

Council Budget Work Session – Capital Improvement Plan (CIP)

November 13, 2019, 6:00 – 8:00 p.m.

Carver Recreation Center

233 4th Street, Charlottesville, VA

Mayor Nikuyah Walker called the meeting to order at 6:07 p.m. with the following Councilors present: Mayor Nikuyah Walker, Vice Mayor Heather Hill and Mr. Mike Signer. Ms. Kathy Galvin arrived at 6:09 p.m. and Dr. Wes Bellamy arrived at 6:48 p.m.

Ms. Walker turned the meeting over to City Manager Tarron Richardson, who gave an overview of the overall budget process, including meeting dates. He also reviewed the importance of bond ratings and the following long-term financial policies:

1. Maintain a minimum General Fund balance of at least 14% of General Fund budget.
2. Maintain a minimum Downturn Reserve Fund balance of no less than 3% of General Fund budget.
3. Maintain sufficient working capital in the utilities funds (Water, Wastewater and Gas).
4. Stabilize all non-general funds by ensuring they have a positive fund balance.
5. Debt service as a percentage of the general fund total expenditure budget has a ceiling of 10%, with a target of 9%.
6. Transfer 1-cent of the meals tax revenue to the Debt Service Fund to be used for debt service.

Dr. Richardson shared a high level overview of the Fiscal Year (FY) 2021-2025 Proposed CIP Budget with the following focus areas:

- Schools Projects
- City Facilities
- Public Safety
- Transportation and Access
- Parks and Recreation, and
- Other Capital Projects such as:
 - Citywide Information Technology Strategic Infrastructure
 - Home Energy Conservation Grant Program
 - Economic Development Strategic Initiatives
 - Citywide Fee Study
- Affordable Housing

Future Funding Requests mentioned were:

- Schools Reconfiguration
- New Hill
- West Main
- Affordable Housing
- McIntire Park
- Tonsler Park

Dr. Richardson turned the meeting over to Ms. Krisy Hammill with the Budget and Performance Management Department, who reviewed affordability, advising that the CIP is funded primarily by Cash and Bonds with bonds currently authorized to fund 75% of the CIP in FY 21. She reviewed debt funding, cash funding, General Fund contributions and additional funding needs.

Ms. Brenda Kelley, Redevelopment Manager, gave a breakdown of phased funding for public housing, particularly for Friendship Court infrastructure and redevelopment, First South Street and Crescent Hall.

Ms. Hammill reviewed the impacts of increasing tax revenues and provided a reminder that per current policy 40% of any new property tax revenue – both Real Estate and Personal Property – is dedicated to the City’s transfer to the City Schools. She indicated other budget considerations:

- City Operating Budget Needs
 - Compensation
 - Departmental Requests
- Schools Operating Budget Needs
- Schools Reconfiguration/Capacity Changes
- Other unknowns

Mr. Ryan Davidson with the Budget and Performance Management Department, advised that all budget worksession information and documents are available on the City’s Budget website.

Mr. Alex Ikefuna, Neighborhood Services Director, shared information about revenue sharing funds.

Ms. Galvin emphasized the use of local dollars to secure State and Federal funding.

Dr. Bellamy arrived at 6:48 p.m.

Mr. Paul Oberdorfer provided a response to Mr. Signer’s question about increased capital expenses and infrastructure.

Ms. Galvin asked about the use of funding for Small Area Planning.

Dr. Bellamy asked about Washington Park and Tonsler Park, and asked about making the Tonsler Park renovation a priority. Ms. Hammill advised that she would follow up with more information about the budget amount for the Tonsler Park request. Dr. Richardson advised that Council would need to discuss competing priorities and determine what they would want to fund. Dr. Bellamy asked, for the record, that the future Council put Tonsler Park back into the master plan for funding.

Further discussion ensued about pedestrian safety on the Downtown Mall, and Mr. Oberdorfer answered questions from Councilors. Police Chief Rachele Brackney shared background of the impetus for the issue of pedestrian safety. After August 2017, the Mall intersection safety became more visible as a public safety issue. Dr. Bellamy advised of the psychological impact

for people who have been impacted by August 2017 and the mistakes that drivers make when entering the Mall, although the data may not show numbers of incidents.

Ms. Walker opened the floor for public comment.

Mr. Jason Halbert, incoming President for the Fry's Spring Neighborhood Association, spoke about neighborhood project funding submissions and the process transparency. He referenced changes in the General Assembly and the use of solar power grant funding. Mr. Oberdorfer advised that the neighborhood association requests were reviewed by staff and he proposed compiling a master list of requests to share. He also advised that the Environmental Sustainability Workgroup is working on reducing the City's carbon footprint.

Ms. Jill Trischman-Marks, Executive Director for the McIntire Botanical Garden announced that the schematic plan was completed and received a national award from the American Society of Landscape Architects. She advised of over 12,000 volunteer hours since 2017, and unprecedented financial support through fundraising, which cannot be used until the McIntire Park infrastructure is complete. She gave an explanation of the funding request for \$4 Million, and the desire to build on momentum to continue raising funds. Council confirmed through discussion that the City would be responsible for the infrastructure to serve the entire park and the Botanical Garden on its 8.5 acres would be responsible to raise funds for the design, construction and maintenance of the garden.

Ms. Galvin asked about the utilization of the parking lot near the Vietnam Veterans Memorial. Dr. Richardson advised that he would follow up with more information.

Ms. Janette Kawachi with Habitat for Humanity asked about funding for housing and affordable home ownership.

Ms. Galvin mentioned the use of synthetic tax increment funding to create a steady stream of funding for the Charlottesville Area Housing Fund.

Mr. Caetano de Campos Lopes asked about the budget for transportation, and whether it follows national trends. Mr. Garland Williams, Charlottesville Area Transit Director responded that national trends indicate a decline in ridership, and that Charlottesville is trying to reverse that trend.

Mr. Peter Krebs from Piedmont Environmental Council, responded to a question to Mr. Signer about funding for sidewalks, advising that it is an investment in capital and human capital. He stressed the importance of a walkable and bikeable community. He advised that more information is needed for the Downtown Mall safety study and other projects before deciding on implementation.

Ms. Galvin added that a robust transportation system should connect sidewalks to bus stops.

Ms. Walker adjourned the meeting at 8:01p.m.