315	45,436,992
Business-Type Activities:										
Water	3,410,244	3,886,966	3,425,966	3,611,452	3,421,897	3,610,302	3,595,525	3,557,493	3,446,557	3,139,885
Sewer	3,711,562	3,917,693	3,534,495	3,556,814	3,629,070	3,532,854	3,908,777	3,984,420	3,358,564	2,688,221
Stormwater	1,068,398	966,907	806,458	785,238	724,382	749,025	781,975	710,250	742,232	564,181
Environmental	2,653,356	2,790,626	2,456,118	2,207,342	2,210,477	2,362,161	2,431,257	2,594,453	1,777,831	2,773,641
Golf	-	146,068	152,966	151,865	155,309	158,691	167,950	191,022	179,702	158,480
Parking	523,631	506,123	460,136	414,275	430,555	411,135	421,934	468,930	423,434	455,855
Total business-type activities expenses	11,367,191	12,214,383	10,836,139	10,726,986	10,571,690	10,824,168	11,307,418	11,506,568	9,928,320	9,780,263
Total primary government expenses	$ 70,833,138	$ 70,747,314	$ 66,983,328	$ 64,334,784	$ 61,830,667	$ 59,413,535	$ 58,631,771	$ 56,972,599	$ 53,545,635	$ 55,217,255
Program Revenues										
Governmental activities:										
Charges for services:										
Governmental-PILOT from enterprise funds	$ 1,233,959	$ 1,246,761	$ 1,220,130	$ 1,034,202	$ 980,711	$ 1,035,568	$ 1,083,122	$ 1,056,120	$ 1,127,162	$ 817,375
Public safety	398,704	425,342	433,289	558,495	391,728	317,028	291,172	309,363	226,605	294,628
Parks and recreation	503,846	421,828	395,378	371,053	329,414	315,569	336,266	354,003	314,065	330,649
Other activities	4,802,989	4,649,306	4,856,611	4,753,222	3,115,420	562,709	480,508	512,293	445,442	318,251
Operating grants and contributions	13,514,588	11,748,393	11,227,647	16,839,852	11,676,827	10,694,950	9,759,857	10,003,989	10,018,844	9,379,027
Capital grants and contributions	39,868	1,356,628	2,215,355	1,105,977	546,586	683,527	471,852	274,810	4,684,814	217,303
Total governmental activities program revenues	20,493,954	19,848,258	20,348,410	24,662,801	17,040,686	13,609,351	12,422,777	12,510,578	16,816,932	11,357,233

(Continued)

CITY OF STAUNTON, VIRGINIA

Financial Trends Information
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Program Revenues: (cont'd)										
Business-type activities:										
Charges for services:										
Golf	$ -	$ 90,398	$ -	$ 118,900	$ 120,931	$ 137,413	$ 147,255	$ 147,371	$ 147,200	$ 174,954
Water	4,438,199	4,285,464	-	3,744,712	3,590,380	3,598,658	3,610,812	4,036,110	3,235,783	3,305,946
Sewer	4,154,640	3,976,558	-	3,946,570	3,908,059	3,908,330	3,544,433	3,423,605	3,239,743	3,274,390
Stormwater	766,487	767,497	-	760,611	788,237	715,878	689,179	709,206	464,462	325,967
Environmental	2,655,567	2,660,459	6,359	2,397,526	2,312,748	1,953,912	2,064,570	1,740,587	1,705,239	1,722,333
Parking	422,709	444,622	-	407,383	396,382	302,234	315,158	241,846	240,989	260,062
Operating grants and contributions	6,359	6,092	-	14,389	65,031	13,374	5,044	13,341	2,876	3,947
Capital grants and contributions	-	785,443	-	139,445	686,595	-	65,871	925,347	1,269,948	3,815,810
Total business-type activities program revenues	12,443,961	13,016,533	6,359	11,529,536	11,868,363	10,629,799	10,442,322	11,237,413	10,306,240	12,883,409
Total primary government program revenues	$ 32,937,915	$ 32,864,791	$ 20,354,769	$ 36,192,337	$ 28,909,049	$ 24,239,150	$ 22,865,099	$ 23,747,991	$ 27,123,172	$ 24,240,642
Net (expense)/revenue										
Governmental activities	$ (38,971,993)	$ (38,684,673)	$ (35,798,779)	$ (28,944,997)	$ (34,218,291)	$ (34,980,016)	$ (34,901,576)	$ (32,955,453)	$ (26,800,383)	$ (34,079,759)
Business-type activities	1,076,770	802,150	1,318,823	802,550	1,296,673	(194,369)	(865,096)	(269,155)	377,920	3,103,146
Total primary government net expense	$ (37,895,223)	$ (37,882,523)	$ (34,479,956)	$ (28,142,447)	$ (32,921,618)	$ (35,174,385)	$ (35,766,672)	$ (33,224,608)	$ (26,422,463)	$ (30,976,613)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	$ 26,405,015	$ 25,335,057	$ 24,281,660	$ 23,798,051	$ 22,339,862	$ 22,333,005	$ 20,076,871	$ 20,296,688	$ 20,311,531	$ 20,499,305
Sales tax	4,434,974	4,123,862	4,039,658	4,079,919	3,988,839	3,729,201	3,588,738	3,381,018	3,495,905	3,554,096
Hotel and meals tax	5,602,271	4,796,184	4,032,180	3,651,814	3,546,923	3,141,504	2,988,497	2,794,600	2,698,937	2,681,277
Business license	2,353,732	2,216,754	2,111,282	2,092,035	2,147,291	2,197,306	2,113,160	1,925,106	1,828,598	1,872,462
Utility tax	1,172,913	1,164,277	1,144,504	1,125,214	1,125,737	1,123,536	1,102,556	1,120,868	1,103,514	1,108,625
Local communication tax	1,185,978	1,278,401	1,319,656	1,352,910	1,394,184	1,430,821	1,427,036	1,456,638	1,463,883	1,457,808
Other taxes	1,210,199	1,135,829	1,026,652	1,023,050	1,000,048	728,998	763,722	741,910	1,110,569	1,244,487
Unrestricted investment earnings	385,545	155,183	133,649	68,532	11,241	11,370	18,196	26,298	32,403	115,142
Grants and contributions not restricted to a specific program	2,910,432	2,881,272	2,862,470	2,805,667	2,805,165	2,827,514	2,526,975	2,527,349	2,756,972	2,740,644
Miscellaneous	21,942	18,684	57,572	29,086	25,089	8,783	27,765	52,673	19,380	31,975
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	25,105
Transfers	(189,316)	(1,066,603)	(1,041,073)	(236,488)	12,752	(224,400)	(641,360)	(224,400)	(224,400)	(4,454,401)
Total governmental activities	45,493,685	42,038,900	39,968,210	39,789,790	38,397,131	37,307,638	33,992,156	34,098,748	34,597,292	30,876,525

(Continued)

CITY OF STAUNTON, VIRGINIA

Financial Trends Information
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Business-type activities:										
Unrestricted investment earnings	$ 271,189	$ 92,181	$ 36,455	$ 50,658	$ 29,192	$ 39,790	$ 57,073	$ 80,782	$ 102,258	$ 392,495
Transfers	189,316	1,066,603	1,041,073	236,488	(12,752)	224,400	641,360	224,400	224,400	4,454,401
Total business-type activities	460,505	1,158,784	1,077,528	287,146	16,440	264,190	698,433	305,182	326,658	4,846,896
Total primary government	$ 45,954,190	$ 43,197,684	$ 41,045,738	$ 40,076,936	$ 38,413,571	$ 37,571,828	$ 34,690,589	$ 34,403,930	$ 34,923,950	$ 35,723,421
Change in Net Position										
Governmental activities	$ 6,521,692	$ 3,354,227	$ 4,169,431	$ 10,844,793	$ 4,178,840	$ 2,327,622	$ (909,420)	$ 1,143,295	$ 7,796,909	$ (3,203,234)
Business-type activities	1,537,275	1,960,934	2,396,351	1,089,696	1,313,113	69,821	(166,663)	36,027	704,578	7,950,042
Total primary government	$ 8,058,967	$ 5,315,161	$ 6,565,782	$ 11,934,489	$ 5,491,953	$ 2,397,443	$ (1,076,083)	$ 1,179,322	$ 8,501,487	$ 4,746,808

CITY OF STAUNTON, VIRGINIA

Financial Trends Information
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Nonspendable	$ 97,630	$ 198,490	$ 475,098	$ 103,252	$ 78,126	$ 95,561	$ 58,666	$ 61,789	$ 125,118	$ 59,636
Restricted	250,953	15,219	25,401	15,825	117,646	122,452	120,217	149,868	88,639	13,985
Committed	8,891,250	8,489,250	8,137,500	7,295,960	6,607,250	5,777,532	5,178,250	4,540,000	4,738,109	3,968,993
Assigned	2,346,271	2,221,017	2,516,915	2,790,139	2,762,575	2,152,899	2,089,799	1,857,022	1,878,480	1,647,680
Unassigned	4,630,500	4,605,965	2,632,596	2,106,836	2,364,510	3,386,768	3,472,715	2,647,250	2,496,844	3,309,359
Total General Fund	$ 16,216,604	$ 15,529,941	$ 13,787,510	$ 12,312,012	$ 11,930,107	$ 11,535,212	$ 10,919,647	$ 9,255,929	$ 9,327,190	$ 8,999,653
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ 49,571	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	14,987	16,046	16,068	11,641	3,490	-	-	35,000	15,000	13,500
Assigned	57,540,218	10,561,334	10,109,522	9,415,644	10,561,433	9,453,593	9,910,873	9,414,308	9,689,435	8,505,743
Unassigned	-	-	-	-	-	-	(5,308)	-	-	-
Total all other governmental funds	$ 57,555,205	$ 10,577,380	$ 10,175,161	$ 9,427,285	$ 10,564,923	$ 9,453,593	$ 9,905,565	$ 9,449,308	$ 9,704,435	$ 8,519,243

Notes:
Includes only the primary government

CITY OF STAUNTON, VIRGINIA

Financial Trends Information
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES										
General property taxes	$ 26,357,304	$ 25,439,640	$ 24,368,117	$ 23,036,507	$ 22,789,212	$ 22,544,761	$ 21,767,074	$ 20,073,697	$ 20,069,387	$ 20,253,506
Sales and use tax	4,434,974	4,123,862	4,039,658	4,079,919	3,988,839	3,760,505	3,729,202	3,588,738	3,381,018	3,495,905
Hotel and meals tax	4,727,323	4,118,267	3,391,337	3,203,638	3,099,130	2,868,910	2,732,598	2,599,776	2,406,577	2,344,698
Utility taxes	1,172,913	1,164,277	1,144,504	1,125,214	1,125,737	1,406,473	1,123,537	1,102,556	1,120,868	1,103,514
Business license tax	2,353,732	2,216,754	2,111,282	2,092,035	2,147,291	2,092,817	2,197,306	2,113,198	1,925,106	1,828,598
Local communication tax	1,185,978	1,278,401	1,319,656	1,352,910	1,394,184	1,127,910	1,430,821	1,427,036	1,456,638	1,463,883
Other local taxes	2,085,147	1,813,746	1,667,495	1,471,226	1,447,840	1,178,087	1,137,304	1,151,406	1,129,732	1,463,007
Permits, privilege fees, and regulatory licenses	254,962	287,878	204,627	340,019	194,875	157,536	192,509	211,744	176,104	240,985
Fines and forfeitures	254,056	134,887	94,155	97,667	96,231	102,876	61,682	71,616	59,336	70,171
Charges for services	2,004,950	1,946,372	1,954,079	1,728,423	1,608,212	1,622,035	1,606,586	1,620,194	1,603,565	1,294,706
Intergovernmental	15,628,576	14,605,541	15,077,113	14,217,692	13,964,649	14,003,453	12,562,122	12,579,801	12,879,542	11,938,753
Investment earnings	359,855	152,529	124,450	74,703	11,826	9,238	14,607	28,659	510,633	34,041
Other revenues	1,488,076	2,066,758	3,264,835	1,191,662	1,189,448	693,820	665,595	681,836	61,329	580,000
Total revenues	62,307,846	59,348,912	58,761,308	54,011,615	53,057,474	51,568,421	49,220,943	47,250,257	46,779,835	46,111,767
EXPENDITURES										
General government administration	5,639,449	5,491,832	5,323,924	5,256,366	4,995,152	4,612,315	4,200,956	4,074,848	4,052,531	4,094,106
Judicial administration	1,991,569	1,986,549	1,887,175	1,908,434	1,819,367	1,741,001	1,717,714	1,720,680	1,594,913	1,638,486
Public safety	12,416,082	11,988,429	11,840,326	10,983,509	10,995,906	10,921,912	10,692,670	9,151,531	9,750,857	9,319,610
Public works	7,120,877	6,783,337	6,545,773	6,406,425	6,048,808	5,467,440	5,532,890	5,126,188	5,048,667	4,749,252
Health and welfare	6,906,155	6,973,721	6,217,517	5,953,836	6,418,179	6,063,427	5,636,446	5,582,630	5,527,635	5,012,585
Education	13,449,048	12,799,048	12,570,848	12,188,148	11,896,270	11,780,170	11,004,427	10,715,366	10,602,061	9,948,427
Parks, recreation and cultural	3,602,905	3,462,734	3,386,445	3,495,384	3,235,318	3,107,917	2,964,000	2,860,619	2,793,380	2,789,783
Community development	2,217,450	1,601,234	1,954,345	1,639,414	1,723,742	1,778,665	1,510,259	2,263,642	1,724,699	1,987,336
Capital outlay	3,691,767	2,050,884	1,798,102	2,969,485	339,235	1,868,965	533,126	2,900,387	625,192	219,482
Debt service:										
Principal retirement	2,597,575	2,877,922	2,827,195	2,546,046	2,500,449	2,466,353	1,783,845	1,785,018	2,042,417	2,281,258
Interest and fiscal charges	964,810	1,024,272	1,117,284	1,205,009	1,289,295	1,372,263	1,203,682	1,220,736	1,298,202	1,355,642
Bond issue costs	114,508	-	-	-	-	-	96,553	-	-	106,621
Total expenditures	60,712,195	57,039,962	55,468,934	54,552,056	51,261,721	51,180,428	46,876,568	47,401,645	45,060,554	43,502,588
Excess (deficiency) of revenues over (under) expenditures	1,595,651	2,308,950	3,292,374	(540,441)	1,795,753	387,993	2,344,375	(151,388)	1,719,281	2,609,179

(Continued)

CITY OF STAUNTON, VIRGINIA

Financial Trends Information
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
OTHER FINANCING SOURCES (USES)										
Bonds issued	43,760,000	-	-	-	-	15,000,000	-	-	-	15,000,000
Premium on general obligation bonds	2,329,862	-	-	-	-	-	-	-	-	-
Sale of building and equipment	-	-	-	-	-	-	-	17,848	20,159	25,105
Payment to refunding bond escrow agent*	-	-	-	-	-	(15,000,000)	-	-	-	-
Transfers in	8,538,800	5,065,250	6,491,550	5,391,619	5,992,012	8,933,104	9,296,443	5,945,984	4,077,358	3,117,242
Transfers out	(8,559,825)	(5,229,550)	(7,560,550)	(5,606,911)	(6,281,540)	(9,157,504)	(9,471,443)	(6,170,384)	(4,301,758)	(3,296,682)
Total other financing sources (uses)	46,068,837	(164,300)	(1,069,000)	(215,292)	(289,528)	(224,400)	(175,000)	(206,552)	(204,241)	14,845,665
Net change in fund balance	$ 47,664,488	$ 2,144,650	$ 2,223,374	$ (755,733)	$ 1,506,225	$ 163,593	$ 2,169,375	$ (357,940)	$ 1,515,040	$ 17,454,844
Debt service as a percentage of noncapital expenditures	6.50%	7.20%	7.40%	7.40%	7.57%	7.92%	6.47%	6.71%	7.73%	8.57%

Notes:
Includes only the primary government
* in 2013 $15,000,000 was paid to the Commonwealth of Virginia to settle debt on the Staunton Crossing property. See note 18.

CITY OF STAUNTON, VIRGINIA

Financial Trends Information
Assessed Value and Actual Value of Taxable Property
Last Ten Calendar Years
UNAUDITED

Calendar Year	Residential	Commercial	Industrial	Total Taxable and Actual Assessed Value	Total Direct Tax Rate
2019	$ 1,621,878,694	$ 336,856,775	$ 66,235,743	$ 2,024,971,212	$ 0.95
2018	1,492,968,667	319,767,739	64,834,593	1,877,570,999	0.97
2017	1,480,970,446	317,552,066	64,858,693	1,863,381,205	0.97
2016	1,441,318,317	309,192,006	55,452,633	1,805,962,956	0.95
2015	1,431,614,975	309,735,756	52,469,958	1,793,820,689	0.95
2014	1,423,202,760	311,476,860	53,212,038	1,787,891,658	0.95
2013	1,417,105,412	311,919,138	53,212,038	1,782,236,588	0.90
2012	1,465,244,126	313,111,572	52,355,253	1,830,710,951	0.90
2011	1,456,303,391	315,889,749	48,128,961	1,960,478,554	0.90
2010	1,584,972,579	322,101,977	53,403,998	1,944,786,867	0.90

Sources:
City of Staunton Assessor's Office.

Notes:
-Property in the City of Staunton is reassessed every other year.
-The City assesses all real property at 100% of actual value, therefore the actual assessed value equals the taxable assessed value.
-Tax rates are per $100 of assessed value.
-Includes real estate and downtown service district taxes.
-This schedule includes assessments made during the calendar year, January through December. The current calendar year includes taxes assessed in May but due 75% in June and 25% in December.
-There are no overlapping governments and therefore are no overlapping tax rates.

CITY OF STAUNTON, VIRGINIA

Revenue Capacity Information
Principal Property Taxpayers
Current Year and Nine Years Ago
UNAUDITED

	2019			2010		
Taxpayer Name	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
One Industry Way Co-Owners	$ 14,014,000	1	0.69%	$ 14,901,600	1	0.76%
Wal-Mart Real Estate Business	11,638,200	2	0.57%	12,236,540	2	0.62%
ETCL Staunton LLC	10,996,050	3	0.54%			
Staunton Station LLC	10,254,880	4	0.51%			
Big Sky LLC	10,163,100	5	0.50%	10,132,690	4	0.52%
Statler Station LLC	10,099,300	6	0.50%	9,893,390	6	0.50%
Big Sky II LLC	9,990,970	7	0.49%			
BH Brightview Baldwin Park LLC	9,022,330	8	0.45%			
Woodcrest Properties	7,606,400	9	0.38%			
North Augusta LLC	6,700,160	10	0.33%			
Staunton Plaza LLC	-		-	10,439,320	3	0.53%
Baldwin Park LLC	-		-	10,121,260	5	0.52%
FAP Properties	-		-	9,598,330	7	0.49%
KM Staunton Development LLC	-		-	8,920,660	8	0.46%
Staunton Hotel LLC	-		-	8,649,740	9	0.44%
Land'Or Williamsburg LLC	-		-	8,644,600	10	0.44%
Totals	$ 100,485,390		4.96%	$ 103,538,130		5.28%

Source: City Assessor
Notes:
Real Estate Only

CITY OF STAUNTON, VIRGINIA

Revenue Capacity Information
Property Tax Levies and Collections
Last Ten Calendar Years
UNAUDITED

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Calendar Years	Total Collections To Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	(1) $ 19,261,803	(2) $ -	0.00%	$ -	$ -	0.00%
2018	18,239,912	17,452,121	95.68%	-	17,452,121	95.68%
2017	18,025,255	17,170,918	95.26%	300,694	17,471,612	96.93%
2016	17,097,175	16,281,518	95.23%	387,238	16,668,756	97.49%
2015	16,968,376	16,082,688	94.78%	496,382	16,579,070	97.71%
2014	16,887,817	15,988,802	94.68%	567,835	16,556,637	98.04%
2013	16,782,813	15,819,093	94.26%	674,712	16,493,805	98.28%
2012	16,261,738	15,280,479	93.97%	725,354	16,005,833	98.43%
2011	16,140,585	15,094,471	93.52%	803,025	15,897,496	98.49%
2010	17,426,047	16,310,945	93.60%	892,764	17,203,709	98.72%

Sources: City of Staunton Assessor and Finance Department

Includes real estate and downtown service district taxes

(1)Taxes levied for the current calendar year are levied in May and are due 75% in June and 25% in December.
(2)Collections made during the current calendar year for any tax year are not shown because the calendar year is not complete.

CITY OF STAUNTON, VIRGINIA

Debt Capacity Information
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED

	Governmental Activities				Business - type Activities				
Fiscal Year	General Obligation Bonds	Contractual Obligations	Literary Loans	Capital Leases	General Obligation Bonds	VRA Loans	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2019	$ 66,043,499	$ -	$ 8,100,000	$ -	$ -	$16,580,246	$ 90,723,745	5.71%	$ 3,738
2018	21,161,511	-	9,050,000	-	540,047	18,441,805	49,193,363	10.52%	2,030
2017	23,080,231	-	10,000,000	-	772,426	17,897,090	51,749,747	9.29%	2,124
2016	24,947,870	-	10,950,000	-	996,003	19,570,861	56,464,734	8.25%	2,293
2015	26,534,048	-	11,900,000	-	1,211,072	21,433,518	61,078,638	7.37%	2,489
2014	28,074,301	-	12,850,000	-	1,723,328	23,469,544	66,117,173	6.63%	2,692
2013	29,596,293	-	13,800,000	-	2,217,443	25,427,880	71,041,616	5.80%	2,944
2012	15,435,709	15,000,000	14,750,000	-	2,693,605	27,324,698	75,204,012	5.33%	3,096
2011	16,976,230	15,000,000	15,000,000	-	3,153,233	29,167,307	79,296,770	5.03%	3,266
2010	17,372,086	15,000,000	16,650,000	-	3,672,289	29,805,721	82,500,096	4.78%	3,440

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(a) See Table 11 for personal income and population data.

TABLE 9

CITY OF STAUNTON, VIRGINIA

Debt Capacity Information
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	Literary Loans	VRA Loans	Net Bonded Debt	Percentage of Actual Taxable Value of Property (a)	Per Capita (b)
2019	$ 66,043,499	$ 8,100,000	$ 16,580,246	$ 90,723,745	4.48%	$ 3,738
2018	21,701,558	9,050,000	18,441,805	49,193,363	2.62%	2,030
2017	23,852,657	10,000,000	17,897,090	51,749,747	2.78%	2,124
2016	25,943,873	10,950,000	19,570,861	56,464,734	3.10%	2,293
2015	27,745,120	11,900,000	21,433,518	61,078,638	3.40%	2,489
2014	29,797,629	12,850,000	23,469,544	66,117,173	3.67%	2,692
2013	31,813,736	13,800,000	25,427,880	71,041,616	3.95%	2,944
2012	18,129,314	14,750,000	27,324,698	60,204,012	3.25%	2,473
2011	20,129,463	15,000,000	29,167,307	64,296,770	3.49%	2,666
2010	21,044,375	16,650,000	29,805,721	67,500,096	4.17%	2,808

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(a) Property values data can be found in Table 5.
(b) Population data can be found in Table 11.

TABLE 10

CITY OF STAUNTON, VIRGINIA

Debt Capacity Information
Legal Debt Margin Information
Last Ten Fiscal Years
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit	$ 202,497,121	$ 187,757,100	$ 186,338,121	$ 180,596,296	$ 179,382,069	$ 178,789,166	$ 178,223,659	$ 183,071,095	$ 182,032,210	$ 196,047,855
Total net debt applicable to limit	90,723,745	49,193,363	51,749,747	55,997,284	61,078,638	66,117,173	71,041,616	60,204,012	64,296,770	67,500,096
Legal debt margin	$ 111,773,376	$ 138,563,737	$ 134,588,374	$ 124,599,012	$ 118,303,431	$ 112,671,993	$ 107,182,043	$ 122,867,083	$ 117,735,440	$ 128,547,759
Legal debt margin as a percentage of the debt limit	55.20%	73.80%	72.23%	68.99%	65.95%	63.02%	60.14%	67.11%	64.68%	65.57%

TABLE 11

CITY OF STAUNTON, VIRGINIA

Demographic and Economic Information
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median age (1)	School enrollment (3)	Unemployment rate (4)
2019	24,273	$ 5,177,207	$ 42,436	42.0	2,578	2.9%
2018	24,234	5,177,207	42,436	44.2	2,563	3.2%
2017	24,363	4,808,881	40,000	44.0	2,534	3.8%
2016	24,416	4,620,405	38,579	43.4	2,535	3.9%
2015	24,538	4,501,809	37,664	42.3	2,590	5.1%
2014	24,350	4,343,540	36,597	42.3	2,535	5.6%
2013	23,921	4,085,833	34,442	42.9	2,522	6.3%
2012	24,067	3,969,481	33,502	42.9	2,605	6.3%
2011	23,834	3,912,376	33,114	42.1	2,528	6.7%
2010	23,746	3,903,337	33,161	41.8	2,572	7.7%

Sources:

(1) U. S. Census

(2) Bureau of Economic Analysis - Regional Data for the County of Augusta and the Cities of Staunton and Waynesboro. The most recent data is for 2018.

(3) Staunton City School Board

(4) Va Employment Commission

CITY OF STAUNTON, VIRGINIA

Demographic and Economic Information
Principal Employers
Current Year
UNAUDITED

	2019			2010		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Western State Hospital	500-999	1	6.30%	500-999	1	4.68%
Staunton City School Board	250-499	2	3.15%	500-999	2	4.68%
City of Staunton	250-499	3	3.15%	250-499	6	3.19%
Mary Baldwin College	250-499	4	3.15%	250-499	3	3.19%
Walmart	250-499	5	3.15%	250-499	5	3.19%
Federated Auto Parts	250-499	6	3.15%	100-249	9	0.64%
Brightview Senior Living LLC	100-249	7	1.47%			
VDOT	100-249	8	1.47%	250-499	4	3.19%
Cadence Inc	100-249	9	1.47%			
Commonwealth Center	100-249	10	1.47%			
Virginia School for the Deaf and Blind				100-249	8	0.64%
Alphastaff Inc				250-499	7	3.19%
Home Instead Senior Care				100-249	10	0.64%
Total	2150-4490		27.95%	2550-4440		27.23%

Source: Virginia Employment Commission (VEC)
Notes:
Percentage of Total City employment (2019) is based on the midpoints in the ranges given.

CITY OF STAUNTON, VIRGINIA

Operating Information
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years
UNAUDITED

	Full Time Equivalent Employees as of June 30									
Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government	38	33	33	35	35	32	33	31	31	30
Judicial	22	22	22	22	21	21	21	21	21	23
Public Safety	109	103	103	103	99	99	99	99	98	101
Public Works	41	41	40	40	40	38	38	38	38	39
Parks, Recreation, and Culture	27	25	24	24	24	24	23	23	22	26
Community Development	9	8	8	7	7	7	7	7	7	8
Blue Ridge Courts	9	9	9	9	9	8	8	8	8	8
Golf	0	1	1	1	1	1	1	1	1	1
Water	26	26	26	26	25	25	25	25	25	24
Sewer	5	5	5	5	5	5	5	5	5	6
Environmental	18	18	18	18	18	18	18	18	20	22
Stormwater	1	1	1	1	1	1	1	1	1	1
Total	305	292	290	291	285	279	279	277	289	289

na-not available
Source: Finance Department-fiscal year budget document
Notes:
A full time employee is scheduled to work 2,088 hours per year (including vacation and sick leave).
Full time equivalent employment is calculated by dividing total labor hours by 2,088. City firefighters' time is based on 2,766 hours per year.

CITY OF STAUNTON, VIRGINIA

Operating Information
Operating Indicators by Function/Program
Last Ten Fiscal Years
UNAUDITED

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety:										
Police:										
Arrests	2,671	2,660	2,560	2,542	2,363	2,438	2,429	2,415	2,402	2,378
Parking tickets	4,674	5,269	4,618	4,855	4,813	4,931	5,036	5,548	5,117	3,639
Traffic summons	4,831	3,381	2,541	3,143	3,066	4,263	2,982	3,809	4,693	4,093
Fire:										
Incident responses	3,681	3,245	2,693	3,200	3,176	3,087	3,450	2,640	3,372	3,000
Fires extinguished	64	67	65	50	78	50	55	56	65	45
Inspections	1,921	1,910	1,611	1,311	1,250	1,193	918	424	417	407
Inspections:										
Building permits issued	1,035	945	588	960	907	957	881	1,010	1,036	896
Building inspections conducted	3,302	3,339	2,615	3,054	2,352	2,353	2,772	2,592	2,753	2,538
Public Works:										
Refuse:										
Recycling collected (tons per day)	2.34	2.20	2.26	2.28	2.73	2.27	2.16	2.12	1.72	1.58
Refuse collected (tons per day)	68.37	64.86	59.58	60.95	57.4	59.6	61.8	63.7	62.6	69.9
Other public works:										
Lane miles paved	18.17	6.42	10.5	12	13.7	11.1	10.2	12.3	10.08	9.78
Parks and Recreation:										
Rounds of golf	7,101	6,133	6,871	7,796	8,555	9,040	9,698	9,731	9,863	8,939
Library:										
Volumes in collection	na	130,039	145,943	163,930	172,836	174,577	177,957	177,037	175,505	171,652
Total volumes borrowed	na	373,359	401,074	388,795	379,306	393,416	389,551	397,243	418,107	432,276
Utility:										
New connections-water	10	11	13	4	8	8	8	9	16	11
Active customers-water	9,612	9,572	9,520	9,454	9,401	9,351	9,347	9,358	9,335	9,727

Sources: Various city departments; regional landfill

na- data not available

CITY OF STAUNTON, VIRGINIA

Operating Information
Capital Asset Statistics by Function/Program
Last Nine Fiscal Years
UNAUDITED

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Units-marked	24	21	21	18	18	19	19	19	20	20
Units-unmarked	29	26	26	20	20	18	18	18	16	16
Fire Stations	2	2	2	2	2	2	2	2	2	2
Refuse										
Collection trucks	7	7	7	7	8	8	10	8	7	7
Recycling trucks	3	3	3	3	3	3	3	4	3	3
Other Public Works										
Lane miles of streets	300.57	300.57	300.52	300.19	300.28	299.72	298.7	298.7	298.55	298.55
Traffic Signals-signals and flashers	65	65	65	65	65	65	65	65	63	64
Parks and Recreation										
Acreage	482	482	482	482	482	482	482	482	482	482
Number of Parks	9	9	9	9	9	9	9	9	9	9
Baseball/softball fields	8	8	8	8	8	8	8	8	8	8
# of baseball/softball games played	1,452	820	1,580	1,670	1,798	1,619	1,614	1,585	1,560	1,522
Soccer/football fields	4	4	4	4	4	4	4	4	4	4
# of soccer/football games played	376	350	195	385	196	211	220	212	195	214
Water										
Miles of water mains	184.09	183.44	181.97	181.41	181.27	181.11	181.4	179.41	175.37	175.35
Fire Hydrants	1086	1072	1065	1062	964	957	919	912	912	897
Storage capacity (thousands of gal)	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200
Sewer										
Miles of sanitary sewers	134.62	134.47	133.85	133.41	133.39	132.8	132.84	132.84	132.79	132.42

Sources: Various City departments
na - data not available.

THIS PAGE INTENTIONALLY BLANK

COMPLIANCE SECTION

BROWNEDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Members of City Council
City of Staunton, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the *Specifications for Audits of Counties, Cities, and Towns,* and the *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Staunton, Virginia (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 25, 2019.

Our report includes reference to other auditors who audited the financial statements of the Augusta Regional Landfill as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or on compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. **Given these limitations we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
November 25, 2019

BROWNEDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Members of City Council
City of Staunton, Virginia

Report on Compliance for Each Major Federal Program

We have audited the City of Staunton, Virginia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Staunton, Virginia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. **We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
November 25, 2019

CITY OF STAUNTON, VIRGINIA

SUMMARY OF COMPLIANCE MATTERS
June 30, 2019

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards,* we performed tests of the City's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

STATE COMPLIANCE MATTERS

Code of Virginia
Budget and Appropriation Laws
Cash and Investment Laws
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Sheriff Internal Controls

Uniform Disposition of Unclaimed Property Act

State Agency Requirements
Education
Urban Highway Maintenance

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal programs selected for testing.

CITY OF STAUNTON, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies** relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings relating to major programs.**
7. The major programs of the City are:

Child Nutrition Cluster – School Breakfast Program	10.553
Child Nutrition Cluster – National School Lunch Program	10.555

8. The **threshold** for distinguishing Type A and B programs was **$750,000**.
9. The City was determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

D. FINDINGS – COMMONWEALTH OF VIRGINIA

None.

CITY OF STAUNTON, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Federal Granting Agency/Pass-Through State Agency/Grant Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Cluster Expenditures	Federal Expenditures
DEPARTMENT OF AGRICULTURE:				
Pass-Through Programs:				
Virginia Department of Agriculture:				
Child Nutrition Cluster:				
National School Lunch Program - Non Cash Commodities	10.555	N/A	$ 87,621	
Virginia Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	201818N109941; 201919N109941	332,092	
National School Lunch Program	10.555	201818N109941; 201919N109941	664,692	
Total Child Nutrition Cluster				1,084,405
Child and Adult Care Food Program	10.558	201818N109941; 201919N109941		6,914
Summer Food Service Program for Children	10.559	201818N109941		56,943
Virginia Department of Social Services:				
Food Stamp Cluster:				
State Administrative Matching Grants for the Food Stamp Program:				
Cost Allocations - Food Stamps	10.561	84322		4,101
Total Department of Agriculture				1,152,363
DEPARTMENT OF EDUCATION:				
Pass-Through Programs:				
Virginia Department of Education:				
Title I Educationally Deprived Children - LEA	84.010	S010A170046; S010A180046		751,646
Title I, Part D - Neglected & Delinquent Children	84.013	S013A160046; S013A170046		117,567
Special Education Cluster IDEA)				
Title VIB - Special Education	84.027	H027A160107; H027A170107	742,880	
Special Education - Pre-School Grants	84.173	H173A160112; H173A170112	23,865	
Total Special Education Cluster				766,745
Perkins CTE-Vocational Education Basic Grant	84.048	V048A170046; V048A180046		56,760
Title II, Part A - Improving Teacher Quality	84.367	S367A180044; S367A170044		161,195
ESSA-School Improvement Grant	84.377	S377A140047		29,010
Title IV-Student Support and Academic Enrichment Grants	84.424	S424A170048		46,414
Virginia Polytechnic Institute:				
Title III ESEA - Limited English Proficient	84.365	na		8,657
Total Department of Education				1,937,994

(Continued)

CITY OF STAUNTON, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Federal Granting Agency/Pass-Through State Agency/Grant Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Cluster Expenditures	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Pass-Through Programs:				
Virginia Department of Social Services:				
Temporary Assistance for Needy Families:	93.558			
TANF-Manual checks		80801		$ (369)
VIEW Component and Component-Related Activities		87201		1,445
VIEW-Supportive Services		87202		10,757
VIEW- Transitional Transportation		87204		6,676
VIEW-Transportation		87207		27,705
VIEW-Transitional Support		87211		707
Adjustment				(17,283)
Child Care and Development Block Grant:	93.575			
Discretionary Recoupment for VACMS		88801		(210)
Fee child care 100%		88302		(521)
Child Care and Development Fund:-Mandatory and Matching Funds	93.596			
Mandatory/Matching Recoupment for VaCMS		88901		(197)
TANF (Non-VIEW) Working Child Care		87104		(82)
Foster Care - Title IV-E:	93.658			
Children's Residential Facility		81107		99,204
Licensed Child Placing Agency-Basic Maintenance		81108		94,152
Local Agency Foster Home-Basic Maintenance		81110		35,978
Licensed Child Placing Agency-Enhanced Maintenance for Additional Daily Supervision		81112		167,973
Local agency		81113		1,120
Fostering Futures LCP Basic Maintenance		81401		6,214
Fostering Futures IL Basic Maintenance		81403		8,345
Fostering Futures LCP Enhanced Maintenance		81404		7,840
Central Service Cost Allocation - IV-E serv		84319		1,500
Adoption Assistance:	93.659			
Subsidized Adoption Assistance-Basic Maintenance		81201		289,877
Nonrecurring Adoption Assistance		81202		5,557
Federal Adoption Assistance-Enhanced Maintenance for Additional Daily Supervision		81203		271,023
Central Service Cost Allocation-IVE Adoption		84324		161
Adjustment				-
Social Services Block Grant:	93.667			
State Adoption Assistance Purchase of Service		81701		23,293
Home Based Homemaker (State Supplement)		83304		8,336
Prevention Services		83306		92
Adult Protective Services		89501		3,433
Medical Assistance Program (Title XIX)	93.778			
Central Service Cost Allocation-Medicaid		84323		3,676
Total Department of Health and Human Services				1,056,402

(Continued)

CITY OF STAUNTON, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Federal Granting Agency/Pass-Through State Agency/Grant Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Cluster Expenditures	Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY:				
Direct Programs:				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMH-2016-FH-00549		243,359
Pass-Through Programs:				
Virginia Department of Emergency Management				
Local Emergency Management Performace Grant	97.042	LEMPG2018		7,500
Total Department of Homeland Security				250,859
DEPARTMENT OF JUSTICE:				
Pass-Through Programs:				
Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	98-V9264VW17		73,997
Edward Byrne Memorial Justice Assistance Grant Program	16.738	19-A4694AD16; 18-4492AD14; 18-A4494AD13		46,467
Total Department of Justice				120,464
DEPARTMENT OF TRANSPORTATION:				
Pass-Through Programs:				
Virginia Department of Transportation:				
Highway Planning and Construction	20.205	UPC 80485		20,568
Total Department of Transportation				20,568
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Community Development Block Grants: Entitlement Grants	14.218	na		32,370
Total Department of Housing and Urban Development				32,370
DEPARTMENT OF THE INTERIOR				
Virginia Department of Historic Resources				
Historic Preservation Fund Grants in Aid	15.904	na		5,105
Total Department of the Interior				5,105
Total Expenditures of Federal Awards				$ 4,576,125

Notes to the Schedule of Expenditure of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of the City of Staunton, Virginia reporting entity and is presented on the modified accrual basis of accounting.

Note 2. Indirect Cost Rate

The City did not elect to use the 10% de minimus indirect cost rate.

Note 3. Outstanding Loan Balances

At June 30, 2019, the City had no outstanding loan balances requiring continuing disclosure.

CITY OF STAUNTON, VIRGINIA AND CITY OF STAUNTON PUBLIC SCHOOLS

COMMENTS ON INTERNAL CONTROL AND OTHER SUGGESTIONS FOR YOUR CONSIDERATION

June 30, 2019

CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT ON COMMENTS AND SUGGESTIONS 3

COMMENTS AND SUGGESTIONS 5

PRIOR YEAR COMMENTS AND SUGGESTIONS 6

ACCOUNTING AND OTHER MATTERS 7

BROWNEDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT ON COMMENTS AND SUGGESTIONS

To the Honorable Members of the
City Council and School Board
City of Staunton, Virginia

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Staunton, Virginia as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements and to comply with any other applicable standards, such as *Government Auditing Standards* and the regulations set forth in the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

If material weaknesses or significant deficiencies were identified during our procedures, they are appropriately designated as such in this report. Additional information on material weaknesses or significant deficiencies and compliance and other matters is included in the ***Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*** which should be read in conjunction with this report.

1909 Financial Drive • Harrisonburg, VA 22801 • 540-434-6736 • Fax: 540-434-3097 • www.BEcpas.com

Additionally, during our audit, we may have become aware of certain other matters that provide opportunities for improving your financial reporting system and/or operating efficiency. Such comments and suggestions regarding these matters, if any, are also included in the attached report, but are not designated as a material weakness or significant deficiency. Since our audit is not designed to include a detail review of all systems and procedures, these comments should not be considered as being all-inclusive of areas where improvements might be achieved. We also have included information on accounting and other matters that we believe is important enough to merit consideration by management and those charged with governance. It is our hope that our suggestions will be taken in the constructive light in which they are offered.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the City of Staunton, Virginia, management, and the appropriate state and federal regulatory agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
November 25, 2019

CITY OF STAUNTON, VIRGINIA AND
CITY OF STAUNTON PUBLIC SCHOOLS

COMMENTS AND SUGGESTIONS

PROCUREMENT POLICY

During fiscal year 2019, the sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) covering procurement became effective after a three-year grace period on the implementation date. The Uniform Guidance requires entities to have written policies and procedures in place covering many types of procurement situations, including conflicts of interest, avoidance of geographical preferences, bidding thresholds, value engineering, and others. While many of the requirements are covered in the City's existing written policies, we noted a few areas that were not included. We recommend that the City update policies to cover these areas as well so procurement policies are fully compliant with the Uniform Guidance. Those areas that should be included and/or revised were:

1. Policy to avoid acquisition of unnecessary or duplicative items.
2. Procedures for use of value engineering clauses.
3. Policy that prohibits use of geographical preferences in the evaluation of bids and proposals.
4. Written procedures to comply with Section 6002 of the Solid Waste Disposal Act.
5. Written policies to ensure that all required clauses from Appendix II of the Uniform Guidance are included in all contracts for which federal funds will be used for all or part of the contract.

Some of these items are currently addressed in practice by the City, however, the Uniform Guidance requires written policies and procedures, so we recommend that all items be documented in a written policy document.

Management's Response: *The Finance Department is currently reviewing and updating the written procurement policy to ensure compliance with Federal Government Uniform Guidance. We have updated our current purchase order terms and conditions to include the required clauses from Appendix II of the guidance, which ensures that the Appendix II clauses are included in all necessary federal contracts.*

CITY OF STAUNTON, VIRGINIA AND
CITY OF STAUNTON PUBLIC SCHOOLS

PRIOR YEAR COMMENTS AND SUGGESTIONS

RELIANCE ON COMPENSATING CONTROLS

In an ideal system of internal controls, no individual would perform more than one duty in connection with any transaction or series of transactions. In particular, no one individual should have access to both physical assets and the related accounting records. This is because such access may allow errors or fraud to occur and remain undetected or concealed.

Areas where in the past we identified a lack of segregation of duties included the accounts payable function, payroll function, bank reconciliation, journal entries, and authorized check signors. The City's finance department has responded to these concerns by implementing certain *compensating controls,* which, although they do not remove the original control deficiency, they mitigate the risk that a fraudulent transaction could occur and remain undetected. These compensating controls at the City consist of reviews of certain reports by the Assistant Director of Finance, Treasurer, and Director of Finance.

Because of these compensating controls, in our judgment these deficiencies do not constitute a material weakness or significant deficiency. Even so, management should note that these controls are effective only if applied regularly with vigilance. Also, as described in our report on these comments, our responsibility is to report control deficiencies that we note in performing our audits; other undetected control deficiencies may exist elsewhere.

Current Status: *Comment is still applicable.*

CITY OF STAUNTON, VIRGINIA AND
CITY OF STAUNTON PUBLIC SCHOOLS

ACCOUNTING AND OTHER MATTERS
June 30, 2019

In this section, we would like to make you aware of certain confirmed and potential changes that are on the horizon that may affect your financial reporting and audit.

The GASB issued **Statement No. 84**, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018.

The GASB issued **Statement No. 87**, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019.

The GASB issued **Statement No. 90**, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61* in August 2018. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for periods beginning after December 15, 2018.The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

The GASB issued **Statement No. 91**, *Conduit Debt Obligations* in May 2019. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2020.

BROWNEDWARDS
certified public accountants

REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Honorable Members of City Council
and School Board
City of Staunton, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Staunton, Virginia, collectively hereafter referred to as the "City," for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 5, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were.

- The useful lives of capital assets and the allowance for uncollectible accounts are based on management's knowledge and judgment, which is based on history.
- The other post-employment benefits and pension liabilities are based on actuarial studies provided by the City's external actuarial firm and the Virginia Retirement System.
- The estimate of the costs of previously contributed infrastructure is based on information provided by the Virginia Department of Transportation (VDOT) or other historical cost information.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

- The landfill liability for the City's proportionate share of closure/post-closure liability as well as the depreciation of landfill cell construction costs is based on Augusta Regional Landfill's management's knowledge and judgment and estimates provided by their external engineering firm using both estimated costs and remaining capacity information.
- The estimate of the reserve for claim losses liability for the City's self-insurance plan is based on historical claim experiences.

We evaluated the key factors and assumptions used to develop these estimates in determining that the estimates are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements include those related to:

- Capital assets, long-term debt, commitments and contingencies, the liability for landfill closure and post-closure care costs, pension, and other post-employment benefits liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 25, 2019, a copy of which is attached.

Significant Audit Findings (Continued)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and other items as listed in the financial statements table of contents, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual non-major fund financial statements, the discretely presented component units' fund statements, budget to actual schedules, and the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express and opinion or provide any assurance on it.

Significant Audit Findings (Continued)

Cybersecurity Risk Management

In today's environment of increasingly frequent cyber-attacks, ensuring the adequacy of cybersecurity is a critical aspect of board oversight. In addition to significant business disruption, substantial response cost, negative publicity, and reputational harm, cybersecurity breaches can result in litigation, and leaders may face potential liability if they failed to implement adequate steps to protect the organization.

Evidence suggests there may be a gap between the magnitude of exposure presented by cyber-risks and steps many corporate boards have taken to address these risks. Organizational leaders should be asking themselves what they can, and should, be doing to effectively oversee cyber-risk management.

Restriction on Use

This information is intended solely for the use of the City Council, the School Board, and management and is not intended to be and should not be used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
November 25, 2019

Attachment

STAUNTON VIRGINIA

DEPARTMENT OF FINANCE

November 25, 2019

Brown, Edwards & Company, L.L.P.
Certified Public Accountants
1909 Financial Drive
Harrisonburg, Virginia 22801

This representation letter is provided in connection with your audit of the financial statements of City of Staunton, Virginia, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 25, 2019, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 5, 2019, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

8) Adjustments or disclosures have been made for all Augusta Regional Landfill events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed.

11) We have provided the planning communication letter to all members of those charged with governance as requested.

Information Provided

12) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.

13) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

15) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- Management,
- Employees who have significant roles in internal control,
- Service organizations used by the entity,or
- Others where the fraud could have a material effect on the financial statements.

16) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.

17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

18) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

19) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

21) We have a process to track the status of audit findings and recommendations.

22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

24) The entity has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

26) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

27) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

30) As part of your audit, you assisted with preparation of the data collection form. We acknowledge our responsibility as it relates to this nonaudit service, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

31) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

32) The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

33) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

34) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.

35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

36) Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

37) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

38) Provisions for uncollectible receivables have been properly identified and recorded.

39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

42) Special and extraordinary items are appropriately classified and reported, if applicable.

43) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

44) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

45) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility, if applicable

46) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

47) We have not completed the process of evaluating the impact that will result from adopting new Governmental Accounting Standards Board (GASBS) Statements that are not yet effective, as discussed in the notes to financial statements. The entity is therefore unable to disclose the impact that adopting these Statements will have on its financial position and the results of its operations when the Statements are adopted.

48) We agree with the findings of specialists in evaluating the landfill liability estimate for closure, post-closure costs, the actuaries in determining pension and other post-employment benefits liabilities and disclosures, and the third party administrators in determining the incurred but not reported liabilities, and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

49) We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

50) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

51) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

52) With respect to the supplementary information on which an in-relation-to opinion is issued.

a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

53) With respect to federal award programs:

a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

d) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

e) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and

conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

f) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

g) We have received no requests from a federal agency to audit one or more specific programs as a major program.

h) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have confirmed that there were no amounts questioned and no known noncompliance with the direct and material compliance requirement of federal awards.

i) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

j) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

k) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

m) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

o) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

q) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

r) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

s) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the requirements of the Uniform Guidance, if applicable.

t) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient., if applicable.

u) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records, if applicable.

v) We have charged costs to federal awards in accordance with applicable cost principles.

w) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

x) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

y) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

z) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

aa) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations, if applicable.

Signature: _____
Title: City Manager

Signature: _____
Title: Superintendent of Schools

Signature: _____
Title: EDA Member of Management

Signature: _____
Title: Chief Finance Officer

Signature: _____
Title: Assistant Director of Finance

STAUNTON CITY COUNCIL
Carolyn W. Dull, Mayor
Ophie A. Kier, Vice Mayor
Erik D. Curren
James J. Harrington
R. Terry Holmes
Andrea W. Oakes
Walter J. Obenschain

STAUNTON VIRGINIA
STAUNTON CITY COUNCIL

BIRTHPLACE OF THE
COUNCIL-MANAGER
FORM OF GOVERNMENT

December 12, 2019

Commonwealth of Virginia
Auditor of Public Accounts
P. O. Box 1295
Richmond, Virginia 23218

Dear Ms. Mavredes,

We hereby attest, in accordance with Section 15.2-2510 of the Code of Virginia, the City of Staunton, VA's audited financial report, for the fiscal year ended June 30, 2019, has been presented to the local governing body at a public session on December 12, 2019.

Local chief elected official signature	Local chief administrative officer signature
Carolyn W. Dull-Mayor	Steven L. Rosenberg-City Manager

City of Staunton VA
Commonwealth of Virginia

The foregoing statement required by the laws of the Commonwealth was acknowledged before me this 12th day of December, 2019, by Steven L. Rosenberg-City Manager, City of Staunton VA.

Notary Public's Signature *Notary Seal*

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**Doug Guynn City Attorney**
Item #	**F**	
Ordinance #		
Department:	**City Attorney**	
Council Vision:	**Responsive, Efficient Government**	
Subject:	**Consideration of an Ordinance Amending Sections 3.15.010, Definitions; 3.15.020, Authorized; and 3.15.030, General Eligibility Requirements, of Chapter 3.15, Real Estate Exemption for Elderly and Disabled Persons, of Title 3, Revenue and Finance, to Align with Changes to the Code of Virginia as Enacted by the General Assembly and to Make Clarifications**	

Background: The Virginia General Assembly has enacted changes at various times to the Code of Virginia which merit amendments to update some aspects of the Staunton City Code. These updates are part of an ongoing process, as time permits with the input of departmental directors, to amend the City Code to align with changes to the Code of Virginia.

Virginia law authorizes a locality's governing body to provide some exemption or deferral of real estate taxes based on qualifying limitations. Staunton currently does so in Chapter 3.15 of the Staunton City Code. The proposed ordinance before Council updates those provisions.

Exhibit A is a proposed draft ordinance which clarifies the definitions of "dwelling" and "eligible person" in Title 3, Revenue and Finance, for the purposes of the real property tax exemption for property owners who are 65 years of age or older or who are permanently and totally disabled, to include improvements to the exempt land, so long as the improvement is not used for a business purpose and is used to house certain motor vehicles or household goods.

The ordinance also reorders and clarifies some language in the current version of the City Code provision in regards to the income limitation to determine eligibility for the real estate tax exemption, to provide that disability income received by certain individuals who live in the dwelling is not included in making that determination.

Exhibit B is the public hearing advertisement notice from The News Leader indicating the advertisement dates of October 31, 2019 and November 7, 2019.

At Council's regular meeting on November 14, 2019, the ordinance was introduced and a public hearing was conducted. There were no comments from the public.

City Manager's Recommendation: Recommend ordinance be adopted as presented, to amend general eligibility requirements related to real estate tax exemptions for elderly and disabled persons.

Suggested Motion: I move that City Council adopt the proposed ordinance amending Sections 3.15.010, Definitions; 3.15.020, Authorized; and 3.15.030, General Eligibility Requirements, of Chapter 3.15, Real Estate Exemption for Elderly and Disabled Persons, of Title 3, Revenue and Finance, to align with changes to the Code of Virginia as enacted by the General Assembly and to make clarifications.

City Manager: **Steven L. Rosenberg**

EXHIBIT A

DRAFT 11.04.19

Ordinance No. 2019 - _____

AN ORDINANCE AMENDING, RESTATING AND REORDAINING SECTIONS 3.15.010, DEFINITIONS; 3.15.020, AUTHORIZED; AND 3.15.030, GENERAL ELIGIBILITY REQUIREMENTS, OF CHAPTER 3.15, REAL ESTATE TAX EXEMPTION FOR ELDERLY AND DISABLED PERSONS, OF TITLE 3, REVENUE AND FINANCE, OF THE STAUNTON CITY CODE TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY

Recitals

A. The General Assembly has enacted changes at various times to the Code of Virginia which merit amendments to the Staunton City Code relating to real estate tax exemptions for elderly and disabled persons to align the Staunton City Code with the Code of Virginia;

B. Pursuant to Sections 58.1-3210 and 58.1-3212 of the Code of Virginia and provisions of Title 3 of the Staunton City Code, the City Council has the authority to enact and change provisions of the Staunton City Code regarding real estate tax exemptions for elderly and disabled persons;

C. The City Council finds that it is in the interest of the City and its citizens to amend the City Code provisions relating to real estate tax exemptions for elderly and disabled persons;

D. This matter has been properly advertised, heard, and considered; and

E. These recitals are deemed an integral part of this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Staunton, Virginia, that Sections 3.15.010, Definitions; 3.15.020, Authorized; and 3.15.030, General Eligibility Requirements, of Chapter 3.15, Real Estate Exemption for Elderly and Disabled Persons, of the Staunton City Code be and hereby are amended as follows:

3.15.010 Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section, unless another meaning shall clearly appear from the context:

…

"Dwelling" shall ~~–~~ mean real estate which is the sole residence of ~~the~~ an eligible person ~~or persons~~ claiming exemption under this chapter, and shall include ~~any dwelling:~~

~~held by an eligible person in conjunction with one or more other people as tenant or tenants for life or joint lives; held in a revocable inter vivos trust over which an eligible person with one or more other people hold the power of revocation; or held in an irrevocable trust under which an eligible person in conjunction with one or more other people possesses a life estate or an estate for joint lives or enjoys a continuing right of use or support.~~ an improvement to real estate exempt pursuant to this chapter and the land upon which such improvement is situated so long as the improvement is used principally for other than a business purpose and is used to house or cover any motor vehicle classified pursuant to subdivisions A 3 through 10 of Section 58.1-3503 of the Code of Virginia; household goods classified pursuant to subdivision A 14 of Section 58.1-3503 of the Code of Virginia; or household goods exempted from personal property tax pursuant to Section 58.1-3504 of the Code of Virginia.

"Eligible person" shall mean a person who is at least age 65, or permanently and totally disabled, who owns and occupies as their sole dwelling, real estate or real property (i) held by the eligible person alone or in conjunction with his spouse as tenant or tenants for life or joint lives, (ii) held in a revocable inter vivos trust over which an eligible person or the eligible person and his spouse hold the power of revocation, or (iii) held in an irrevocable trust under which an eligible person alone or in conjunction with his spouse possesses a life estate or an estate for joint lives or enjoys a continuing right of use or support. The term "eligible person" does not include any interest held under a leasehold or term of years.

…

3.15.020 Authorized.

It is hereby declared to be the purpose of this chapter to provide real estate tax exemptions for ~~qualified property owners who are not less than 65 years of age, or if under 65 years of age, are permanently and totally disabled, and who are otherwise eligible according to the terms of this chapter~~eligible persons. Pursuant to the authority of Section 58.1-3210 of the Code of Virginia, the city council finds and declares that eligible persons ~~qualifying for exemption~~ hereunder are bearing an extraordinary real estate tax burden in relation to the circumstances of their income and financial worth.

3.15.030 General eligibility requirements.

Exemption pursuant to this chapter shall be granted to eligible persons and as to their dwelling when: ~~and for property complying with the following provisions:~~

~~(1) The title to the property for which exemption is claimed is held or partially held by the person claiming such exemption, as of January 1st of the taxable year for which such exemption is claimed.~~

~~(2) The dwelling for which the exemption is claimed is occupied as the sole dwelling of such claimant.~~

~~(3) The head of household claiming such exemption is 65 years of age or older as of December 31st of the year immediately preceding the taxable year for which the exemption is claimed; or the head of household claiming such exemption is under 65~~

~~years of age and such person is permanently and totally disabled as of December 31st of the year immediately preceding the taxable year for which the exemption is claimed.~~

(~~4~~1) The total combined income received from all sources during the preceding calendar year by (a) owners of the dwelling who use it as their principal residence, (b) owners' relatives who live in the dwelling, except for those relatives living in the dwelling and providing bona fide caregiving services to the owner whether such relatives are compensated or not, and (c) nonrelatives of the owner who live in the dwelling except for bona fide tenants or bona fide caregivers of the owner, whether compensated or not, does not exceed the sum of $30,000; provided, however, that the first $2,500 of income of each relative, other than the spouse of the owner, who is living in such dwelling shall not be included in such total. If an individual described in clause (b) and (c) is permanently and totally disabled, any disability income received by such person shall not be included in such total.

(~~5~~2) The net combined financial worth, including equitable interests, as of December 31st of the immediately preceding calendar year, of the owners and of the spouse of ~~the~~ any owner, excluding the value of the dwelling and the land, not exceeding one acre, upon which it is situated, does not exceed $62,500.

…

In all other respects, the provisions of Chapter 3.15, Real Estate Tax Exemption for Elderly and Disabled Persons, of Title 3, Revenue and Finance, of the Staunton City Code remain the same and are hereby restated, confirmed and reordained.

Introduced:
Adopted:
Effective Date:

_____
Carolyn W. Dull, Mayor

ATTEST:_____
Suzanne F. Simmons, Clerk of Council

DRAFT

Exhibit B

The News Leader

Classified Ad Receipt
(For Info Only - NOT A BILL)

Customer: STAUNTON CITY OF

Address: 116 W BEVERLEY ST
STAUNTON VA 24401
USA

Ad No.: 0003872173
Pymt Method Invoice
Net Amt: $752.40

Run Times: 2

No. of Affidavits: 1

Run Dates: 10/31/19, 11/07/19

Text of Ad:

NOTICE OF PUBLIC HEARING S
ON ORDINANCES TO AMEND VARIOUS PROVISIONS OF THE STAUNTON CITY CODE

The Staunton City Council will hold public hearings at its regular meeting at 7:30 p.m. on Thursday, November 14, 2019, in Council Chambers, first floor of City Hall, 116 West Beverley Street, Staunton, Virginia on adopting ordinances to amend provisions of the Staunton City Code in various respects as follows:

SECTIONS 3.15.010, DEFINITIONS; 3.15.020, AUTHORIZED; AND 3.15.030, GENERAL ELIGIBILITY REQUIREMENTS, OF CHAPTER 3.15, REAL ESTATE TAX EXEMPTION FOR ELDERLY AND DISABLED PERSONS, OF TITLE 3, REVENUE AND FINANCE, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY AND TO MAKE CLARIFICATIONS;

SECTION 3.17.010, GENERAL ELIGIBILITY REQUIREMENTS, OF CHAPTER 3.17, REAL ESTATE TAX EXEMPTION FOR U.S. MILITARY VETERANS, OF TITLE 3, REVENUE AND FINANCE, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY;

SECTION 6.05.010, DEFINITIONS, OF CHAPTER 6.05, IN GENERAL, OF TITLE 6, ANIMALS AND FOWL, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY; AND

SECTION 8.30.070, PENALTY FOR VIOLATION OF ARTICLE, OF CHAPTER 8.30, SOLID WASTE, OF TITLE 8, HEALTH AND SAFETY, TO ESTABLISH CIVIL PENALTIES FOR REPEATED VIOLATIONS REGARDING THE FAILURE TO REMOVE OR PROPERLY DISPOSE OF TRASH, GARBAGE, REFUSE, RUBBISH, LITTER, AND OTHER LIKE SUBSTANCES

Copies of the proposed ordinances to review the amendments, in full context, are available for inspection during normal working hours at the office of the Clerk of Council and at the office of the City Manager. The Staunton City Code is available online at: https://www.codepublishing.com/VA/Staunton/
All persons wishing to be heard at the public hearings are invited to attend. Persons with hearing loss or speech impairment desiring to attend the public hearing may contact the Clerk of Council by email at simmonssf@ci.staunton.va.us to request an interpreter.
Suzanne F. Simmons
Clerk of Council

0003872173-01

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**Doug Guynn City Attorney**
Item #	**G**	
Ordinance #		
Department:	**City Attorney**	
Council Vision:	**Responsive, Efficient Government**	
Subject:	**Consideration of an Ordinance Amending Section 3.17.010, General Eligibility Requirements, of Chapter 3.17, Real Estate Tax Exemption for U.S. Military Veterans, of Title 3, Revenue and Finance, to Align with Changes to the Code of Virginia as Enacted by the General Assembly**	

Background: The Virginia General Assembly has enacted changes at various times to the Code of Virginia which merit update amendments to the Staunton City Code. These updates are part of an ongoing process, as time permits with the input of departmental directors, to amend the City Code to align with changes to the Code of Virginia.

Virginia law exempts from taxation some of the real property of an eligible disabled U.S. veteran as well as for the surviving spouse of such a veteran and for the surviving spouse of an armed forces member killed in action. Chapter 3.17 of the Staunton City Code reflects the exemptions. Because the Virginia Code now applies the exemptions even when the surviving spouse moves to a different principal place of residence, the Staunton City Code should be updated to reflect this expanded benefit.

Exhibit A is a proposed draft ordinance that continues the tax exemption for the principal place of residence regardless of whether the surviving spouse moves to a different principal residence, as long as the surviving spouse does not remarry.

Exhibit B is the public hearing advertisement notice from *The News Leader* indicating the advertisement dates of October 31, 2019 and November 7, 2019.

At Council's regular meeting on November 14, 2019, the ordinance was introduced and a public hearing was conducted. There were no comments from the public.

City Manager's Recommendation: Recommend ordinance be adopted as presented, to amend general eligibility requirements related to real estate tax exemptions for U.S. military veterans.

Suggested Motion: I move that City Council adopt the proposed ordinance amending Section 3.17.010, General Eligibility Requirements, of Chapter 3.17, Real Estate Tax Exemption for U.S. Military Veterans, of Title 3, Revenue and Finance, to align with changes to the Code of Virginia as enacted by the General Assembly.

City Manager: Steven L. Rosenberg

EXHIBIT A

DRAFT 10.30.19

Ordinance No. 2019 - __

AN ORDINANCE AMENDING, RESTATING AND REORDAINING SECTION 3.17.010, GENERAL ELIGIBILITY REQUIREMENTS, OF CHAPTER 3.17, REAL ESTATE TAX EXEMPTION FOR U.S. MILITARY VETERANS, OF TITLE 3, REVENUE AND FINANCE, OF THE STAUNTON CITY CODE TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY

Recitals

A. The City of Staunton, consistent with provisions of the Virginia Code, provides real estate tax relief through provisions of Title 3 of the Staunton City Code (SCC);

B. The General Assembly has enacted changes at various times regarding exemptions from taxes on real property for U.S. military veterans, pursuant to subdivision (a) of section 6-A of Article X of the Constitution of Virginia and Virginia Code §§ 58.1-3219.5 and 58.1-3219.9;

C. City Council finds that it is in the interest of the City and its citizens to amend SCC provisions relating to exemptions from taxes on real property to align with changes enacted to the Code of Virginia;

D. The Commissioner of Revenue concurs that the amendments contemplated by this ordinance will enhance the clarity of the eligibility requirements for the City of Staunton's real estate tax relief program;

E. This matter has been properly advertised, heard and considered; and

F. These recitals are an integral part of this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Staunton, Virginia, that Chapter 3.17, Real Estate Tax Exemption for U.S. Military Veterans, of Title 3, Revenue and Finance, of the Staunton City Code be, and hereby is, amended as follows:

3.17 Real Estate Tax Exemption for U.S. Military Veterans and Spouses or Surviving Spouses

3.17.010 General eligibility requirements.

Exemption pursuant to this chapter shall be granted to persons and for property complying with the following provisions:

(1) For tax years beginning on or after January 1, 2011, any veteran who has been rated by the by the U.S. Department of Veterans Affairs or its successor agency pursuant to federal law to have a 100 percent service-connected, permanent, and total disability, and

DRAFT

who occupies the real property as the principal place of residence, shall be exempt from taxation of real property, including the joint real property of husband and wife. If the veteran's disability rating occurs after January 1, 2011, and has a qualified primary residence on the date of the rating, then the exemption under this section begins on the date of such rating. However, the City shall not be liable for any interest on any refund due to the veteran for taxes paid prior to the veteran's filing of the affidavit or written statement required by Virginia Code § 58.1-3219.6 and SCC § 3.17.020 or successor provisions. If the qualified veteran acquires the property after January 1, 2011, then the exemption shall begin on the date of acquisition, and the previous owner may be entitled to a refund for a pro rata portion of real property taxes paid pursuant to Virginia Code § 58.1-3360 or successor provisions. The surviving spouse of a veteran eligible for the exemption set forth in this section shall also qualify for the exemption, so long as the death of the veteran occurred on or after January 1, 2011, and the surviving spouse does not remarry~~, and the surviving spouse continues to occupy the real property as the principal place of residence~~. The exemption applies without any restriction on the spouse's moving to a different principal place of residence.

…

(2) For tax years beginning on or after January 1, 2015, the surviving spouse (i) of any member of the armed forces of the United States who was killed in action as determined by the U.S. Department of Defense and (ii) who occupies the real property as the principal place of residence shall be exempt from taxation of real property. For purposes of this section, such determination of "killed in action" includes a determination by the U.S. Department of Defense of "died of wounds received in action." If such member of the armed forces of the United States is killed in action after January 1, 2015, and the surviving spouse has a qualified principal residence on the date that such member of the armed forces is killed in action, then the exemption for the surviving spouse shall begin on the date that such member of the armed forces is killed in action.

…

(b) The surviving spouse of a member of the armed forces killed in action shall qualify for the exemption so long as the surviving spouse does not remarry ~~and continues to occupy the real property as the principal place of residence~~. The exemption applies without any restriction on the spouse's moving to a different principal place of residence.

In all other respects, the provisions of Chapter 3.17. Real Estate Tax Exemption for U.S. Military Veterans, of Title 3, Revenue and Finance, of the Staunton City Code remain the same and are hereby restated, confirmed, and reordained.

Introduced:
Adopted:
Effective Date:

_____
Carolyn W. Dull, Mayor

DRAFT

ATTEST:_____
Suzanne F. Simmons,
Clerk of Council

DRAFT

Exhibit B

The News Leader

Classified Ad Receipt
(For Info Only - NOT A BILL)

Customer: STAUNTON CITY OF

Address: 116 W BEVERLEY ST
STAUNTON VA 24401
USA

Ad No.: 0003872173
Pymt Method Invoice
Net Amt: $752.40

Run Times: 2

No. of Affidavits: 1

Run Dates: 10/31/19, 11/07/19

Text of Ad:

NOTICE OF PUBLIC HEARING S
ON ORDINANCES TO AMEND VARIOUS PROVISIONS OF THE STAUNTON CITY CODE

The Staunton City Council will hold public hearings at its regular meeting at 7:30 p.m. on Thursday, November 14, 2019, in Council Chambers, first floor of City Hall, 116 West Beverley Street, Staunton, Virginia on adopting ordinances to amend provisions of the Staunton City Code in various respects as follows:

SECTIONS 3.15.010, DEFINITIONS; 3.15.020, AUTHORIZED; AND 3.15.030, GENERAL ELIGIBILITY REQUIREMENTS, OF CHAPTER 3.15, REAL ESTATE TAX EXEMPTION FOR ELDERLY AND DISABLED PERSONS, OF TITLE 3, REVENUE AND FINANCE, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY AND TO MAKE CLARIFICATIONS;

SECTION 3.17.010, GENERAL ELIGIBILITY REQUIREMENTS, OF CHAPTER 3.17, REAL ESTATE TAX EXEMPTION FOR U.S. MILITARY VETERANS, OF TITLE 3, REVENUE AND FINANCE, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY;

SECTION 6.05.010, DEFINITIONS, OF CHAPTER 6.05, IN GENERAL, OF TITLE 6, ANIMALS AND FOWL, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY; AND

SECTION 8.30.070, PENALTY FOR VIOLATION OF ARTICLE, OF CHAPTER 8.30, SOLID WASTE, OF TITLE 8, HEALTH AND SAFETY, TO ESTABLISH CIVIL PENALTIES FOR REPEATED VIOLATIONS REGARDING THE FAILURE TO REMOVE OR PROPERLY DISPOSE OF TRASH, GARBAGE, REFUSE, RUBBISH, LITTER, AND OTHER LIKE SUBSTANCES

Copies of the proposed ordinances to review the amendments, in full context, are available for inspection during normal working hours at the office of the Clerk of Council and at the office of the City Manager. The Staunton City Code is available online at: https://www.codepublishing.com/VA/Staunton/
All persons wishing to be heard at the public hearings are invited to attend. Persons with hearing loss or speech impairment desiring to attend the public hearing may contact the Clerk of Council by email at simmonssf@ci.staunton.va.us to request an interpreter.
Suzanne F. Simmons
Clerk of Council

0003872173-01

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**Doug Guynn City Attorney**
Item #	**H**	
Ordinance #		
Department:	**City Attorney**	
Council Vision:	**Responsive, Efficient Government**	
Subject:	**Consideration of an Ordinance Amending Section 6.05.010, Definitions, of Chapter 6.05, In General, of Title 6, Animals and Fowl, to Align with Changes to the Code of Virginia as Enacted by the General Assembly**	

Background: The Virginia General Assembly has enacted changes at various times to the Code of Virginia which merit amendments to update some aspects of the Staunton City Code. These updates are part of an ongoing process, as time permits with the input of departmental directors, to amend the City Code to align with changes to the Code of Virginia.

Exhibit A is a proposed draft ordinance amending the definitions of "adequate shelter," 'adequate space," and "livestock," within the context of animal control, found in the Staunton City Code's Title 6, Animals and Fowl.

"Adequate shelter" is amended to mean, during hot weather, the provision of shelter that is shaded and does not readily conduct heat and, during cold weather, has a windbreak at its entrance and provides sufficient bedding material.

"Adequate space" is amended to provide that a tether meets the requirement that an animal be given adequate space if the tether is at least 10 feet in length or three times the length of the animal, whichever is greater, and does not, by its material, size, or weight or any other characteristic, cause injury or pain to the animal, does not weigh more than one-tenth of the

animal's body weight, and does not have weights or other heavy objects attached to it. The amendment further provides that walking of an animal on a leash by its owner does not constitute the tethering of the animal for the purpose of the definition and excludes agricultural animals from the definition.

The definition of "livestock" is amended to add animals of the genus Vicugna, which includes alpacas.

Exhibit B is the public hearing advertisement notice from The News Leader indicating the advertisement dates of October 31, 2019 and November 7, 2019.

At Council's regular meeting on November 14, 2019, the ordinance was introduced and a public hearing was conducted. There were no comments from the public.

City Manager's Recommendation: Recommend ordinance be adopted as presented, to amend various definitions related to animals and fowl.

Suggested Motion: I move that City Council adopt the proposed ordinance amending Section 6.05.010, Definitions, of Chapter 6.05, In General, of Title 6, Animals and Fowl, to align with changes to the Code of Virginia as enacted by the General Assembly.

City Manager: Steven L. Rosenberg

Ordinance No. 2019 - __

AN ORDINANCE AMENDING, RESTATING AND REORDAINING SECTION 6.05.010, DEFINITIONS, OF CHAPTER 6.05, IN GENERAL, OF TITLE 6, ANIMALS AND FOWL, OF THE STAUNTON CITY CODE TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY

Recitals

A. The General Assembly has enacted changes at various times to the Code of Virginia which merit amendments to the Staunton City Code (SCC) relating to the definitions of "adequate shelter," "adequate space," and "livestock" to align the SCC with the Code of Virginia related to companion animals;

B. Pursuant to Staunton City Charter Section 11, Thirteenth, and Section 3.2-6543 of the Code of Virginia, the City Council has the authority to amend provisions of Title 6, Animals and Fowl, of the City Code;

C. The City Council finds that it is in the interest of the City and its citizens to amend the SCC provisions relating to the definitions of "adequate shelter," "adequate space," and "livestock," consistent with the changes enacted to Section 3.2-6500 of the Code of Virginia;

D. This matter has been properly advertised, heard, and considered; and

E. These recitals are deemed an integral part of this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Staunton, Virginia, that Section 6.05.010, Definitions, of the Staunton City Code be and hereby is amended as follows:

6.05.010 Definitions.

The following words and phrases shall, as used in this title, have the following meanings:

…

"Adequate shelter" means provision of and access to shelter that is suitable for the species, age, condition, size, and type of each animal; provides adequate space for each animal; is safe and protects each animal from injury, rain, sleet, snow, hail, direct sunlight, the adverse effects of heat or cold, physical suffering, and impairment of health; is properly lighted; is properly cleaned; enables each animal to be clean and dry, except when detrimental to the species; during hot weather, is properly shaded and does not readily conduct heat; during cold weather, has a windbreak at its entrance and provides a quantity of bedding material consisting of straw, cedar shavings, or the equivalent that is

DRAFT

sufficient to protect the animal from cold and promote the retention of body heat; and, for dogs and cats, provides a solid surface, resting platform, pad, floor mat, or similar device that is large enough for the animal to lie on in a normal manner and can be maintained in a sanitary manner. Under this chapter, shelters whose wire, grid, or slat floors (1) permit the animals' feet to pass through the openings, (2) sag under the animals' weight, or (3) otherwise do not protect the animals' feet or toes from injury are not adequate shelter.

"Adequate space" means sufficient space to allow each animal to (1) easily stand, sit, lie, turn about, and make all other normal body movements in a comfortable, normal position for the animal and (2) interact safely with other animals in the enclosure. When the animal is tethered, "adequate space" means ~~a~~that the ~~-~~tether ~~that~~ to which the animal is attached permits the above actions and is appropriate to the age and size of the animal; is attached to the animal by a properly applied collar, halter, or harness, not of the choker type, that is configured so as to protect the animal from injury and prevent the animal or tether from becoming entangled with other objects or animals, or from extending over an object or edge that could result in the strangulation or injury of the animal; ~~and~~ is at least the greater of 10 feet or three times the length of the animal, as measured from the tip of its nose to the base of its tail, except when the animal is being walked on a leash or is attached by a tether to a lead line; does not, by its material, size, or weight or any other characteristic, cause injury or pain to the animal; does not weigh more than one-tenth of the animal's body weight; and does not have weights or other heavy objects attached to it. The walking of an animal on a leash by its owner shall not constitute the tethering of the animal for the purpose of this definition. When freedom of movement would endanger the animal, temporarily and appropriately restricting movement of the animal according to professionally accepted standards for the species is considered provision of adequate space. The provisions of this definition that relate to tethering shall not apply to agricultural animals.

…

"Livestock" includes all domestic or domesticated bovine animals; equine animals; ovine animals; porcine animals; cervidae animals; capradae animals; animals of the genus L~~l~~ama or Vicugna; ratites; fish or shellfish in aquaculture facilities, as defined in Section 3.2-2600 of the Code of Virginia; enclosed domesticated rabbits or hares raised for human food or fiber; or any other individual animal specifically raised for food or fiber, except companion animals.

…

In all other respects, the provisions of Chapter 6.05, In General, of Title 6, Animals and Fowl, of the Staunton City Code remain the same and are hereby restated, confirmed and reordained.

Introduced:
Adopted:
Effective Date:

_____
Carolyn W. Dull, Mayor

ATTEST:_____
Suzanne F. Simmons, Clerk of Council

DRAFT

Exhibit B

The News Leader

Classified Ad Receipt
(For Info Only - NOT A BILL)

Customer: STAUNTON CITY OF

Address: 116 W BEVERLEY ST
STAUNTON VA 24401
USA

Ad No.: 0003872173
Pymt Method Invoice
Net Amt: $752.40

Run Times: 2

No. of Affidavits: 1

Run Dates: 10/31/19, 11/07/19

Text of Ad:

NOTICE OF PUBLIC HEARING S
ON ORDINANCES TO AMEND VARIOUS PROVISIONS OF THE STAUNTON CITY CODE

The Staunton City Council will hold public hearings at its regular meeting at 7:30 p.m. on Thursday, November 14, 2019, in Council Chambers, first floor of City Hall, 116 West Beverley Street, Staunton, Virginia on adopting ordinances to amend provisions of the Staunton City Code in various respects as follows:

SECTIONS 3.15.010, DEFINITIONS; 3.15.020, AUTHORIZED; AND 3.15.030, GENERAL ELIGIBILITY REQUIREMENTS, OF CHAPTER 3.15, REAL ESTATE TAX EXEMPTION FOR ELDERLY AND DISABLED PERSONS, OF TITLE 3, REVENUE AND FINANCE, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY AND TO MAKE CLARIFICATIONS;

SECTION 3.17.010, GENERAL ELIGIBILITY REQUIREMENTS, OF CHAPTER 3.17, REAL ESTATE TAX EXEMPTION FOR U.S. MILITARY VETERANS, OF TITLE 3, REVENUE AND FINANCE, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY;

SECTION 6.05.010, DEFINITIONS, OF CHAPTER 6.05, IN GENERAL, OF TITLE 6, ANIMALS AND FOWL, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY; AND

SECTION 8.30.070, PENALTY FOR VIOLATION OF ARTICLE, OF CHAPTER 8.30, SOLID WASTE, OF TITLE 8, HEALTH AND SAFETY, TO ESTABLISH CIVIL PENALTIES FOR REPEATED VIOLATIONS REGARDING THE FAILURE TO REMOVE OR PROPERLY DISPOSE OF TRASH, GARBAGE, REFUSE, RUBBISH, LITTER, AND OTHER LIKE SUBSTANCES

Copies of the proposed ordinances to review the amendments, in full context, are available for inspection during normal working hours at the office of the Clerk of Council and at the office of the City Manager. The Staunton City Code is available online at: https://www.codepublishing.com/VA/Staunton/
All persons wishing to be heard at the public hearings are invited to attend. Persons with hearing loss or speech impairment desiring to attend the public hearing may contact the Clerk of Council by email at simmonssf@ci.staunton.va.us to request an interpreter.
Suzanne F. Simmons
Clerk of Council

0003872173-01

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**December 12, 2019**	**Staff Member:** **Tom Sliwoski**
Item #	**I**	
Ordinance #		
Department:	**Public Works**	
Council Vision:	**Resilience** **Responsive, Efficient Government**	
Subject:	**Consideration of an Ordinance Amending Section 8.30.230, Penalty for Violation of Article, of Chapter 8.30, Solid Waste, of Title 8, Health and Safety, to Establish Civil Penalties for Repeated Violations Regarding the Failure to Remove or Properly Dispose of Trash, Garbage, Refuse, Rubbish, Litter and Other Like Substances**	

Background: In accordance with City Code, the Director of Public Works shall prescribe a solid waste policy relating to the collection, handling and disposal of refuse. This policy is subject to approval by the City Manager. The primary goals of the policy are to ensure health and safety, and to maintain and enhance the appearance of the City. The current policy, revised earlier this year, is attached to this briefing.

While City Code authorizes misdemeanor penalties for depositing refuse in the streets, using public receptacles for depositing refuse, transporting refuse on public streets, and collecting refuse as a business, there are no penalties for violation of the Public Works policy. The only exception is for unscheduled special pickups, which is defined as a special pickup for refuse that is stored or placed curbside in a manner not in accordance with the policy. The minimum fee for an unscheduled special pickup is $95; however, the customer may be charged with the actual cost of the pickup.

Staff recommends that an ordinance, in the form attached (Exhibit A) to this briefing, be introduced to establish civil penalties for repeat violations of the Public Works solid waste policy relating to the failure to remove or properly dispose of trash, garbage, refuse, rubbish, litter and other like substances.

As provided in the proposed ordinance, a $50 penalty would be imposed for the first violation, or violations arising from the same set of facts. The civil penalty for subsequent violations (not arising from the same set of facts) within 12 months of the first violation would be $200. In no event would a series of specified violations arising from the same set of facts result in civil penalties that exceed a total of $3,000 in a 12-month period. Three civil penalties previously imposed on the same person for the same or similar violation, within a 24-month period, would constitute a Class 3 misdemeanor. Existing authority of the City to refuse to collect refuse from a violating person or entity in the event of repeated violations is maintained.

At Council's regular meeting on November 14, 2019, the ordinance was introduced, and a public hearing was conducted. There were no comments from the public. Exhibit B is the public hearing advertisement notice from *The News Leader* indicating the advertisement dates of October 31, 2019 and November 7, 2019.

City Manager's Recommendation: Recommend ordinance be adopted as presented, to establish civil penalties for repeated violations regarding the failure to remove or properly dispose of trash, garbage, refuse, rubbish, litter and other like substances.

Suggested Motion: I move that Council adopt an ordinance to establish civil penalties for repeated violations regarding the failure to remove or properly dispose of trash, garbage, refuse, rubbish, litter and other like substances.

City Manager: Steven L. Rosenberg

City of Staunton

April 10, 2008

Solid Waste Policy

Revised: October 23, 2019

It is the policy of the City of Staunton to provide for the prompt, orderly removal of refuse and recyclable materials generated by city homes and businesses. The goal of this policy is to promote the health and safety of residents and visitors, to enhance the appearance of the city, and to provide a convenient, straightforward service to residents and businesses – the customers.

This policy specifically addresses our two primary types of customers – residential and commercial. The unique characteristics of the Central Business District are reflected in regulations specific to some of our commercial customers.

This policy also addresses two types of refuse collection – regular collection of refuse put out as described in the following regulations, and special pickups of refuse - scheduled and unscheduled - put out in any other manner.

1. Hazardous and Unacceptable Materials

A. The City will not pick up hazardous wastes including tires, car batteries, pesticides, herbicides, motor oil, anti-freeze, toxic chemicals, or oil-based paints, solvents or large tube type console televisions sets. The city will not pick up liquids, brick or block, pipe, rocks, gravel, lumber, tires, human or animal feces/urine, construction debris or any other material that may pose a danger to refuse crews. For any specific questions on how to dispose of these materials, contact Public Works at 332-3892.

A regional special hazardous waste collection day for household generated hazardous wastes is usually offered in the fall. Watch local newspapers, the internet or TV channel for specific information.

Many local business accept used car batteries and motor oil. Please call to find out.

B. The City will pick up dead animals, feminine hygiene products, cat litter, broken glass (but not as recycling) and sharp objects, needles and flat screen television sets, but only if they are packaged in such a way that they pose no danger to health or safety during handling.

2. Regular Collection

A. General Refuse Regulations

1 - Residents and businesses wishing to put out refuse for regular collection must follow the regulations listed here. Refuse set out other than as described will be considered a request for a Special Unscheduled Collection *(see Section 5-C below).*

2 - Refuse may be set out in containers or plastic bags. Containers or bags shall be placed at curbside, or for streets without curbs, no more than three feet from the edge of the pavement. If placement of plastic bags becomes a problem due to animals, the Director of Public Works may require that containers be utilized.

a - **Containers**: Containers may be of metal or plastic and must be covered. Containers may hold no more than 45 gallons, and weigh no more than 60 pounds when full. Containers shall be kept in a clean and sanitary condition and free from odor, so flies or other vermin will not be attracted. Containers having visible holes or open cracks or without covers may be considered part of the refuse and taken.

b - **Bags**: Refuse may be placed in plastic bags at least 1.5 mils thick that are closed and tied securely shut. Bags of refuse may not weigh more than 60 pounds.

c - **Brush** will be picked up if stems/branches are tied into bundles no longer than four feet. Bundles must weigh less than 60 pounds each. Limit 10 bundles per collection day.

d - **Organic and food wastes from restaurants** must be bagged, securely tied and placed in covered containers. Liquid grease and oils will not be collected. Non-hazardous liquid wastes will be collected only if solidified in some acceptable manner such as with cat litter or sawdust.

3. Collection Schedules

A. The scheduled collection times in this policy may be changed on a temporary or permanent basis by the Director of Public Works, subject to City Manager approval. This is typically done following periods of extreme or inclement weather conditions.

B. Areas Outside The Central Business District

1 - Residential and commercial refuse will be collected one day per week according to the schedule published by the Public Works Department. Refuse must be placed at the curb no earlier than dusk the day before pickup and no later than 7 a.m. on the day of pickup. Emptied containers must be removed from the curb no later than 6 p.m. the day of pickup. Containers must be stored at the side or rear of homes or buildings.

2 - When a collection day falls on a City holiday, refuse and recycling will be collected on the Wednesday of that same week.

C. Inside The Central Business District

1 - Refuse is collected in the Central Business District daily except Sundays and Wednesdays. When a City holiday falls on scheduled collection day, residents and businesses should simply hold refuse and/or recycling for pickup on the next scheduled collection day. In the event of multiple holidays in a single week, a pickup schedule will be announced on the City's home page (www.staunton.va.us), the government access cable TV channel, and via local news media.

2 - Refuse customers in the Central Business District are divided into three categories for billing purposes.

a - **Residential refuse (CBD).** Refuse from multi-family buildings is the responsibility of the land-owner/landlord. Billing will be the residential fee (below) for each residential unit.

b - **Light commercial users (CBD)** are those who set out four or less bags/containers of refuse on an average collection day.

c - **Heavy commercial users (CBD)** are those who set out five or more containers/bags of refuse on an average collection day.

(1) **All full-time restaurants are considered Heavy Commercial Users.** Coffee-houses, theaters and other locations where food wastes do not include heavy cooking materials or substantial amounts of cooked foods will normally be considered Light users under this policy, subject to review by the Director of Public Works. Should the amount or nature of refuse from such facilities change, the Director of Public Works may, at his discretion, reclassify the facility as a Heavy user.

d - **Public Works may change the status of an account at any time when the amount or nature of refuse set out justifies such a change.** Customers who believe their category should be changed may contact Public Works and the matter will be reviewed.

3 - All refuse must be placed at the curb no earlier than 10 p.m. the day before collection. It must be put out no later than 9 a.m. the day of collection.

a - If containers are used, emptied containers must be removed from the curb by 11 a.m. the day of collection. No containers may be stored or kept on any public property, sidewalks or streets except for special situations as prescribed by the Director of Public Works.

b - Containers must be stored inside or behind buildings and not in front of buildings or close to sidewalks and streets. Containers or bags must be set out at the curb immediately adjacent to the customer's property.

c - The Director of Public Works may grant special permission for containers to be placed other than as directed in this policy only if, in his judgment, placement under this policy would create an undue hardship for the customer. Such permission will be granted providing specific conditions are maintained including types of containers, area cleanliness, etc. Permission for special placement may be withdrawn at any time.

4. Recycling Regulations

A. Residents and businesses in the City of Staunton are required to separate recyclable materials from all other refuse materials. RECYCLE.

1. A set of three recycling containers may be obtained from Public Works. There is a $25 service fee for the use of these containers. Upon return to the City of the three containers in reasonable condition, other than ordinary wear and tear, this service fee shall be credited or refunded to the customer upon closure of the account.
2. Other marked containers may also be used. Recyclable materials placed in plastic or paper bags will not be picked up. Businesses that produce large quantities of glass or metal containers may contact Public Works for approval of other containers or means of pick-up.
3. **Recycling is picked up on the regular refuse collection day citywide for residential customers. In the Central Business District, regular recycling and cardboard is collected on Mondays and Thursdays of each week**. Recycling containers should be placed out and removed at the same time as regular refuse containers/bags and in the same manner and location.
4. Recycling containers holding trash, refuse, food particles or other non-recyclable materials will not be collected. All recyclable materials placed out for collection become the property of the City of Staunton as soon as they are placed at the curb. It is unlawful for anyone to remove any recyclable materials from any such curbside container or from other public recycling containers on public property in the city.

B. Recyclable materials include:

1 - Metal - Metal containers/cans, including aluminum cans are to be emptied and rinsed, where possible. Aluminum foil and disposable aluminum trays are acceptable and will be collected.

2 - Glass - Glass containers are to be emptied of all contents and tops removed. Plate glass, mirrors, light bulbs, Pyrex, or ceramic materials are not accepted for recycling; these items should be placed with regular refuse.

3 - Mixed paper – Newspapers, magazines, cardboard, old books, phone books, junk mail, and office papers may all be recycled.

4 - Cardboard - May be put out for collection only if boxes are broken down or collapsed and bundled with string or cord, do not exceed four feet in any dimension, and do not weigh less than 60 pounds. Do not place large cardboard boxes out at the curb for recycling; any large boxes not folded flat or containing Styrofoam, other packaging materials, or other debris will be collected with regular refuse.

5 - Plastics – As of April 1, 2019, the City no longer collects plastic of any sort for recycling. All plastic items must be disposed of with regular refuse.

C. Sorting of Recyclable Materials

1. Recyclable materials are sorted by city crews at the curb. Residents are asked to help by separating metals, glass, and paper as much as possible. When it is necessary to save bin space, metal and aluminum, mixed paper and small cardboard containers materials may be commingled in bins; please keep glass items separate.
2. Under no circumstances is refuse, trash, food or other materials to be placed in recycling bins. Bins are only for items to be recycled. If unacceptable items are included, bins will not be picked up.

5. Special Pickups

A. Introduction

Since the health, safety and appearance of the City of Staunton is important to its quality of life, Public Works may perform special pickups of refuse and other materials either on a scheduled basis or in response to conditions outside those described in this policy.

1 - Public Works annually schedules and publicizes special pickups of lawn wastes, leaves, Christmas trees and heavy/bulky trash items. These are done at no charge to residents.

2 - Refuse set out in any manner not in accord with the provisions of this policy (Sections 2, 3 and 4 above) is considered a violation of this policy and will result in special unscheduled pickup. This is not a convenience service but rather a pickup for blatant violations of this policy. The cost of unscheduled pickups is added to the utility bill of the customer involved.

B. Scheduled Special Pickups

1 - Dates for scheduled pickup of lawn waste, leaves, Christmas trees and heavy/bulky trash items will be published on the City's web page (www.staunton.va.us) and on the government access cable TV channel.

2 - Leaves – Residents are asked to rake leaves to the curb each fall so that crews may vacuum them up for composting. The City is divided into sectors and each sector will have two periods for leaf collection. Leaf piles that contain rocks, branches or are inappropriately placed will not be picked up. Leaves may be bagged and placed out with regular refuse however residents are strongly encouraged to place leaves out by the curb so that they may be composted.

3 - Christmas Trees – Trees are normally picked up the first Wednesday following the start of the New Year, provided items such as lights, stands and ornaments are removed. Trees are composted.

4 - Heavy Trash – Bulky items, large quantities of yard waste such as brush and branches, furniture and white goods (appliances) are picked up during one week each spring. This is only done once a year.

5 - Special Scheduled Pickups – The Director of Public works may schedule special pickups when conditions warrant. For example, picking up limbs and branches following severe wind or ice storms.

C. Unscheduled Special Pickups

1 - When refuse is stored or placed curbside in a manner not as described in the provisions of this policy including that placed curbside at times not designated for pickup, a Public Works crew may be dispatched to pick up the refuse or materials and remove them. Containers will be picked up with refuse during unscheduled special pickups and will not be returned. Such pickups will be subject to a special fee charged to the property owner or known tenant. (See Section 7-B item 1 below.)

2 - Crews may be dispatched to remove:

a - Containers or bags placed out for collection more than one hour prior to the designated set-out time specified, or left at the curb more than one hour following the specified time for removal.

b - Containers that are not covered, are overflowing, or bags that are not tied and are damaged.

c - Containers holding organic or food wastes that are not bagged inside the container.

d - Other containers or refuse put out for pickup or stored in any manner not described in this policy, or that may pose a threat to public health, safety or appearance.

e - Containers/bags weighing more than 60 pounds.

f - Heavy or bulky items placed out other than at the scheduled yearly spring collection will be considered in violation of this policy and subject to the imposition special collection fees.

6. Other

A. When refuse has been dumped illegally on public or private property or on other occasions when the refuse violates city code, special pickup rules will not apply.

7. General Refuse Rates

A. Refuse fees are added to city water and sewer bills for property owners or tenants of the property involved. All rates in this policy are monthly. Billing is for a two-month period.

1 - Residential -

a - Outside the Central Business District - **$18.98**

b - Inside the Central Business District **- $18.98**

c - The fee is assessed for each residential unit – in both single-family and multi-family structures. For any multi-family structure, the fee may be higher to cover all costs to the city, as determined by the Director of Public Works. Any such higher amount must be set by the Director of Public Works and approved by the City Manager.

2 - Light commercial users (Four or less bags/containers of refuse on an average collection day.) monthly fees are:

a - Outside the Central Business District - **$43.09**

b - Inside the Central Business District **- $43.09**

3 - Heavy commercial users (Five or more containers/bags of refuse on an average collection day.) monthly fees are:

a - Outside the Central Business District - **$91.16**

b - Inside the Central Business District - **$115.83**

4 - IAW City Code, the fee for any refuse service rendered outside the city shall be at least 200 percent of the fee charged for the same of service inside city limits. Refuse service of any kind outside the City Limits shall be at the discretion of the Director of Public Works.

5 - The costs of recycling are included in the refuse fees paid by residential and commercial customers. Commercial customers permitted by Public Works to utilize an outside refuse service will be charged **$18.98** a month for pickup of recyclables.

6 - Exemptions: The Director of Public Works may waive all or part of the fees for any multi-family structure or commercial customer if contractual arrangements are made and maintained by that customer for containerized service.

B. Fees For Unscheduled Pickups

1. The fee for an unscheduled special pickup will be set by the Director of Public Works**.** The minimum fee will be $95.00.
2. In the event a special unscheduled pickup involves more than five containers, includes furniture and/or other bulky items, site clean-up or other factors, the Director of Public Works may charge the customer the actual cost of the pickup including all administrative, labor and equipment costs.
3. In all cases the fees will be charged with normal Refuse charges to the bill of the property owner or, in the event the property is leased by a person or business with its own utility account, to the tenant. In the event the property is a multifamily structure, billing will be to the landowner, whether tenants have utility accounts or not.
4. Property owners or tenants with city utility accounts are responsible for refuse placed at the curb for pickup at their residence, on their property, or at their place of business, and for the cost of Special Unscheduled Pickups to remove such refuse or materials when not in accordance with Regular Collection regulations. In the event of multi-family buildings, this responsibility is assumed by the property owner. It is illegal for anyone to place trash, refuse or similar materials whether contained or not on private property without the written permission of the landowner. Should residents or businesses believe someone else is placing refuse or other materials at their location, they should report it to Staunton City Police Department immediately.
5. The Director of Public Works may direct special pickups be made without charge following special designated events or to meet special community needs.

8. Disputes / Appeals

A. Any decision made by the Director of Public Works pursuant to this policy may be appealed to the City Manager.

B. Disputes Involving Fees For Unscheduled Pickups

1 - Customers who believe an Unscheduled Special Pickup was unnecessary or have other concerns over the service or the fee shall file a written complaint with the Director of Public Works within 15 days of the receipt of the utility bill first listing the fee.

2 - The Director may waive the fee if, in his judgment, the pickup may not have been necessary or there are other extenuating circumstances. If the Director is unable to resolve their concerns, the customer may appeal to the City Manager.

Ordinance No. 2019 - __

AN ORDINANCE AMENDING, RESTATING AND REORDAINING SECTION 8.30.070, VIOLATIONS OF ARTICLE, OF CHAPTER 8.30, SOLID WASTE, OF TITLE 8, HEALTH AND SAFETY, OF THE STAUNTON CITY CODE TO ESTABLISH CIVIL PENALTIES FOR REPEATED VIOLATIONS REGARDING THE FAILURE TO REMOVE OR PROPERLY DISPOSE OF TRASH, GARBAGE, REFUSE, RUBBISH, LITTER, OTHER DEBRIS AND LIKE SUBSTANCES

Recitals

A. Pursuant to Section 15.2-901 of the Code of Virginia and Staunton City Charter Section 11, Thirteenth, the City Council has the authority to enact and change provisions of the Staunton City Code (SCC) regarding the removal or disposal of trash, garbage, refuse, rubbish, litter, and other like substances which might endanger the health or safety of residents;

B. City staff has determined that it is necessary to establish civil penalties for repeated violations regarding the failure to remove or properly dispose of trash, garbage, refuse, litter and other debris and like substances;

C. The City Council finds that it is in the interest of the City and its citizens to amend SCC provisions relating to removal and disposal of trash, garbage, refuse, rubbish, litter, and other debris and like substances;

D. This matter has been properly advertised, heard, and considered; and

E. These recitals are deemed an integral part of this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Staunton, Virginia, that Section 8.30.070, Violation of Article, of the Staunton City Code be and hereby is amended as follows:

Chapter 8.30
SOLID WASTE

…

Article II. Collection of Refuse by City

8.30.070 Violations of article.

(1) The City may, whenever it deems it necessary, after reasonable notice, have trash, garbage, refuse, litter, other debris, and other like substances which might endanger

DRAFT

the health of other residents of the locality, removed by its own contractors or employees, in which event the cost thereof shall be charged as an additional refuse collection service fee (as further described in the City's Solid Waste Policy, which is incorporated by reference herein as may be amended) billed with other such fees and ultimately collected in any way permitted by law. Failure to timely pay such additional refuse collection service fee may result in the City discontinuing its services.

~~A violation~~Violation of any provision~~s~~ of this article or the ~~c~~City's S~~s~~olid W~~w~~aste P~~p~~olicy, prescribed and approved pursuant to this article shall also be subject to a civil penalty of $50 for the first violation, or violations arising from the same set of operative facts. The civil penalty for subsequent violations not arising from the same set of operative facts within 12 months of the first violation shall be $200. Each business day during which the same violation is found to have existed shall constitute a separate offense. In no event shall a series of specified violations arising from the same set of operative facts result in civil penalties that exceed a total of $3,000 in a 12-month period. Three civil penalties previously imposed on the same person for the same or similar violation, not arising from the same set of operative facts, within a 24-month period, shall also constitute a Class 3 misdemeanor. Civil penalties shall be due and payable to the City of Staunton within 10 days from the date of the notice. Repeated violations may result in the C~~c~~ity ~~refusing to collect~~discontinuing its refuse services~~from the violating person or entity~~. Nothing herein, however, shall exempt the person or entity from paying the fees herein prescribed and otherwise due.

(2) Every charge authorized by this article with which the owner of any such property shall have been assessed and which remains unpaid shall constitute a lien against such property ranking on a parity with liens for unpaid local real estate taxes and enforceable in the same manner as provided in Articles 3 (§ 58.1-3940 et seq.) and 4 (§ 58.1-3965 et seq.) of Chapter 39 of Title 58.1 of the Code of Virginia. A locality may waive such liens in order to facilitate the sale of the property. Such liens may be waived only as to a purchaser who is unrelated by blood or marriage to the owner and who has no business association with the owner. All such liens shall remain a personal obligation of the owner of the property at the time the liens were imposed.

In all other respects, the provisions of Chapter 8.30, Solid Waste, of Title 8, Health and Safety, of the Staunton City Code remain the same and are hereby restated, confirmed and reordained.

Introduced:
Adopted:
Effective Date:

_____
Carolyn W. Dull, Mayor

ATTEST:_____
Suzanne F. Simmons, Clerk of Council

DRAFT

Exhibit B

The News Leader

Classified Ad Receipt
(For Info Only - NOT A BILL)

Customer: STAUNTON CITY OF

Address: 116 W BEVERLEY ST
STAUNTON VA 24401
USA

Ad No.: 0003872173
Pymt Method Invoice
Net Amt: $752.40

Run Times: 2

No. of Affidavits: 1

Run Dates: 10/31/19, 11/07/19

Text of Ad:

NOTICE OF PUBLIC HEARING S
ON ORDINANCES TO AMEND VARIOUS PROVISIONS OF THE STAUNTON CITY CODE

The Staunton City Council will hold public hearings at its regular meeting at 7:30 p.m. on Thursday, November 14, 2019, in Council Chambers, first floor of City Hall, 116 West Beverley Street, Staunton, Virginia on adopting ordinances to amend provisions of the Staunton City Code in various respects as follows:

SECTIONS 3.15.010, DEFINITIONS; 3.15.020, AUTHORIZED; AND 3.15.030, GENERAL ELIGIBILITY REQUIREMENTS, OF CHAPTER 3.15, REAL ESTATE TAX EXEMPTION FOR ELDERLY AND DISABLED PERSONS, OF TITLE 3, REVENUE AND FINANCE, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY AND TO MAKE CLARIFICATIONS;

SECTION 3.17.010, GENERAL ELIGIBILITY REQUIREMENTS, OF CHAPTER 3.17, REAL ESTATE TAX EXEMPTION FOR U.S. MILITARY VETERANS, OF TITLE 3, REVENUE AND FINANCE, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY;

SECTION 6.05.010, DEFINITIONS, OF CHAPTER 6.05, IN GENERAL, OF TITLE 6, ANIMALS AND FOWL, TO ALIGN WITH CHANGES TO THE CODE OF VIRGINIA AS ENACTED BY THE GENERAL ASSEMBLY; AND

SECTION 8.30.070, PENALTY FOR VIOLATION OF ARTICLE, OF CHAPTER 8.30, SOLID WASTE, OF TITLE 8, HEALTH AND SAFETY, TO ESTABLISH CIVIL PENALTIES FOR REPEATED VIOLATIONS REGARDING THE FAILURE TO REMOVE OR PROPERLY DISPOSE OF TRASH, GARBAGE, REFUSE, RUBBISH, LITTER, AND OTHER LIKE SUBSTANCES

Copies of the proposed ordinances to review the amendments, in full context, are available for inspection during normal working hours at the office of the Clerk of Council and at the office of the City Manager. The Staunton City Code is available online at: https://www.codepublishing.com/VA/Staunton/
All persons wishing to be heard at the public hearings are invited to attend. Persons with hearing loss or speech impairment desiring to attend the public hearing may contact the Clerk of Council by email at simmonssf@ci.staunton.va.us to request an interpreter.
Suzanne F. Simmons
Clerk of Council

0003872173-01