

Capital Improvement Program Fund

The Capital Improvement Program Fund provides funding for streets, public buildings (both governmental and school facilities), land, and other capital assets. Capital Improvement Projects are projects which generally have a useful life of 5 years or more, cost more than \$50,000, and are non-operational in nature. City Council, in its Adopted Budget Guidelines, has set a policy to allocate an amount no less than 3% of the General Fund 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 the smaller maintenance projects which are handled in the Facilities Repair Fund.

There are several factors that must be taken into consideration during the development of the capital budget. The fact that Charlottesville's public facilities and infrastructure are aging, that there is no significant growth in population, and that the boundaries of the City are set, makes 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 nine weighted criteria. These criteria not only help the department evaluate the type of requests they are submitting, but serve as a key factor when the CIP Budget Development Committee discusses the projects as a whole, since requests generally far outweigh available funding.

The City's five-year capital improvement process begins in August each year, when City departments start planning their requests for the upcoming five-year capital plan. The CIP submissions are received by the Budget Office, which organizes and prepares the submissions for review. The CIP **Technical Review Committee** then meets several times to discuss and rank the requested projects based on various criteria adopted by the City Council and the Planning Commission. The CIP **Technical Review Committee** consists of staff members from Neighborhood Development Services, Public Works, Budget Office, Parks and Recreation, Public Safety, Department of Finance, one member from a non CIP-requesting department, which for this year's process was Community Attention, and one member from the Planning Commission.

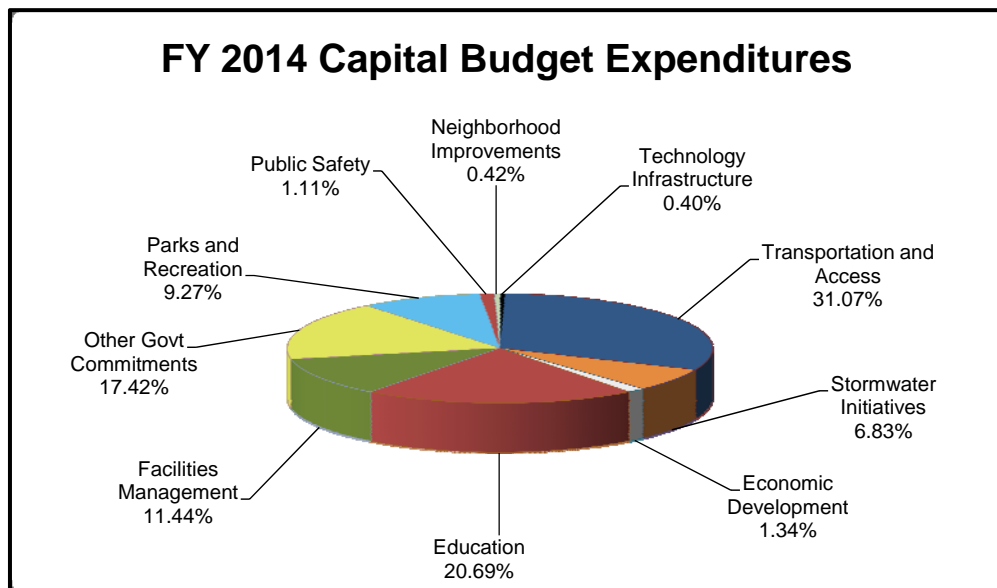
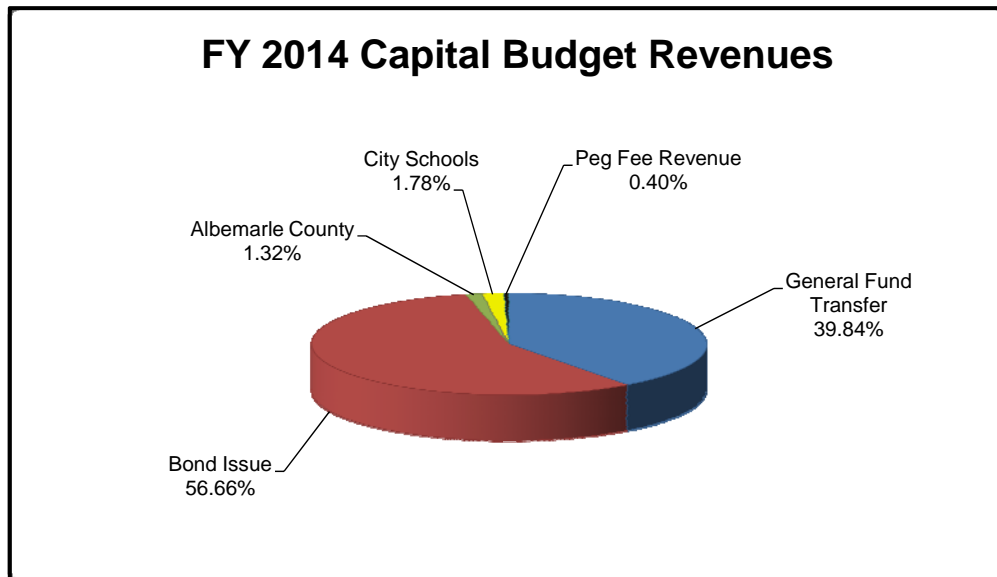
The CIP requests and the **Technical Review Committee** recommendations are then forwarded to the **Budget Development Committee**, which reviews all projects, along with their criteria scoring, and develops a recommendation that is fiscally sound and reflects the overall priorities and needs of the City. The CIP **Budget Development Committee** consists of the City Manager, the COO/CFO, the Finance Director, the Director of Budget and Performance Management, the Budget and Management Analyst and one member of the Planning Commission. The final proposal from the **Budget Development Committee** is then presented to the Planning Commission, who makes its own set of recommendations and proposed changes to City Council.

The revised five-year CIP, along with the proposed Planning Commission recommendations, are forwarded to the City Manager and City Council for inclusion in the annual budget. The Proposed CIP is formally presented to City Council as part of the overall Proposed City Operating and Capital Budget.

FY 2014 Capital Improvement Program Revenues and Expenditures

The **FY 2014-2018** Capital Improvement Program recommends the use of approximately **\$37.86 million** in long-term debt to finance a portion of the **\$63.06 million** multi-year program. The balance will be funded through transfers of funds from the General Fund, the revenue sharing agreement with Albemarle County, and contributions from Albemarle County and the Charlottesville City Schools.

The Capital Improvement Program for **FY 2013-2014** contains bondable projects totaling **\$6.50 million**, along with non-bondable projects totaling **\$4.71 million**, for a total capital improvement program budget equaling **\$11.21 million**.



Description of Capital Projects

Bondable Projects

Education

In FY 14, the City of Charlottesville allocates \$2.12 million to the City schools for various capital improvements including: Jackson Via building envelope restoration; Jackson Via fire sprinkler system installation; CHS campus security lighting and paving phase III; system wide interior painting; and proposed transfer of \$110,000 to the schools small cap program. This funding also provides for the schools HVAC replacement plan and the installation of a new fire suppression system at Charlottesville High School.

Facilities Capital Projects

Facilities Capital Projects has been allocated \$1.28 million for improvements and repairs to various City owned facilities. These include Central Library building envelope restoration work and fire protection system improvements; CATEC civil rights compliance construction; roof repairs to the City Warehouse and Preston Morris Building exterior building envelope restoration. This funding also provides for the City Facility HVAC Replacement Plan project.

Public Safety and Justice

In FY 14 Public Safety and Justice is allocated \$125,000, for the replacement of the Fire Department portable radio system, which is 10 years old, out of warranty and using outdated technology.

Transportation and Access

For FY 14, a total of \$1.75 million is allocated to Transportation and Access projects which include: \$1,422,539 for street milling and paving; \$285,000 for the design and construction of new sidewalks; and \$50,000 for design work related to the Martha Jefferson Neighborhood Streetscaping project.

Parks and Recreation

Parks and Recreation, is allocated \$615,000 in FY 14. The renovation of Azalea Park is allocated \$375,000. The renovations to this park include improvements to the playground equipment and athletic amenities, and the addition of restroom facilities. \$240,000 is allocated for the replacement of a failing retaining wall at Lee Park.

Stormwater Initiatives

Stormwater Initiatives are allocated \$600,000 for Citywide Stormwater Initiatives to carry out major improvements to the City's stormwater infrastructure, 13 miles of which has been identified as being in need of immediate repair or replacement. As a result of the creation of the new Stormwater Utility this funding will no longer be part of the Capital Improvement Budget, and will be part of the budget of the new self-supporting utility.

Non-Bondable Projects

Education

\$200,000 is allocated for the Charlottesville City Schools small capital improvement program, offset 100% through a contribution from the schools specifically for this program.

Economic Development

The Department of Economic Development is allocated \$150,000 for the purpose of carrying out economic development and workforce development initiatives. These funds will be used to assist in long-term strategic improvements that grow and expand the City's tax base.

Neighborhood Improvements

\$47,500 has been allocated for the Neighborhood CIP Funds project. Funds will be used for various capital projects that are either solicited by neighborhoods or determined to be needed by City Council, and that are not otherwise covered by the traffic calming, sidewalk, or drainage capital programs.

Transportation and Access

Transportation and Access funding includes \$425,636 in grant match funds for CAT Transit bus replacement and bus related purchases; \$203,587 for sidewalk repair; \$95,000 for citywide traffic improvements; \$200,000 for bicycle infrastructure; \$95,000 for the intelligent transportation system; \$119,938 for State bridge and highway inspections; \$191,900 for minor bridge repairs; \$300,000 for the installation of a new traffic signal at Michie Drive; and \$95,000 for ADA improvements to sidewalks and curbs throughout the City. Total funding for this area is \$1.72 million.

Parks and Recreation

The Parks and Recreation Department is allocated an additional \$447,554 for non-bondable projects, which include: \$101,794 for improvements to City and School playgrounds; \$76,346 for trails and greenway development; \$25,914 for urban tree preservation and planting; \$25,000 for the Public Art Fund; \$100,000 Belmont Park Spray Ground repairs; and 95,000 for the future acquisition of parkland within the City of Charlottesville.

Stormwater Initiatives

Stormwater Initiatives are allocated an additional \$166,250 for Neighborhood Drainage projects in which the City offers drainage improvements to private property owners on a cost-share basis to improve drainage problems along the public right of way boundaries.

Technology Infrastructure

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 of Charlottesville. This item is offset 100% by PEG Fees paid to the City, through the Comcast franchise agreement.

Other General Government Commitments

Based upon the housing goals adopted by Council in February 2010, \$1.52 million of FY 2014 CIP funding has been earmarked for the Charlottesville Housing Fund. The mission of the Charlottesville Housing Fund 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.

Funding in the amount of \$125,000 is allocated for the Home Energy Conservation Grant Program, which provides savings on utilities, enables low-income families to be able to afford energy saving measures, and reduces the usage of nonrenewable energy.

\$300,000 is allocated for the purchase of a new Tax Billing and Assessment System to be used by the City Treasurer and the Commissioner of the Revenue to improve efficiency, resulting in increased revenue collection.

Operational Impacts

In the FY 2014 Capital Improvement Program (CIP), eight projects were identified as significant non-routine capital expenditures. For the purposes of this analysis, significant non-routine capital expenditures are those projects which will cost more than \$225,000, are not routine maintenance, such as street and sidewalk reconstruction or facilities maintenance, and are not recurring projects. The operational impacts of these projects are discussed below.

Project	FY14 CIP Cost	Operational Impacts	Operational Increases/Savings
Charlottesville High School - Fire Suppression System	\$ 600,000	Increased in maintenance costs, possible decrease in facility insurance premiums.	Since construction of this project is to be spread over two fiscal years no operational impact would occur until the completion in FY15. At that time it is anticipated that CHS will be added to the Schools Fire Suppression Inspection and Maintenance contract incurring an increased cost to the contract. As this is the installation of a new fire suppression system it could possibly lead to lowered insurance premiums for the facility. Impacts on the insurance and inspection contracts will not be fully known until system specifications are completed and system is installed.
New Sidewalks	\$ 285,000	Increase in overall annual sidewalk maintenance costs.	Approximately \$10 per square foot of new sidewalk constructed.
Charlottesville Area Transit Bus Replacement	\$ 425,636	Decrease in maintenance costs.	Newer buses normally have lower maintenance costs associated with them than the buses they are replacing. Amount of savings will be dependent upon condition of bus being replaced.
Azalea Park Renovations	\$ 375,000	Maintenance costs and possible increase in utility costs.	Since this project represents the renovation of existing parkland, maintenance will be handled using existing resources, resulting in no operational increases for the City. Newer playground equipment and picnic shelters could result in some maintenance savings over the existing equipment, and a new restroom facility could lead to increased utility costs (water, sewer and electric).
Lee Park Retaining Wall	\$ 240,000	Possible decreased limited liability due to safety hazards.	This project represents the replacement of a failing retaining wall at Lee Park. Replacement of the retaining wall could reduce the City's exposure to liability due to safety hazards, and no change to the amount of maintenance performed would be required.
Michie Drive Traffic Signal	\$ 300,000	Maintenance costs and possible increase in utility costs.	Due to usage of LED lights utility cost for one additional traffic signal is insignificant. New streetlights require minimal maintenance, and all maintenance needs will be handled through existing resources.
Tax Billing and Assessment System	\$ 300,000	Increase in revenue collections; licensing fees.	Accounting for a revenue stream of over \$75 million annually that would come through this system, an estimated increase in efficiency of 1-2% would yield \$75,000-\$150,000 in increased revenue per year. The licensing and maintenance fees for the new system are expected to be \$20,000 - \$30,000 per year above what the City currently pays.
Stormwater Initiatives	\$ 600,000	Increased maintenance supply cost; decreased maintenance costs.	Project is an increase in funding to existing operations. Increased supply costs will be covered by additional CIP funding.

FY 2014-2018 Capital Improvement Program

	<u>Adopted</u> <u>FY14</u>	<u>Projected</u> <u>FY15</u>	<u>Projected</u> <u>FY16</u>	<u>Projected</u> <u>FY17</u>	<u>Projected</u> <u>FY18</u>	<u>5 Year Total</u>
Revenues						
Transfer from General Fund	4,467,500	4,582,350	4,624,051	4,666,106	4,708,516	23,048,523
Contribution from Albemarle County (CATEC)	57,500	60,000	120,000	81,500	245,000	564,000
Contribution from Albemarle County (Central Library)	90,000	197,500	75,000	0	0	362,500
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 2014 Bond Issue	6,353,040	0	0	0	0	6,353,040
CY 2015 Bond Issue	0	8,864,097	0	0	0	8,864,097
CY 2016 Bond Issue	0	0	7,907,618	0	0	7,907,618
CY 2017 Bond Issue	0	0	0	8,905,026	0	8,905,026
CY 2018 Bond Issue	0	0	0	0	5,838,209	5,838,209
TOTAL AVAILABLE REVENUES	\$11,213,040	\$13,948,947	\$12,971,669	\$13,897,632	\$11,036,725	\$63,068,013
Expenditures						
BONDABLE PROJECTS						
EDUCATION						
<u>Project</u>	<u>Adopted</u> <u>FY14</u>	<u>Projected</u> <u>FY15</u>	<u>Projected</u> <u>FY16</u>	<u>Projected</u> <u>FY17</u>	<u>Projected</u> <u>FY18</u>	<u>5 Year</u> <u>Total</u>
Lump Sum to Schools (City Contribution)	1,045,491	1,045,491	1,045,491	1,045,491	1,045,491	5,227,455
City Schools HVAC Replacement	475,000	475,000	475,000	475,000	475,000	2,375,000
Charlottesville High School - Fire Suppression System	600,000	541,900	0	0	0	1,141,900
Middle School Reconfiguration Design	0	0	0	0	750,000	750,000
SUBTOTAL	2,120,491	2,062,391	1,520,491	1,520,491	2,270,491	\$9,494,355
FACILITIES CAPITAL PROJECTS						
<u>Project</u>	<u>Adopted</u> <u>FY14</u>	<u>Projected</u> <u>FY15</u>	<u>Projected</u> <u>FY16</u>	<u>Projected</u> <u>FY17</u>	<u>Projected</u> <u>FY18</u>	<u>5 Year</u> <u>Total</u>
Lump Sum to Facilities Capital Projects	1,045,491	1,045,491	1,045,491	1,045,491	1,045,491	5,227,455
City Facility HVAC Replacement	237,500	200,000	200,000	200,000	200,000	1,037,500
SUBTOTAL	\$1,282,991	\$1,245,491	\$1,245,491	\$1,245,491	\$1,245,491	\$6,264,955
PUBLIC SAFETY AND JUSTICE						
<u>Project</u>	<u>Adopted</u> <u>FY14</u>	<u>Projected</u> <u>FY15</u>	<u>Projected</u> <u>FY16</u>	<u>Projected</u> <u>FY17</u>	<u>Projected</u> <u>FY18</u>	<u>5 Year</u> <u>Total</u>
Bypass Fire Station Renovation	0	0	0	0	500,000	500,000
Circuit Court Renovation	0	0	0	500,000	600,000	1,100,000
Fire Portable Radio Replacement	125,000	125,000	0	0	0	250,000
Replacement Fire Trucks	0	1,768,000	0	956,135	0	2,724,135
800 MHz Radio System Upgrade (ECC)	0	1,238,902	1,238,902	1,238,902	0	3,716,706
SUBTOTAL	\$125,000	\$3,131,902	\$1,238,902	\$2,695,037	\$1,100,000	\$8,290,841
TRANSPORTATION AND ACCESS						
<u>Project</u>	<u>Adopted</u> <u>FY14</u>	<u>Projected</u> <u>FY15</u>	<u>Projected</u> <u>FY16</u>	<u>Projected</u> <u>FY17</u>	<u>Projected</u> <u>FY18</u>	<u>5 Year</u> <u>Total</u>
Undergrounding Utilities	0	95,000	95,000	95,000	95,000	380,000
New Sidewalks	285,000	285,000	285,000	285,000	285,000	1,425,000
West Main Streetscape	0	750,000	750,000	750,000	0	2,250,000
Street Milling and Paving	1,422,539	1,487,264	1,502,137	1,517,158	1,532,330	7,461,428
Belmont Bridge - State Revenue Sharing Match	0	0	1,000,000	1,000,000	0	2,000,000
Martha Jefferson Neighborhood Streetscaping	50,000	300,000	0	0	0	350,000
SUBTOTAL	\$1,757,539	\$2,917,264	\$3,632,137	\$3,647,158	\$1,912,330	\$13,866,428
PARKS AND RECREATION						
<u>Project</u>	<u>Adopted</u> <u>FY14</u>	<u>Projected</u> <u>FY15</u>	<u>Projected</u> <u>FY16</u>	<u>Projected</u> <u>FY17</u>	<u>Projected</u> <u>FY18</u>	<u>5 Year</u> <u>Total</u>
Washington Park Rec Center Expansion	0	0	0	100,000	0	100,000
Azalea Park Renovations	375,000	0	0	0	0	375,000
McIntire Park - Master Plan Implementation	0	750,000	1,000,000	1,000,000	500,000	3,250,000
Lee Park Retaining Wall	240,000	0	0	0	0	240,000
Tonsler Park Master Plan	0	250,000	750,000	0	0	1,000,000
SUBTOTAL	\$615,000	\$1,000,000	\$1,750,000	\$1,100,000	\$500,000	\$4,965,000
STORMWATER INITIATIVES						
<u>Project</u>	<u>Adopted</u> <u>FY14</u>	<u>Projected</u> <u>FY15</u>	<u>Projected</u> <u>FY16</u>	<u>Projected</u> <u>FY17</u>	<u>Projected</u> <u>FY18</u>	<u>5 Year</u> <u>Total</u>
Stormwater Initiatives	600,000	0	0	0	0	600,000
SUBTOTAL	\$600,000	\$0	\$0	\$0	\$0	\$600,000
TOTAL BONDABLE EXPENDITURES	\$6,501,021	\$10,357,048	\$9,387,021	\$10,208,177	\$7,028,312	\$43,481,579

NONBONDABLE PROJECTS

	<u>Adopted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>5 Year</u>
<u>Project</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Total</u>
EDUCATION						
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						
Economic Development (Strategic) Initiatives	150,000	150,000	150,000	150,000	150,000	750,000
SUBTOTAL	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
NEIGHBORHOOD IMPROVEMENTS						
Neighborhood CIP Funds	47,500	47,500	47,500	47,500	47,500	237,500
SUBTOTAL	\$47,500	\$47,500	\$47,500	\$47,500	\$47,500	\$237,500
TRANSPORTATION & ACCESS						
Sidewalk Repair	203,587	205,623	207,679	209,756	211,854	1,038,499
State Bridge and Highway Inspections	119,938	121,137	122,348	123,571	124,807	611,801
Minor Bridge Repairs	191,900	193,819	195,757	197,715	199,692	978,883
CAT Transit Bus Replacement Match	425,636	49,669	42,637	46,449	363,165	927,556
Intelligent Transportation System	95,000	95,000	95,000	95,000	95,000	475,000
City Wide Traffic Improvements	95,000	95,000	95,000	95,000	95,000	475,000
Citywide ADA Improvements - Sidewalks and Curbs	95,000	95,000	95,000	95,000	95,000	475,000
Bicycle Infrastructure	200,000	200,000	200,000	200,000	200,000	1,000,000
Michie Drive Traffic Signal	300,000	0	0	0	0	300,000
SUBTOTAL	\$1,726,061	\$1,055,248	\$1,053,421	\$1,062,491	\$1,384,518	\$6,281,739
PARKS & RECREATION						
Parks and Schools Playground Renovations	101,794	102,812	103,840	104,878	105,927	519,251
Trails and Greenway Development	76,346	77,109	77,880	78,659	79,446	389,440
Urban Tree Preservation and Planting	25,914	49,908	50,407	50,911	51,420	228,560
Parkland Acquisition	95,000	95,000	95,000	95,000	95,000	475,000
Public Art Fund	25,000	25,000	25,000	25,000	25,000	125,000
Cemetery Restoration	0	50,000	0	50,000	0	100,000
Belmont Spray Ground Repairs	100,000	0	0	0	0	100,000
SUBTOTAL	\$424,054	\$399,829	\$352,127	\$404,448	\$356,793	\$1,937,251
STORMWATER INITIATIVES						
Neighborhood Drainage Projects	166,250	0	0	0	0	166,250
SUBTOTAL	\$166,250	\$0	\$0	\$0	\$0	\$166,250
TECHNOLOGY INFRASTRUCTURE						
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						
Charlottesville Housing Fund	1,528,154	1,569,322	1,611,600	1,655,016	1,699,602	8,063,694
Home Energy Conservation Grant Program	125,000	125,000	125,000	125,000	125,000	625,000
Tax Billing and Assessment System	300,000	0	0	0	0	300,000
SUBTOTAL	\$1,953,154	\$1,694,322	\$1,736,600	\$1,780,016	\$1,824,602	\$8,988,694
TOTAL NONBONDABLE EXPENDITURES	\$4,712,019	\$3,591,899	\$3,584,648	\$3,689,455	\$4,008,413	\$19,586,434
TOTAL PROJECT EXPENDITURES	\$11,213,040	\$13,948,947	\$12,971,669	\$13,897,632	\$11,036,725	\$63,068,013

