



FY 2018 ANNUAL REPORT





Chris Orsby Snead
Member, City Council-Hampton

CHAIR, BOARD OF DIRECTORS & EXECUTIVE DIRECTOR'S STATEMENT



Kelly Harris-Braxton, J.D.

Dear VFC Supporter:

If the Virginia First Cities Coalition was a corporation, we would be touting the large increase in “profits” we generated in fiscal year 2018. Instead, as our legislative director, Laura Bateman, will detail on the following page, our “profit” increases came in the form of great progress made in our Community Wealth Building efforts. Through the advocacy of Virginia First Cities, this theme is gaining traction with not only our cities, but our state policymakers, as well. More and more people are embracing the concept of working together to find solutions to systemic poverty. Whether it be innovative methods to improve educational opportunities in challenged school environments or holistic programs -- such as our new state “TANF for Employment” grant program, these efforts are guiding people from poverty to real career paths.

Our historic cities are beginning to see a vibrancy return to their urban cores. Historic buildings are being restored. Arts and cultural activities are exploding. Millennials and empty nesters, alike, are returning to live, work and enjoy the wonderful amenities our cities have to offer. However, much more needs to be done and Virginia First Cities is at the forefront of employing new ideas. In the coming year, we expect to build on our Community Wealth Building theme by bringing resources to the hard work involved in improving challenging school environments, improving employment and career opportunities for people in poverty,

and making our cities magnets for economic development.

At our annual meeting in Hampton, the Virginia First Cities Board of Directors voted to create an Economic Stimulus Committee composed of representatives from all our cities. The committee’s focus will be on state programs and local best practices that we can grow and spread to all our communities. We continue to invite your ideas for how to improve economic growth. We also have our eye on important issues affecting housing, including affordable and inclusive housing, and neighborhood revitalization efforts. Cities have a variety of housing needs and we aim to support policies that will help address housing concerns.

Virginia First Cities’ advocacy for challenged schools will continue. We believe that finding great leaders and teachers for schools with high concentrations of impoverished children is important work. We will continue our efforts to expand teacher improvement programs, such as the Master Teacher Residency Program, to all of our cities.

In 2019 we move into our 20th year of existence and plan to make it a great year for cities. Thank you for your support of Virginia First Cities Coalition.

FINANCIAL STATEMENT

Virginia First Cities Coalition, Inc. Profit & Loss YTD Comparison July 2017 through June 2018

	Jul '17 - Jun 18	Jul '16 - Jun 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
Earned revenues				
Membership dues - Cities	311,928.00	283,702.10	28,225.90	10.0%
Total Earned revenues	311,928.00	283,702.10	28,225.90	10.0%
Total Income	311,928.00	283,702.10	28,225.90	10.0%
Expense				
Depreciation & amortization exp	215.00	605.80	-390.80	-64.5%
Non-personnel expenses				
Communications/Public Relations	2,507.01	2,561.34	-54.33	-2.1%
IT Service/Repair	1,420.00	1,599.90	-179.90	-11.2%
Postage, shipping, delivery	83.86	28.93	54.93	189.9%
Printing & copying	684.84	400.00	284.84	71.2%
Supplies	1,081.64	511.83	569.81	111.3%
Telephone & Internet	2,092.06	2,072.22	19.84	1.0%
Total Non-personnel expenses	7,869.41	7,174.22	695.19	9.7%
Occupancy expenses				
Rent, parking, other occupancy	6,827.08	6,669.60	157.48	2.4%
Total Occupancy expenses	6,827.08	6,669.60	157.48	2.4%
Other personnel expenses				
Accounting Fees	3,130.00	8,175.00	-5,045.00	-61.7%
Admin Support	34,004.80	33,231.93	772.87	2.3%
Executive Director	133,196.78	130,585.08	2,611.70	2.0%
Lobbying	60,000.00	53,566.18	6,433.82	12.0%
Research	62,636.26	61,761.00	875.26	1.4%
Total Other personnel expenses	292,967.84	287,319.19	5,648.65	2.0%
Travel & meetings expenses				
Meetings	4,293.97	2,293.96	2,000.01	87.2%
Travel	946.71	2,771.27	-1,824.56	-65.8%
Total Travel & meetings expenses	5,240.68	5,065.23	175.45	3.5%
Total Expense	313,120.01	306,834.04	6,285.97	2.1%
Net Ordinary Income	-1,192.01	-23,131.94	21,939.93	94.9%
Net Income	-1,192.01	-23,131.94	21,939.93	94.9%



Legislative Director's Report

Laura Bateman

The 2018 General Assembly was another great session for Virginia First Cities legislative priorities. We listened to our members and worked hard to execute our priorities with a focus on those strategies that are actually improving our cities. With the drama surrounding the expansion of Medicaid and the resultant delays in adopting a state budget, VFC used the time to urge legislators that our core programs and agenda were essential to resilient cities and citizenry.

Building on the success and lessons learned from the Community Wealth Building panel discussion at our Fall 2017 meeting in Staunton, we were able to convince state legislators that our members' efforts to try new ways to attack the issue of poverty and transform local government service delivery merited more money and an entirely new grant round. Accordingly, \$7.5 million in both FY19 and FY20 were appropriated. As well, another grant round of \$3 million in each FY19 and FY20 was appropriated for new grantees.

Community Wealth Building coupled with our advocacy in economic development, Pre-K through 12 Education funding and Public Safety, made for a successful legislative session and year. Specifically, the General Assembly appropriated an additional \$685,533 in each year to help avoid grant proration in the Enterprise Zone Program. Brownfields funding for assessment and remediation was funded at \$2,250,000 for each year.

As there is no better predictor for future community success than having well educated children, VFC has staked an important role in state PreK-12 education. VFC plays an important role in urging state legislators to increase funding for targeted programs that affect educational outcomes. For example, the state budget saw an increase to the At-Risk Add-On by \$7.1 million (from 1-13% more per free lunch student to 1-14% more in FY20.) The General Assembly appropriated \$7,150,000 in both FY19 and FY20 for extended year/day school programs and \$2.3 million to increase the Virginia Preschool Initiative per pupil amount from \$6,125 to \$6,326 for full-day programs. In the area of teacher recruitment and retention, the General Assembly included \$1 million in FY19 and \$500,000 FY20 for master teacher residency models, and \$1 million in the area of STEM Teacher Recruitment Incentives.

Lastly, in the area of public safety, we were able to coalesce with several partners to urge level funding for the HB 599 Aid to Local Police program.

Virginia First Cities Coalition Fiscal Stress Rankings and Selected Demographics

	FY 16 Fiscal Stress Index Rank(FY 15) *	Population Estimate 7/1/17	FY 18 Free Lunch Students	FY 18 Actual K-12 ADM	FY 19 Projected K-12 ADM
Charlottesville	39 (40)	49,132	2,527	4,190	4,290
Danville	18 (14)	41,358	5,790	5,519	5,367
Hampton	15 (17)	136,743	11,365	19,013	18,578
Hopewell	8 (8)	22,817	4,031	3,977	3,955
Lynchburg	9 (9)	80,380	6,580	7,979	7,922
Martinsville	5 (4)	13,382	2,036	1,894	1,830
Newport News	16 (16)	182,155	18,144	26,873	26,787
Norfolk	14 (12)	246,256	22,592	28,432	27,983
Petersburg	3 (3)	31,705	4,207	3,739	3,669
Portsmouth	13 (10)	95,440	10,698	13,476	13,227
Richmond	27 (28)	222,853	22,798	22,953	23,503
Staunton	26 (27)	24,761	1,397	2,563	2,628
Williamsburg	49 (56)	15,404	n/a	998	1,176
Winchester	31 (36)	28,005	2,377	4,170	4,100
Total VFC		1,190,391	114,542	145,776	145,015
Total State		8,470,020	503,578	1,246,931	1,252,434
VFC % of State		14.1%	22.7%	11.7%	11.6%

**DHCD Commission on Local Government rankings of 1-21 represent "High" fiscal stress; rankings of 22-69 "Above Average" fiscal stress.*

State Economic Development Programs to the Virginia First Cities Coalition

	FY 2018 TANF for Employment Grant	FY 2012-18 Brownfields Restoration Fund	CY 2016 EZ Program Grants	CY 2006-15 Historic Rehab Tax Credits	FY 2013-17 Opportunity Fund Grants	FY 2018 Street Maintenance Payments
Charlottesville	\$50,000	\$0	\$0	\$21,442,789	\$0	\$4,082,595
Danville	\$339,600	\$550,000	\$249,998	\$5,969,833	\$575,000	\$10,712,459
Hampton	\$0	\$21,615	\$783,513	\$1,489,065	\$500,000	\$16,288,356
Hopewell	\$0	\$42,380	\$28,840	\$2,524,459	\$0	\$4,006,038
Lynchburg	\$117,293	\$174,392	\$996,971	\$25,648,298	\$1,150,000	\$11,668,062
Martinsville	\$0	\$122,146	\$166,695	\$3,391,507	\$0	\$3,297,732
Newport News	\$0	\$500,000	\$1,326,603	\$160,655	\$4,400,000	\$16,918,491
Norfolk	\$243,012	\$610,000	\$618,685	\$21,011,385	\$7,725,000	\$24,208,564
Petersburg	\$250,472	\$362,500	\$510,033	\$25,268,051	\$0	\$5,805,581
Portsmouth	\$122,269	\$0	\$218,750	\$37,956,068	\$0	\$12,318,114
Richmond	\$1,982,866	\$560,000	\$2,858,745	\$356,906,251	\$10,500,000	\$27,202,759
Staunton	\$0	\$50,000	\$19,223	\$8,320,064	\$350,000	\$4,071,956
Williamsburg	\$0	\$250,000	\$0	\$95,986	\$0	\$1,798,664
Winchester	\$0	\$0	-	\$10,127,938	\$0	\$3,169,636
Total VFC	\$3,105,512	\$3,243,033	\$7,778,056	\$520,312,349	\$25,200,000	\$145,549,007
Total State	\$5,504,615	\$6,047,502	\$12,650,000	\$812,059,951	\$98,082,500	\$373,301,066
VFC % of State	56.4%	53.6%	61.5%	64.1%	25.7%	39.0%

State K-12 Education and Aid to Police Programs for the Virginia First Cities Coalition

	FY 21014-18 Extended School Funding	FY 2019 At-Risk Student Add-on	FY 2019 Virginia Preschool Initiative	FY 2019 K-3 Class Size Reduction	FY 2019 Aid to Police (HB599)
Charlottesville	\$539,397	\$282,478	\$550,362	\$505,047	\$2,154,333
Danville	\$0	\$1,872,373	\$994,949	\$2,270,359	\$2,702,628
Hampton	\$200,000	\$2,788,371	\$2,516,440	\$3,909,426	\$6,982,626
Hopewell	\$50,000	\$1,289,169	\$740,962	\$1,429,947	\$1,356,182
Lynchburg	\$1,339,566	\$1,584,718	\$956,491	\$1,846,920	\$3,137,084
Martinsville	\$0	\$703,438	\$253,745	\$655,169	\$900,796
Newport News	\$6,600,000	\$5,332,056	\$4,575,873	\$6,923,487	\$9,357,454
Norfolk	\$0	\$5,946,413	\$5,737,743	\$7,995,385	\$11,961,584
Petersburg	\$1,244,567	\$1,608,502	\$1,072,687	\$1,775,683	\$2,164,576
Portsmouth	\$0	\$2,777,390	\$2,241,213	\$3,494,099	\$6,193,981
Richmond	\$93,722	\$5,851,010	\$3,614,961	\$6,414,216	\$14,871,994
Staunton	\$0	\$303,576	\$349,176	\$363,105	\$919,045
Williamsburg	\$0	\$16,719	\$0	\$38,977	\$399,590
Winchester	\$0	\$654,728	\$495,209	\$832,885	\$870,016
Total VFC	\$10,067,252	\$31,010,941	\$24,099,811	\$38,454,705	\$63,971,887
Total State	\$21,981,217	\$100,250,775	\$75,315,318	\$130,593,583	\$184,548,683
VFC % of State	45.8%	30.9%	32.0%	29.4%	34.7%



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Executive Committee

Chair - Honorable Chris Snead, Council Member, Hampton
Vice Chair - Honorable Mamie Johnson, Council Member, Norfolk
Immediate Past Chair - Honorable Kristin Szakos, Council Member, Charlottesville
Secretary - Eden Freeman, City Manager, Winchester
Treasurer - Steve Owen, City Manager, Staunton
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Member at Large - Honorable Andreas Addison, Council Member, Richmond

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Honorable Benming Zhang, Council Member, Williamsburg
Andrew Trivette, Interim City Manager, Williamsburg
Honorable John David Smith, Jr., Mayor, Winchester

Staff

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FY 2018 MEETINGS



Governor's Local Government Policy Council Meeting,
Richmond, VA October 31, 2017



VFC Legislative Meeting at VML Annual Meeting,
Williamsburg, VA October 2, 2017



VFC Legislative Fall Meeting & Community Wealth Building Forum
Staunton , VA December 1, 2017



VFC General Assembly Legislative Update,
Richmond, VA January 31, 2018 + 8 weekly meetings on
Tuesday's January 16-March 6, 2018



VFC Annual Meeting
Hampton, VA May 4, 2018