

Capital Improvement Program Fund

The Capital Improvement Program Fund (CIP) provides funding for streets, public buildings, land and other capital assets, which generally have a useful life of 5 years or more and cost more than \$50,000. City Council, in their Adopted Budget Guidelines, has set a policy to allocate an amount no less than 3% of the General Fund operating budget for capital improvements.

The annual capital budget is part of the City's multi-year Capital Improvements Plan (CIP), which is designed to coordinate the planning, financing, and construction of capital projects. As part of the capital improvement process, it has been recognized that funding needs to be set aside for the maintenance of City facilities. Separate funding is adopted in the General Fund budget for smaller maintenance projects in the Facilities Repair Fund.

There are several factors that must be taken into consideration during the development of the capital budget. Charlottesville's public facilities are aging, there is no significant growth in population, and the set boundaries of the City make capital budgeting an important part of the annual budget process. For these reasons, the City must respond to the capital needs of the community with investments aimed at revitalizing and maintaining the existing facilities and infrastructure of the City.

The City's CIP process is designed to coordinate and align capital projects with City priorities and strategies. As departments are preparing their CIP requests, they are asked to score their new and modified projects based upon a set of eight weighted criteria. These criteria not only help the department think about the type of requests they are submitting, but serve as a key factor when the CIP Budget Development Committee begins to discuss the projects as a whole, since in general requests far outweigh available funding.

CIP submissions are received by the Budget Office, which organizes and prepares the submissions for review. The CIP Staff Ranking Committee then reviews, and if necessary re-ranks the requested projects. The CIP Staff Ranking Committee consists of staff members from Neighborhood Development Services, Public Works, Budget, Parks and Recreation, Public Safety, a member of the Planning Commission, and one member from a non-CIP requesting department, which for this year's process was the Department of Social Services. The CIP is forwarded to the Budget Development Committee, which reviews all projects and their criteria scoring, and develops a recommendation that is fiscally sound and reflects the overall priorities of the City and its needs. The CIP Budget Development Committee consists of the City Manager, COO/CFO, Finance Director, the Director of Budget and Performance Management, and one member of the Planning Commission.

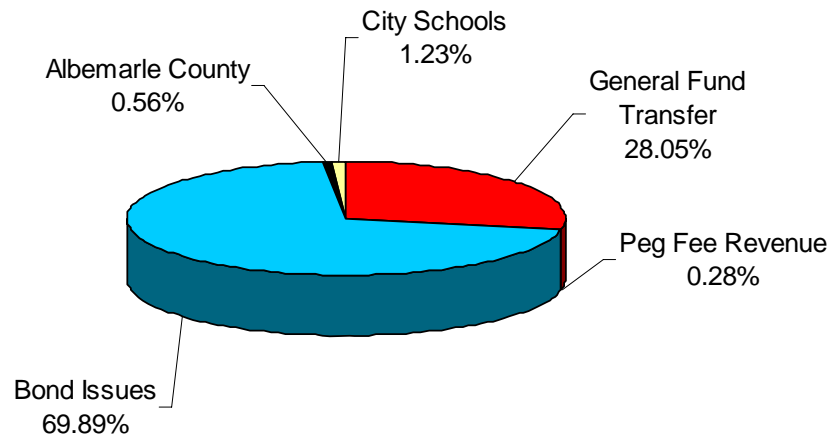
The final proposal from the Budget Development Committee is then presented to the Planning Commission. Following Planning Commission consideration and approval, the annual budget and revised five-year CIP are forwarded to the City Manager and then to City Council for inclusion in the annual budget.

FY 2010 Capital Improvement Program Revenues and Expenditures

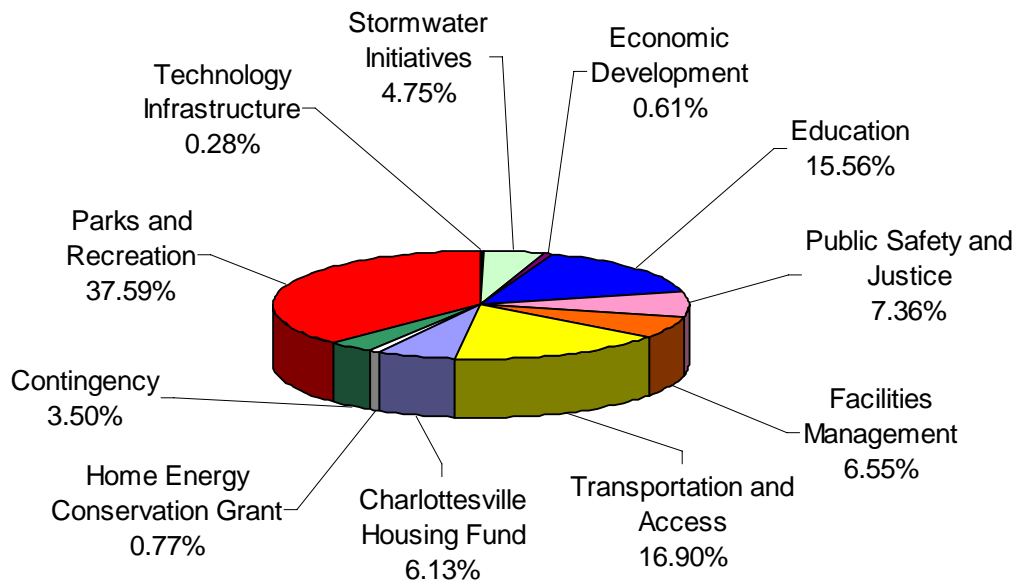
Given the need for capital projects that exists in the community, the **FY 2010-2014** Capital Improvement Program recommends the use of approximately **\$49.7 million** in long-term debt to finance a portion of the **\$74.3 million** multi-year program. The balance will be funded with transfers of funds from the General Fund, through the revenue sharing agreement with Albemarle County, and with contributions from Albemarle County and the Charlottesville City Schools.

The Capital Improvement Program for **FY 2009-2010** contains projects totaling **\$15.7 million**, as well as a capital projects contingency account totaling **\$571,152**, for a total capital improvement program budget equaling **\$16.3 million**.

Revenues



Expenditures



Description of Capital Projects**Bondable Projects****Education**

In FY 2010, the City of Charlottesville allocates \$2.33 million to the City schools for various large and small capital improvements. Some of the projects covered by this sum include: System wide ADA improvements; Johnson exterior and façade repairs; Buford and Walker restroom renovations; and CHS Parking lot resurfacing. This funding also provides for the schools HVAC replacement plan.

Facilities Capital Projects

Facilities Capital Projects has been allocated \$1.04 million. This funding covers the annual facilities lump sum projects that funds improvements and repairs to various City owned facilities. These include the replacement of various air handlers and HVAC components; window replacements and repairs; fire alarm and fire sprinkler repairs; and any other repairs deemed to be necessary in order to preserve the City's properties.

Public Safety and Justice

In FY 2010, \$1.2 million has been allocated for Public Safety and Justice capital improvement projects. The entire funding allocation for FY 2010 will be used for the final design and initial construction phases of the Ivy Road/Fontaine Area Fire Station replacement project. In both FY 2011 and FY 2012, \$4.0 million has been projected to fund the final phases of construction. In FY 2009 \$3.5 million was originally programmed for this project. This funding was not used but was instead reprogrammed to better reflect the construction schedule which was pushed out to future fiscal years.

Transportation and Access

For FY 2010, a total of \$1.07 million is allocated to Transportation and Access for two separate capital improvement projects: Street Reconstruction throughout the City which is allocated \$975,229; and \$100,000 is allocated for the undergrounding of utilities.

Parks and Recreation

For FY 2010 the Parks and Recreation Department is allocated \$5.7 million. The entire funding allocation for Parks and Recreation is for the replacement of the Smith Pool facility. This project began in FY 2009 and is expected to be completed near the end of FY 2010.

Non-Bondable Projects

Education

Funding of \$200,000 is allocated to carry out the Charlottesville City Schools small capital improvement program. This funding is offset 100% through a contribution from the schools specifically for this program.

Economic Development

The Department of Economic Development is allocated \$100,000 for the purpose of carrying out economic development initiatives. These funds are to be used to assist in long-term strategic improvements, to grow and expand the City's tax base, and for workforce development.

Facilities Capital Projects

In FY 2010, \$30,747 has been allocated to Facilities Management for the CATEC general facility maintenance projects.

Transportation and Access

Transportation and Access receives \$196,618 in grant match funds for CTS Transit bus replacement; \$200,000 for sidewalk repair; \$150,000 for citywide traffic improvements and \$100,000 for the intelligent transportation system; \$300,000 for State bridge and highway priorities; \$100,000 for Citywide ADA improvements to sidewalks and curbs throughout the City; and \$50,000 to be used as the required matching funds for the Jefferson Park Avenue (JPA) Bridge Repair; \$450,000 for McIntire Road Extended matching funds; \$110,000 for the match for the Meadowcreek Parkway Interchange project; and \$25,000 for improvements to the bicycle infrastructure throughout the City. Total funding for this area is \$1.68 million.

Parks and Recreation

The Parks and Recreation Department is allocated an additional \$431,090 for non-bondable projects, which include: \$100,000 for improvements to City and School playgrounds; \$75,000 for Trails and Greenway development; \$156,090 for urban tree preservation and planting; and \$100,000 for the future acquisition of parkland within the City of Charlottesville.

Stormwater Initiatives

Stormwater initiatives are allocated funds totaling \$775,000. These projects include \$175,000 for Neighborhood Drainage projects and \$600,000 for Citywide Stormwater Initiatives in order to begin major improvements to the City's Stormwater infrastructure. The City has an aging stormwater infrastructure (consisting of over 50 miles of pipes) and currently over 7 miles of this system has been identified as being in need of immediate repair or replacement based on deterioration of the pipes. This funding will be reevaluated annually with the Capital Improvement Budget with the long term goal to shift this to a self supporting utility.

Technology Infrastructure

Technology Infrastructure projects are allocated \$45,000. The Communications Technology Account/Public Access Television project will allow the City to continue upgrading and improving its cable network services and programming to the citizens by providing technology equipment and maintenance of that equipment to the Public Access Offices at CATEC and to Channel 10 located in City Hall. This item is offset by PEG Fees paid to the City.

Other General Government Commitments

The Charlottesville Housing Fund, whose mission is to meet the housing challenges facing our residents by dedicating, consolidating and expanding financial support for the preservation and production of affordable housing in our community. This program is allocated \$1.0 million. Also allocated is \$125,000 for the Home Energy Conservation Grant Program, which would fund energy conservation measures for residential owner-occupied housing.

Operational Impacts

In the FY 2010 Capital Improvement Program (CIP), six projects were identified as significant nonroutine capital expenditures. For the purposes of this analysis, significant non-routine capital expenditures are those projects which will cost more than \$250,000, are not routine maintenance, such as street and sidewalk reconstruction or facilities maintenance, and are not yearly recurring projects. The operational impacts of these projects are discussed below.

Operational Impacts of Projects

<u>Project</u>	<u>FY10 CIP Cost</u>	<u>Operational Impacts</u>	<u>Operational Increases/Savings</u>
Ivy Rd/Fontaine Area Fire Station Replacement	\$ 1,200,000	Increased utility costs, possible increased equipment costs, no increase in personnel costs	No operational increases until construction is complete - estimated FY 2012. Once complete, increased utility cost of approximately \$4.41 per square foot.
Charlottesville High School Improvements	\$ 800,000	Decreased maintenance and utility costs, no increase in personnel costs.	Energy and maintenance savings will be realized in the City Schools budget and will not affect City Operational budget.
Smith Pool	\$ 5,700,000	Decreased maintenance and utility costs, no increase in personnel, possible increase ability to generate revenue	The closure of Smith Pool for part of FY 2009, will result in approximately \$200,000 in savings for the City. Amounts of future operational increases/savings will be unknown until the new Smith Pool facility is operational.
McIntire Road Extended - City Match	\$ 450,000	Increased road maintenance cost upon completion of project.	No operational increases for FY 2010, but will incur road maintenance costs (milling and paving, snow removal, drainage, etc.) of approximately \$11,828 per lane mile after the road is completed.
Stormwater Initiatives	\$ 600,000	Increased personnel and maintenance supply cost; decreased maintenance costs.	Project is an increase in funding to existing operations. Increased personnel and supply costs will be covered by additional CIP funding.
Charlottesville Housing Fund	\$ 1,000,000	Increased personnel costs associated with the administration of the program.	Approximately 286 staff hours per year are required to administer this program.

FY 2010-2014 Capital Improvement Program

	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Revenues						
Transfer from General Fund	4,575,000	4,693,500	4,815,555	4,441,545	4,571,041	23,096,641
Contribution from Albemarle County (Levy Building)	0	212,500	0	0	0	212,500
Contribution from Albemarle County (CATEC)	91,000	37,500	12,500	0	0	141,000
Contribution from Schools (Small Cap Program)	200,000	200,000	200,000	200,000	200,000	1,000,000
PEG Fee Revenue	45,000	45,000	45,000	45,000	45,000	225,000
CY 2010 Bond Issue	11,398,522	0	0	0	0	11,398,522
CY 2011 Bond Issue	0	10,446,794	0	0	0	10,446,794
CY 2012 Bond Issue	0	0	12,571,214	0	0	12,571,214
CY 2013 Bond Issue	0	0	0	8,635,433	0	8,635,433
CY 2014 Bond Issue	0	0	0	0	6,650,745	6,650,745
TOTAL AVAILABLE REVENUES	\$16,309,522	\$15,635,294	\$17,644,269	\$13,321,978	\$11,466,786	\$74,377,849
Expenditures						
BONDABLE PROJECTS						
EDUCATION						
<u>Project</u>	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Lump Sum to Schools (City Contribution)	1,037,343	1,068,463	1,100,517	1,133,533	1,167,539	5,507,395
Charlottesville High School Improvements	800,000	0	0	0	0	800,000
City Schools HVAC Replacement Plan	500,000	750,000	1,000,000	1,000,000	1,000,000	4,250,000
Charlottesville High School Football Bleachers	0	0	1,200,000	0	0	1,200,000
SUBTOTAL	\$2,337,343	\$1,818,463	\$3,300,517	\$2,133,533	\$2,167,539	\$11,757,395
FACILITIES CAPITAL PROJECTS						
<u>Project</u>	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Lump Sum to Facilities Capital Projects	1,037,343	1,068,463	1,100,517	1,133,533	1,167,539	5,507,395
Levy HVAC Component Replacements	0	425,000	0	0	0	425,000
Central Library Renovations	0	0	0	0	490,000	490,000
SUBTOTAL	\$1,037,343	\$1,493,463	\$1,100,517	\$1,133,533	\$1,657,539	\$6,422,395
PUBLIC SAFETY AND JUSTICE						
<u>Project</u>	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Bypass Fire Station Renovation	0	0	0	2,150,000	2,000,000	4,150,000
Ivy Road/Fontaine Area Fire Station Replacement/Access Road	1,200,000	4,000,000	4,000,000	0	0	9,200,000
SUBTOTAL	\$1,200,000	\$4,000,000	\$4,000,000	\$2,150,000	\$2,000,000	\$13,350,000
TRANSPORTATION AND ACCESS						
<u>Project</u>	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Undergrounding Utilities	100,000	100,000	100,000	100,000	0	400,000
New Sidewalks	0	250,000	257,500	262,225	273,182	1,042,907
West Main Streetscape	0	350,000	350,000	350,000	0	1,050,000
Street Reconstruction	975,229	1,004,558	1,034,694	1,065,735	1,097,707	5,177,923
Old Lynchburg Road	0	500,000	1,000,000	1,500,000	0	3,000,000
VDOT Revenue Sharing Program (McIntire Road)	0	1,000,000	0	0	0	1,000,000
SUBTOTAL	\$1,075,229	\$3,204,558	\$2,742,194	\$3,277,960	\$1,370,889	\$11,670,830
PARKS AND RECREATION						
<u>Project</u>	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Washington Park Bathhouse	0	75,000	500,000	0	0	575,000
Smith Pool	5,700,000	0	0	0	0	5,700,000
Rives Park Renovations	0	0	500,000	0	0	500,000
Azalea Park Renovations	0	0	250,000	250,000	0	500,000
McIntire Park - Master Plan Implementation	0	0	100,000	200,000	300,000	600,000
SUBTOTAL	\$5,700,000	\$75,000	\$1,350,000	\$450,000	\$300,000	\$7,875,000
SUBTOTAL BONDABLE PROJECTS	\$11,349,915	\$10,591,484	\$12,493,228	\$9,145,026	\$7,495,967	\$51,075,620

FY 2010-2014 Capital Improvement Program

NONBONDABLE PROJECTS

EDUCATION	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
School Small Capital Improvements Program	200,000	200,000	200,000	200,000	200,000	1,000,000
SUBTOTAL	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
ECONOMIC DEVELOPMENT	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
Economic Development (Strategic) Initiatives	100,000	103,000	106,090	109,273	112,551	530,914
SUBTOTAL	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$530,914
FACILITIES CAPITAL PROJECTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
CATEC - General Facility Maintenance	30,747	31,669	32,619	33,598	34,606	163,239
SUBTOTAL	\$30,747	\$31,669	\$32,619	\$33,598	\$34,606	\$163,239
TRANSPORTATION & ACCESS	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
Sidewalk Repair	200,000	206,000	212,180	218,545	225,101	1,061,826
State Bridge and Highway Inspections	300,000	300,000	300,000	300,000	300,000	1,500,000
McIntire Road Extended (City Match)	450,000	0	0	0	0	450,000
Meadowcreek Parkway Interchange (City Match)	110,000	0	0	0	0	110,000
JPA Bridge (City Match)	50,000	50,000	0	0	0	100,000
CTS Transit Bus Replacement Match	196,618	316,729	434,121	615,408	478,617	2,041,493
Intelligent Transportation System	100,000	100,000	100,000	100,000	100,000	500,000
Citywide Traffic Improvements	150,000	150,000	150,000	150,000	150,000	750,000
Citywide ADA Improvements - Sidewalks and Curbs	100,000	100,000	100,000	100,000	100,000	500,000
Bicycle Infrastructure	25,000	0	0	0	0	25,000
SUBTOTAL	\$1,681,618	\$1,222,729	\$1,296,301	\$1,483,953	\$1,353,718	\$7,038,319
PARKS & RECREATION	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
Parks and Schools Playground Renovations	100,000	103,000	106,090	109,273	112,551	530,914
Trails and Greenway Development	75,000	77,250	79,568	81,955	84,414	398,187
Urban Tree Preservation and Planting	156,090	109,273	112,551	115,927	119,405	613,246
Parkland Acquisition	100,000	0	0	0	0	100,000
SUBTOTAL	\$431,090	\$289,523	\$298,209	\$307,155	\$316,370	\$1,642,347
STORMWATER INITIATIVES	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
Neighborhood Drainage Projects	175,000	175,000	175,000	175,000	175,000	875,000
Citywide Stormwater Initiatives	600,000	600,000	600,000	100,000	100,000	2,000,000
SUBTOTAL	\$775,000	\$775,000	\$775,000	\$275,000	\$275,000	\$2,875,000
TECHNOLOGY INFRASTRUCTURE	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
Communications Technology Account/Public Access	45,000	45,000	45,000	45,000	45,000	225,000
SUBTOTAL	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$225,000
OTHER GOVERNMENTAL COMMITMENTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
YMCA Pool (City Share)	0	625,000	500,000	0	0	1,125,000
Charlottesville Housing Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Home Energy Conservation Grant Program	125,000	125,000	125,000	125,000	125,000	625,000
SUBTOTAL	\$1,125,000	\$1,750,000	\$1,625,000	\$1,125,000	\$1,125,000	\$6,750,000
SUBTOTAL NONBONDABLE PROJECTS	\$4,388,455	\$4,416,921	\$4,378,219	\$3,578,979	\$3,462,245	\$20,224,819
Capital Improvement Program Contingency	\$571,152	\$626,889	\$772,822	\$597,973	\$508,574	\$3,077,410
TOTAL PROJECT EXPENDITURES	\$16,309,522	\$15,635,294	\$17,644,269	\$13,321,978	\$11,466,786	\$74,377,849

