



**CITY COUNCIL AGENDA**  
**Tuesday, January 3, 2017**

**6:00 p.m.** **Closed session as provided by Section 2.2-3712 of the Virginia Code**  
*Second Floor Conference Room*  
(Consideration of specific individuals for appointment to boards and commissions.)

**7:00 p.m.** **Regular Meeting - CALL TO ORDER**  
*Council Chambers*

**PLEDGE OF ALLEGIANCE**  
**ROLL CALL**

**AWARDS/RECOGNITIONS**  
**ANNOUNCEMENTS**

**CITY MANAGER RESPONSE TO MATTERS BY THE PUBLIC**

**MATTERS BY THE PUBLIC** Public comment is provided for up to 12 speakers at the beginning of the meeting (limit 3 minutes per speaker.) Pre-registration is available for up to 9 of these spaces and are published by noon the day of the meeting. An unlimited number of spaces is available at the end of the meeting.

- 1. CONSENT AGENDA\*** (Items removed from consent agenda will be considered at the end of the regular agenda.)
- a. Minutes for December 19
  - b. APPROPRIATION: Fiscal Year 2017 Transit Grants – \$576,676 (1<sup>st</sup> of 2 readings)
  - c. RESOLUTION: East McIntire Park Critical Slope Waiver (1<sup>st</sup> of 1 reading)
  - d. RESOLUTION: Acting Clerk of Council (1<sup>st</sup> of 1 reading)
  - e. ORDINANCE: Conveyance of Rougemont (2<sup>nd</sup> of 2 readings )
  - f. ORDINANCE: Closing of Portion of Ware Street Extended (Unaccepted) (1<sup>st</sup> of 2 readings)
  - g. APPROPRIATION: National Endowment for the Arts Our Town Grant Match Appropriation – \$25,000 (1<sup>st</sup> of 2 readings)
- 2. PUBLIC HEARING / APPROPRIATION\*** HB2 / SMART Scale grant funding for High Street, Fontaine Avenue and Emmet Street – \$29,452,721 (1<sup>st</sup> of 2 readings) – **10 mins**
- 3. APPROPRIATION\*** Hillsdale Drive Extension – Appropriation of \$322,943.79 & Transfer of \$117,641.50 (1<sup>st</sup> of 2 readings) – **20 mins**
- 4. REPORT** Audit Presentation for Fiscal Year 2016 – **10 min**
- 5. REPORT** 2016 City Market Composting Program Results – **10 min**

**OTHER BUSINESS**  
**MATTERS BY THE PUBLIC**

\*ACTION NEEDED

# GUIDELINES FOR PUBLIC COMMENT

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**We welcome public comment;  
it is an important part of our meeting.**

**Time is reserved near the beginning and at the end of each regular City Council meeting for Matters by the Public.**

**Please follow these guidelines for public comment:**

- If you are here to speak for a **Public Hearing**, please wait to speak on the matter until the report for that item has been presented and the Public Hearing has been opened.
- Each speaker has **3 minutes** to speak. Please give your name and address before beginning your remarks.
- Please **do not interrupt speakers**, whether or not you agree with them.
- Please **refrain from using obscenities**.
- If you cannot follow these guidelines, you will be escorted from City Council Chambers and not permitted to reenter.

**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



<b>Agenda Date:</b>	January 3, 2017
<b>Action Required:</b>	Appropriation of Project Funding for Transit Division
<b>Staff Contact:</b>	John Jones, Transit Manager Ryan Davidson, Budget Office
<b>Presenter:</b>	John Jones, Transit Manager
<b>Title:</b>	Appropriation of FY 2017 Transit Grants - \$576,676

**Background and Discussion:** With a Resolution Authorizing the Application for State Aid to Public Transportation, City Council authorized the Transit Division to provide the local match necessary to apply for Federal and State grants to fund Transit Division expenses, including both Capital and non-Capital projects. The Capital portion of the application is for the purchase of one <30-foot BOC bus, three CAT support vehicles, and Bus Passenger Shelters and other amenities and improvements.

The final Virginia Department of Rail and Public Transportation (DRPT) Operating award is \$404,193 greater than appropriated in the FY2017 budget. The final Federal Transit Administration (FTA) Operating award is \$37,995 less than requested and appropriated in the FY2017 budget. Additionally, the FTA has awarded \$536,295 to JAUNT, with the City acting as fiscal agent. This means the FTA funds for JAUNT must pass through the City. A supplemental appropriation is requested for project revenues/expenses which include:

<b>Transit Grants by Type</b>	<b>FY 2017 Budget</b>	<b>Grants Awarded</b>	<b>Change to Appropriation</b>
State operating assistance	\$1,383,004	\$1,787,197	\$404,193
Federal operating assistance	\$1,653,010	\$1,615,015	\$(37,995)
<b>TOTAL OPERATING AWARD</b>	<b>\$3,036,014</b>	<b>\$3,402,212</b>	<b>\$366,198</b>
<b>TOTAL JAUNT (Pass-through Operating Funds)</b>	\$0	\$536,295	<b>\$536,295</b>
State capital award	\$46,448	\$36,841	\$(9,607)
Federal capital award	\$316,210	\$0	\$(316,210)
Local CIP match P-00334	\$20,873	\$20,873	\$0
<b>TOTAL CAPITAL</b>	<b>\$383,531</b>	<b>\$57,714</b>	<b>\$(325,817)</b>
<b>TOTAL APPROPRIATION REQUEST</b>			<b>\$576,676</b>

**Community Engagement:**

Charlottesville Area Transit utilizes the Metropolitan Planning Organization's Public Participation Plan to fulfill its public engagement requirements. The MPO's PPP includes an opportunity for members of the public to request a public hearing on CAT's Program of Projects. No public hearing was requested.

**Alignment with City Council's Vision and Priority Areas:**

Approval of this agenda item aligns directly with Council's vision for Charlottesville as a *Connected Community*, where the City is part of a comprehensive, transportation system that enables citizens of all ages and incomes to easily navigate our community.

**Budget Impact:**

The City's contribution from general funds and Albemarle County's contribution as already budgeted cover the local match requirement for Operating Assistance.

The pass through of grant funds for JAUNT has no budget impact.

**Recommendation:** Approve appropriations.

**Alternatives:** City Council may choose not to appropriate funds for these Transit Division projects. Without an appropriation these projects will not be implemented and staff will work with the Federal Transit Administration and the Virginia Department of Rail and Public Transportation to de-obligate the grants.

**APPROPRIATION**  
**Transit Division Project Funds**

\$576,676

**WHEREAS**, a Federal Operating Grant of \$1,615,015 and State Operating Grant of \$1,787,197 have been awarded to the City of Charlottesville, the combined amounts of operating grants are \$366,198 more than previously budgeted; and

**WHEREAS**, a Federal Grant has been awarded to JAUNT in the amount of \$536,295 and these funds must pass through the City of Charlottesville; and

**WHEREAS**, a State Capital Grant of \$36,841 have been awarded to the City of Charlottesville, but the Federal Capital Grant did not award new funding this year, and the combined amounts of capital grants are \$325,817 less than the amount budgeted; and

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia that the following is hereby appropriated in the following manner, contingent upon receipt of the grant funds:

**Revenue (Operating)**

\$404,193	Fund: 245	Cost Center: 2801001000	G/L: 430080 St Assist.
\$(37,995)	Fund: 245	Cost Center: 2801001000	G/L: 431010 Fed Assist.

**Expenditures (Operating)**

\$366,198	Fund: 245	Cost Center: 2801001000	G/L: 599999 Lump Sum
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**Revenue (JAUNT)**

\$536,295	Fund: 245	Cost Center: 2821002000	G/L: 431010 Fed Assist.
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**Expenditures (JAUNT)**

\$536,295	Fund: 245	Cost Center: 2821002000	G/L: 540365 JAUNT Pymt
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**Revenue (Capital)**

\$(9,607)	Fund: 245	Cost Center: 2804001000	G/L: 430110 St Grant
\$(316,210)	Fund: 245	Cost Center: 2804001000	G/L: 431110 Fed Grant

**Expenditures (Capital)**

\$(325,817)	Fund: 245	Cost Center: 2804001000	G/L: 541040 Acq. Com-Veh.
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**BE IT FURTHER RESOLVED**, that this appropriation is conditioned upon the receipt of \$1,824,038 from the Virginia Department of Rail and Public Transportation and \$2,151,310 from the Federal Transit Administration.

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**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**

Agenda Date: January 3, 2017

Action Required: Consideration of a Critical Slope Waiver

Presenter: Heather Newmyer, City Planner, Neighborhood Development Services

Staff Contact: Heather Newmyer, City Planner, Neighborhood Development Services

**Title: East McIntire Park Critical Slope Waiver**

**Background:**

Charlottesville's Parks and Recreation Department submitted a final site plan on October 17, 2016 that proposes a design for East McIntire Park in order to implement the Concept Plan approved in March 2015 as part of the McIntire Park Master Plan (Concept Plan included in Attachment 2). East McIntire Park has road frontage on 250 Bypass, John W Warner Parkway and Melbourne Road. The site plan proposes converting the existing turf golf course to a woodland and/or meadow state. In addition, the plan proposes installing multiuse and pedestrian trails throughout the eastern park, establishing the McIntire Botanical Garden and constructing a number of improvements including the Visitors Center with supporting parking, pavilions, restrooms, and overlooks. For more information on the approved McIntire Park Master Plan, please visit [www.charlottesville.org/departments-and-services/departments-h-z/parks-recreation-/parks-trails/mcintire-park-planning](http://www.charlottesville.org/departments-and-services/departments-h-z/parks-recreation-/parks-trails/mcintire-park-planning).

The applicant indicates the area of critical slopes that would be disturbed by the development includes the south side of the parking lot supporting the proposed Visitor's Center, a segment of the proposed boardwalk leading to the overlook, and a segment of the proposed 10' wide multi-use path/bike trail north of the park pavilion and children's play area. The proposed critical slope disturbance accounts for 1.8% of the total project site area (40.25 acres), where less than an acre (0.75 acre) of critical slopes would be disturbed should the critical slope waiver be approved.

**Discussion:**

The Planning Commission considered this application at their regular meeting on December 13, 2016.

Staff recommended approval of the critical slope waiver based off of Finding 1 referenced in City Code Sec. 34-1120(b)(6)(d.i), "*the public benefits of allowing disturbance of a critical slope outweigh the public benefits of the undisturbed slope (public benefits include, but are not limited to, stormwater and erosion control that maintains the stability of the property and/or the quality of adjacent or environmentally sensitive areas; groundwater recharge; reduced stormwater velocity; minimization of impervious surfaces; and stabilization of otherwise unstable slopes).*"

The justification for Finding 1 includes:

- The plan to restore the majority of the site from turf to meadow and/or wooded area will reduce stormwater runoff

- Minimal impacts to the critical slopes on-site
- Improvements increase overall park accessibility and provide public benefit to the community

### **Citizen Engagement:**

There was no public input regarding this application.

### **Alignment with City Council's Vision and Priority Areas:**

The City Council Vision of A Green City states that “We have an extensive natural trail system, along with healthy rivers and streams. We have clean air and water, we emphasize recycling and reuse, and we minimize storm-water runoff.”

### **Budgetary Impact:**

Fiscal impact for the implementation of the Master Plan has been considered in the FY16-20 Capital Improvement Program.

### **Recommendation:**

The Planning Commission considered this matter at their December 13, 2016 meeting.

The Commission took the following action:

Mr. Santoski moved to recommend approval of the critical slope waiver with no conditions for Tax Map 41, Parcel 1 and Tax Map 42, Parcel 6, 345 250 Bypass (East McIntire Park), based on a finding that the public benefits of allowing the disturbance outweigh the benefits afforded by the existing undisturbed critical slope, per City Code 34-1120(b)(6)(d.i).

Mr. Keesecker seconded the motion. The Commission voted 5-0 to recommend approval of the critical slope waiver.

### **Alternatives:**

City Council has several alternatives:

- (1) by motion, take action to approve the attached resolution (granting a waiver of critical slope provisions as recommended by the Planning Commission);
- (2) by motion, request changes to the attached Resolution, and then approve a waiver of critical slope provisions
- (3) by motion, defer action on the waiver of critical slope provisions
- (4) by motion, deny the requested waiver of critical slope provisions.

### **Attachment:**

- (1) Proposed Resolution approving a Critical Slope Waiver
- (2) Staff Report dated December 1, 2016 with Application Materials Attached  
<http://bit.ly/2gNSD00>

**RESOLUTION APPROVING A REQUEST FOR WAIVER  
OF CRITICAL SLOPES PROVISIONS  
PURSUANT TO CITY CODE SECTION 34-1120(b)(6)  
FOR A PORTION OF THE CITY'S MCINTIRE PARK**

**WHEREAS**, on behalf of the City Council, the owner of property designated on City Tax Map 41 as Parcel 1 and on City Tax Map 42 as Parcel 6, consisting of approximately 151 acres, and established by the City as "McIntire Park" (the "Property"), the City's Department of Parks and Recreation seeks a waiver of the critical slopes requirements of City Code Sec. 34-1120(b)(6) in connection with a project described as follows: convert an existing turf golf course to a woodland and/or meadow, install multi-use and pedestrian trails, establish a botanical garden, and construct a visitor's center and related improvements, such as parking, pavilions, restrooms and scenic overlooks, within approximately 40.25 acres within the eastern portion of McIntire Park (the "Project"); and

**WHEREAS**, the Planning Commission held their regular meeting on December 13, 2016, to give the public an opportunity to comment; and

**WHEREAS**, the Planning Commission recommended approval of the request to waive the critical slopes requirements, pursuant to City Code §34-1120(b)(6)(d)(i); and

**WHEREAS**, upon consideration of the information and materials provided by the applicant, and the recommendation of the Planning Commission, the City Council finds and determines pursuant to City Code Sec. 34-1120(b)(6)(d)(i) that the benefits of allowing disturbance of the critical slopes in connection with the Project outweigh the public benefits of the undisturbed slopes; NOW, THEREFORE,

**BE IT RESOLVED** by the Council for the City of Charlottesville, Virginia that the request by the City's Department of Parks and Recreation for a waiver of the critical slopes requirements for the above-described Project to be developed on the Property, is hereby granted.

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**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



Agenda Date: January 3, 2017

Action Requested: Approve Resolution

Presenter: Paige Rice, Clerk of City Council

Staff Contacts: Paige Rice, Clerk of City Council  
Craig Brown, City Attorney

**Title: Appointing Acting Clerk of City Council**

**Background and Discussion:** The Clerk of Council will be out of the office on maternity leave for a period of twelve weeks, estimated to take place between February 2017 and May 2017. It is recommended that Council designate an Acting Clerk of Council who can certify legal documents in the Clerk's absence during that time period.

**Budgetary Impact:** None

**Recommendation:** Approve resolution.

**Attachments:** Resolution

**RESOLUTION  
APPOINTMENT OF ACTING CLERK OF COUNCIL**

**BE IT RESOLVED** by the Council for the City of Charlottesville, Virginia, that Sarah Brazelton, employed by the City of Charlottesville as the Assistant to the Clerk of Council, is hereby appointed Acting Clerk of Council during the time that Paige Rice, Clerk of Council, is on extended leave.



## CITY OF CHARLOTTESVILLE, VIRGINIA CITY COUNCIL AGENDA

<b>Agenda Date:</b>	December 19, 2016
<b>Action Required:</b>	Public Hearing and First Reading of Ordinance
<b>Staff Contacts:</b>	Andrew Gore, Assistant City Attorney Brian Daly, Director, Parks & Recreation
<b>Presenter:</b>	Andrew Gore, Assistant City Attorney
<b>Title:</b>	Conveyance of Portion of Vacated Rougemont Avenue

**Background:** Christopher and April Hoffman purchased the property at 1011 Rougemont Avenue (Tax Map Parcel No. 60-283.3) in September 2015 with the intention of building a new single family home. The Hoffmans applied for a building permit, and the permit was denied because, although the lot has frontage on the Rougemont Avenue right-of-way, the portion of the right-of-way directly in front of the property has not been improved to City standards and accepted by the City for maintenance. Applicable provisions of the City's Zoning and Subdivision ordinances require 50 feet of frontage on an improved and accepted street. The Hoffmans have appealed the denial of the building permit to the BZA. The unaccepted portion of Rougemont Avenue (60 feet in width) adjoins the Hoffman property and 3 City-owned parcels of land (Tax Map 60, Parcels 282, 255 and 307). The Hoffmans petitioned the City for an administratively-approved street closing, as set forth in the City's Street Closing Policy, and then offered to purchase from the City enough of the closed right-of-way to give them frontage on the accepted portion of Rougemont Avenue, as shown on the attached plat.

**Discussion:** The Parks and Recreation Department supported the petition to vacate the unaccepted portion of Rougemont Avenue ("Vacated Right of Way") because it is beneficial both to the Hoffmans and the City. Administrative approval of the closure gave the City most of the Vacated Right of Way (as the adjoining property owner on 3 sides), and the land acquired connects Quarry Park with the larger City-owned parcel to the south (purchased in 2013 for greenway space). There is a sanitary sewer line located within the Vacated Right of Way, but the Deed of Vacation reserves a perpetual utility easement for the City.

Through the street closing, the Hoffmans acquired that portion of the Vacated Right of Way that adjoins their property (30' x 60') but still require an additional 20 feet to have sufficient frontage along an improved street, as required by the City's Zoning and Subdivision Ordinances. They request that the City to convey to them an additional 20' x 60' portion of the Vacated Right of Way, with the City retaining a 10' wide strip to allow public access to Quarry Park from Rougemont Avenue. The deed of conveyance will include reservation of an easement for the sanitary sewer line that crosses it.

**Community Engagement:** The Vacated Right of Way was posted for 2 weeks with a sign notifying the public about the proposed vacation, with no comment received. In accordance with

the City's Sale of Land policy, this area was also posted to give notice of the public hearing (in addition to a legal ad being published) regarding the potential conveyance to the Hoffmans. In accordance with Va. Code § 15.2-1800(B), a public hearing is required to give the public an opportunity to comment on the proposed conveyances.

**Alignment with City Council's Vision and Strategic Plan:** The project supports City Council's "Green City" vision. It contributes to Goal 2 of the Strategic Plan, to be a safe, equitable, thriving and beautiful community.

**Budgetary Impact:** The subject land to be conveyed is valued at \$1,320.00, according to the City Assessor. The Hoffmans are willing to purchase the subject land from the City for that amount.

**Recommendation:** Staff recommends approval of the ordinance conveying a portion of City land by quitclaim deed, with reservation of a perpetual utility easement. The requested conveyance is beneficial to the City and the Hoffmans, giving the City added land for the Parks system, and allowing the Hoffmans to build a home which will result in additional tax revenues for the City.

**Attachments:**

Proposed Ordinance and Drawing

**AN ORDINANCE  
AUTHORIZING THE CONVEYANCE OF  
A PORTION OF CITY-OWNED LAND ON ROUGEMONT AVENUE  
TO CHRISTOPHER AND APRIL HOFFMAN**

**WHEREAS**, the City of Charlottesville is the owner of land which was formerly Rougemont Avenue right-of-way in the City of Charlottesville, acquired by the City under a recorded Deed of Vacation dated October 24, 2016; and

**WHEREAS**, Christopher and April Hoffman own property at 1011 Rougemont Avenue and wish to acquire a small portion of the City-owned land (1200 square feet, hereinafter the "Property") to combine with their abutting property to provide adequate frontage in order to build a home; and

**WHEREAS**, the Property is located near land owned by the City that is being managed by the Parks and Recreation department, but the proposed conveyance will not affect the City's access to other lands owned by the City; and

**WHEREAS**, there is a sanitary sewer line located on the Property but a perpetual utility easement has been reserved to the City in the above-referenced Deed of Vacation; and

**WHEREAS**, the directors of Public Utilities and Parks and Recreation have reviewed the request and have no objection to conveyance of the Property; and

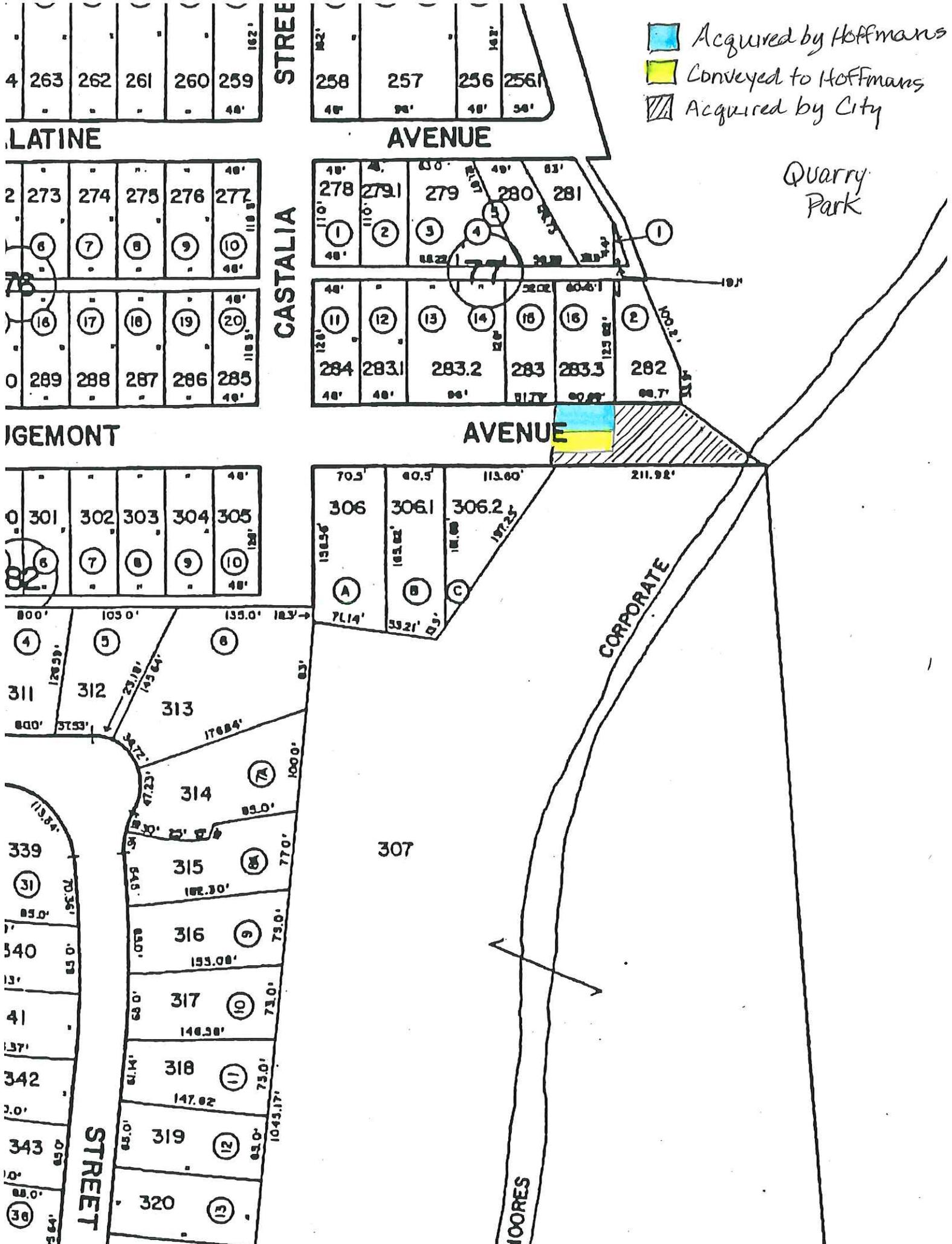
**WHEREAS**, in accordance with Va. Code § 15.2-1800(B), a public hearing was held on December 19, 2016, and notice of the public hearing was duly advertised and posted on the Property, to give the public an opportunity to comment on the proposed conveyance of City land as requested by the Hoffmans; now, therefore,

**BE IT ORDAINED** by the Council for the City of Charlottesville, Virginia that the Mayor is authorized to execute a Quitclaim Deed, in form approved by the City Attorney, to convey said Property to Christopher and April Hoffman, being a total of approximately 1200 square feet in area, for the purchase price of Thirteen-hundred and Twenty Dollars (\$1320), subject to the following conditions:

1. The Hoffmans shall be responsible for the preparation of a plat of the Property sufficient for inclusion as an attachment to the Quitclaim Deed, and all associated costs, including but not limited to the cost of a survey of the Property.
2. The Hoffmans shall promptly dismiss pending BZA Appeal #16-05-002, and shall forever waive any and all claims of any nature, whether monetary or otherwise, associated with the subject of said appeal.

The City Attorney shall verify that the above conditions are met, and is thereafter authorized to take whatever steps are necessary to effect the closing of said property conveyance.

-  Acquired by Hoffmans
-  Conveyed to Hoffmans
-  Acquired by City



**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



Agenda Date:	January 3, 2017
Action Requested:	Approval of Ordinance (1 <sup>st</sup> of 2 readings)
Presenter:	S. Craig Brown, City Attorney
Staff Contacts:	Lisa Robertson, Chief Deputy City Attorney Marty Silman, City Engineer
<b>Title:</b>	<b>Closing of Portion of Ware Street Extended (Unaccepted)</b>

**Background:**

Mr. Lawrence Rogers, on behalf of his brother, Charles Rogers, owner of a vacant lot in the 500 block of Stonehenge Avenue (Lot 1), has petitioned the City to close a portion of Ware Street Extended, a 50' wide dedicated but unaccepted right-of-way at the end of Stonehenge Avenue ("Subject Right-of-Way"). Ware Street Extended was created by subdivision plat recorded in 1951, but never accepted into the City street system. In 1976 Bertha Rogers owned Lots 1 and 18 in this subdivision, and successfully petitioned to have the southern portion of Ware Street Extended vacated, thereby adding half of that portion of Ware Street Extended (a strip of land 25' x 89') to Lot 1, currently owned by Charles Rogers, identified as Tax Map Parcel 27-114. The Subject Right-of-Way is 50' wide and 137' in length.

Lot 1 originally had 35.83 feet of frontage on Stonehenge Avenue, an accepted street, making it a non-conforming lot. After the street closing in 1976, the lot measured 60.83 feet facing Stonehenge Avenue, but only 35 feet of it fronted on an accepted street, falling short of the 50' of frontage required to build a home on the lot. Mr. Rogers has a potential buyer for the lot but only if it meets the City's requirements for a buildable lot.

**Discussion:**

On December 13, 2016, the Planning Commission and City Council held a joint public hearing on the petition to close the Subject Right-of-Way, which adjoins properties owned by Mr. Charles Rogers, Ms. Ortiz-Clothiaux, and CRHA (South 1<sup>st</sup> Street). There was discussion about future plans to establish a greenway along Pollock's Branch stream, which runs alongside and within Ware Street Extended, and the fact that the Subject Right-of-Way is currently used by pedestrians. There is also a sanitary sewer line located through the middle of the Subject Right-of-Way, and Public Utilities wants a 40' wide easement reserved for the City to maintain the sewer line. Most of Ware Street has been closed in the past, leaving this portion of it disconnected to any other portion of Ware Street.

The adopted City Council policy for the closing and vacating of streets and alleys states that City Council should consider the following in making their decision as to whether a particular street should be closed:

- *Public Inconvenience:* Council will consider whether vacation of the Subject Area will result in any public inconvenience, or would deprive the City of property planned for future public use. **The Subject Right-of-Way is used occasionally by pedestrians to access Stonehenge Avenue from the CRHA property, but the proposed pedestrian access easement will allow such passage to continue and will facilitate any future greenbelt trail along Pollock’s Branch.**
- *Harm to Public Interests.* Council will consider whether vacation of the Subject Area will impede access by any person to nearby public streets, or will adversely impact traffic on adjacent public streets. **Vehicular travel will not be affected at all.**
- *Accommodation of Existing or Proposed Business.* Where the vacation is proposed to accommodate the expansion or development of an existing or proposed business, Council may condition the vacation upon the commencement of the expansion or development within a specified period of time. *Reference Va. Code §15.2-2006.* **Not applicable – no business use planned.**
- *Reservation of Utility Easement(s).* Where existing City utilities or drainage facilities are located within the Subject Area, Council may reserve an easement to itself for those items. **A utility easement is proposed to be reserved across the entire vacated area to ensure adequate access to the existing sanitary sewer line. The Rogers lot will be buildable even with this easement reservation.**
- *Compensation to the City.* **The Ware Street Extended right-of-way was never formally accepted into the City street system, although the presence of the sanitary sewer line in the Subject Right-of-Way could be used to argue that the City has accepted the street in a limited fashion. Given the existing utility facilities and Mr. Rogers’ agreement to provide a permanent pedestrian access easement, staff does not recommend that additional compensation be sought.**

**Community Engagement:**

The proposed closure of Ware Street Extended was the subject of a public hearing before the Planning Commission and City Council on December 13, 2016. In addition to published notice in the newspaper, the adjoining property owners were also notified by mail and by telephone of the public hearing. All affected owners were also mailed notice that the first reading of the ordinance would be considered at this Council meeting.

**Budgetary Impact:**

There would not be any budgetary impact if Ware Street Extended were closed.

**Recommendation:**

The Planning Commission recommended approval of the proposed closure, conditioned upon reservation of a 40' wide easement to the City for sewer line maintenance and pedestrian access across the closed portion. Since the exact location of the sewer line within the Subject Right-of-Way has not been determined, Public Utilities and NDS now recommend that an easement over the entire vacated right-of-way would be best. This would not interfere with the ability to build on the lot.

Staff recommends reservation of a 10' wide pedestrian access easement in the location shown on the **attached drawing**. This easement would allow sufficient access across the Subject Right-of-Way to Stonehenge Avenue for pedestrians. A formal plat, paid for by Petitioner Rogers, would be required to record the sewer and pedestrian access easements in the deed book records.

**Alternatives:**

City Council could decide to reduce the portion of Ware Street Extended to be closed.

**Attachments:**

Proposed Ordinance  
Drawing Showing Reserved Easements  
Petition  
Subdivision Plat  
Tax Map Showing Allocation of Closed Right-of-Way

**AN ORDINANCE  
CLOSING, VACATING AND DISCONTINUING A  
PORTION OF THE WARE STREET EXTENDED RIGHT-OF-WAY,  
LOCATED OFF STONEHENGE AVENUE**

**WHEREAS**, Lawrence Rogers, on behalf of his brother, Charles Rogers, owner of property on Stonehenge Avenue designated as Parcel 114 on City Tax Map 27, initiated a petition seeking to close the northern portion of Ware Street Extended right of way, approximately 50 feet wide and 137 feet in length, shown on a subdivision plat (1951) of record in the Charlottesville Circuit Court Clerk's Office at Deed Book 159, page 113 (hereinafter "Subject Right of Way"); and

**WHEREAS**, the Subject Right of Way was platted in 1951 but was never formally accepted by the City as part of the City's public street system; and,

**WHEREAS**, the southern portion of Ware Street Extended was previously closed and vacated by City Council on December 20, 1976, of record in the aforesaid Clerk's Office in Street Closing Book 1, Page 79; and

**WHEREAS**, following notice to the public pursuant to Virginia Code §15.2-2272, a joint public hearing by the Planning Commission and City Council was held on December 13, 2016, and comments from City staff and the public were made and heard; and,

**WHEREAS**, the Planning Commission recommended approval of the closing and vacation of the Subject Right-of-Way, conditioned upon reservation of easements for the maintenance of an existing sanitary sewer line and pedestrian access across the vacated right-of-way; and

**WHEREAS**, after consideration of the factors set forth within the City Street Closing Policy, adopted by Council on February 7, 2005, this Council finds and determines that the petitioner's request should be granted, subject to reservation of: (1) an easement across the entire vacated area for maintenance and repair of the existing sanitary sewer line, and (2) an easement 10' in width to provide pedestrian access across the closed portion of Ware Street Extended to Stonehenge Avenue;

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Charlottesville, Virginia that the City hereby closes, vacates and discontinues the Subject Right-of-Way described as follows:

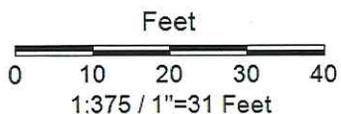
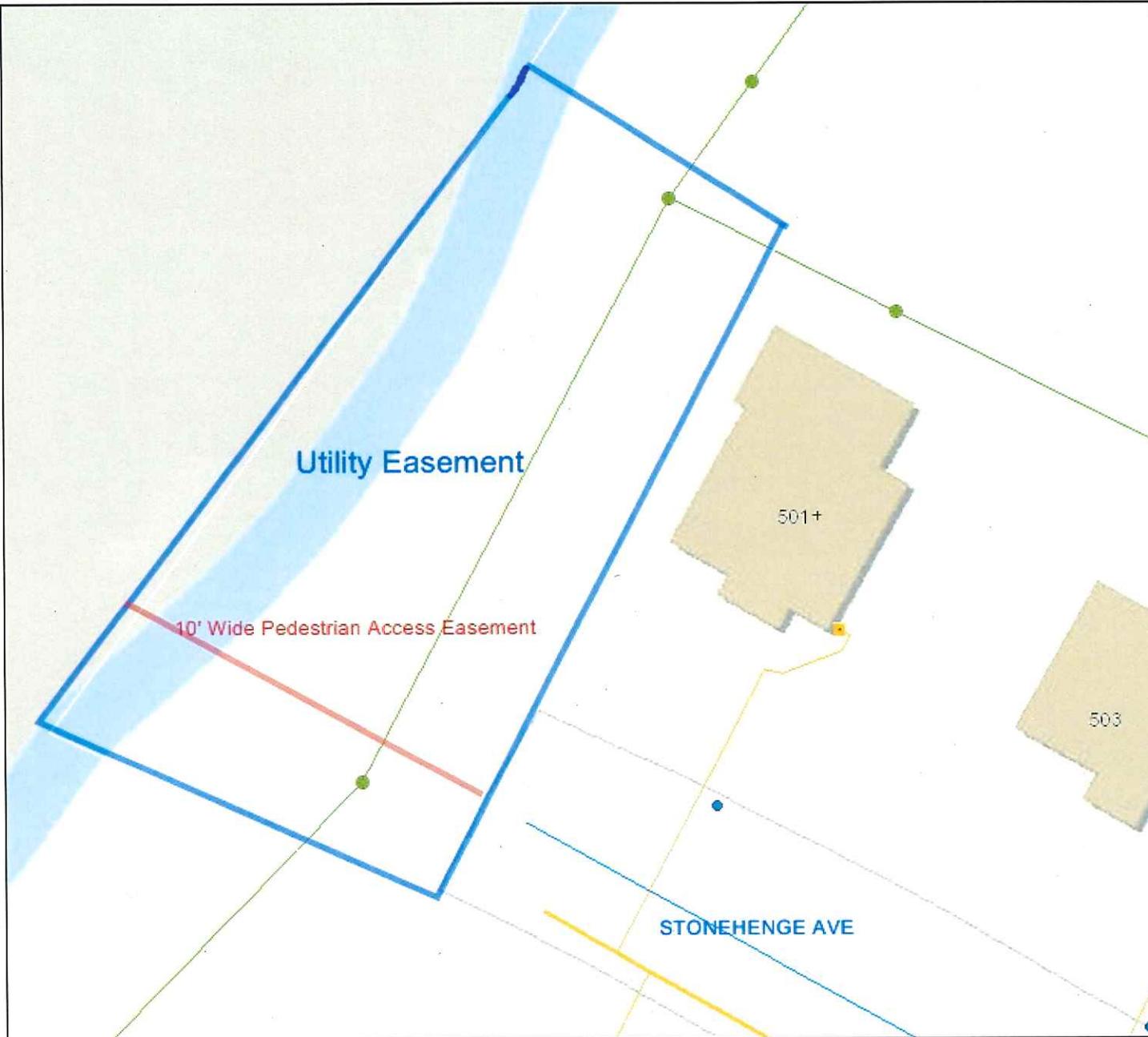
The northern portion of unaccepted right-of-way designated as Ware Street Extended adjoining Parcels 98 and 114 on 2016 Tax Map 27, and Parcel 115 on 2016 Tax Map 26, highlighted and shown on the attached Tax Map drawing.

**BE IT FURTHER ORDAINED** that as part of the above-referenced vacation the City hereby **RESERVES** an easement and right-of-way across the entire vacated area of Ware Street Extended for the perpetual maintenance and repair of the above-referenced existing sewer line, and further **RESERVES** a 10' wide easement for pedestrian access across the closed portions of Ware Street Extended that adjoin City Real Estate Tax Map Parcels 26-115 and 27-114. Approval of this ordinance is conditioned upon Petitioner Rogers providing a plat of said easements, in form approved by the City Attorney, which is suitable for recordation in the Charlottesville Circuit Court Clerk's Office.

**BE IT FURTHER ORDAINED** that unless an appeal from Council's enactment of this ordinance is made to the Charlottesville Circuit Court within thirty (30) days of the date of adoption, the Clerk of the Council shall send a certified copy of this ordinance to the Clerk of the Circuit Court for recordation in the current street closing book.

**Legend**

- Parcels
- Addresses
-  City Limits
-  Sanitary Manhole
-  Sanitary Line
-  Storm Structure
-  Storm Line
-  Water Hydrant
-  Water Line
-  Water Meter
-  Gas Meter
-  Gas Main
-  Gas Service



**Title:**

**Date: 12/27/2016**

*DISCLAIMER: This drawing is neither a legally recorded map nor a survey and is not intended to be used as such. The information displayed is a compilation of records, information, and data obtained from various sources, and Charlottesville is not responsible for its accuracy or how current it may be.*



# PETITION TO CLOSE A STREET OR ALLEY

Please Return To: Department of Neighborhood Development Services  
 PO Box 911, City Hall, Charlottesville, Virginia 22902  
 Telephone (434) 970-3182 Fax (434) 970-3359



**FEE: A filing fee of \$100.00 made payable to the City of Charlottesville.**

## A. PETITIONER INFORMATION

Petitioner Name: Charles W. Rogers

Petitioner Mailing Address: 1108 E. Jefferson St. / Charlottesville, VA 22901

Does Petitioner currently own property adjacent to the area requested to be closed? Yes If no, please explain \_\_\_\_\_

Petitioner Phone Number(s):

Work: None  
 Home: 434-296-3805

Fax: 434-977-1099  
 Email: \_\_\_\_\_

## B. ADDRESSES OF PROPERTY OWNERS ADJACENT TO THE STREET/ALLEY (use back of form if necessary)

Property Owner Name	Mailing Address	City Tax Map and Parcel #
<u>None</u>	<u>DEPENDENT STREET</u>	<u>STREET</u>
_____	_____	_____
_____	_____	_____

} SEE ATTACHED

## C. PETITIONER'S REQUEST

- That, pursuant to the provisions of Section 15.2-2006 of the Code of Virginia (1950), as amended, the said Petitioner(s) apply for the vacating, closing and discontinuance of a certain street or alley, situated in the City of Charlottesville, Virginia, as described below as follows: (Provide name, right-of-way width and length of streets or alleys being closed)  
500 A Stonehenge Ave - Close Street  
AT CURRENT BARRIER - UNUSED SECTION OF ROAD  
WHERE CITY TOOK UP FOR A SEWER LINE
- Confirm that no inconvenience will result to any person by reason of said closing, vacation and discontinuance of the said street or alley. Include details in narrative.
- That land owners along and adjacent to said street or alley desire and request the street of alley to be closed. Attach letters of approval or signatures of approval from adjacent property owners.
- Attach a copy of the city real property tax map showing the portion of the street or alley to be vacated with the square footage clearly indicated.
- Applicant must provide copies of a title search and opinion performed by an attorney or licensed title company of the property in question and the alley to the original dedication of the alley or street. Highlight on the deed when the street or alley was created. The deed information is available at the City Circuit Courthouse (315 E. High Street).
- Applicant must review the attached closing policy prior to submission of this form and attach a narrative which addresses the objectives outlined in that policy to include specific information as to why an alley closing is being requested.

Respectfully Submitted, Charles W. Rogers by [Signature]  
L. M. Rogers P.O.A.  
 Signature of Petitioner(s) \_\_\_\_\_ Print \_\_\_\_\_

The review process typically takes two months. Following the review, valid applications will be forwarded to a joint Planning Commission and City Council Public Hearing and then to City Council for two readings.

**FOR OFFICE USE ONLY (Sign Posting)**  
 I certify that the sign(s) as required by Section 31-271 of the City Code (Zoning Ordinance) as amended has been posted on the following date: \_\_\_\_\_

Signature: [Signature]

Date Paid: N/A Amt. Paid: N/A Check #: N/A Recorded by: MOS

# PETITION TO CLOSE A STREET OR ALLEY

Please Return To: Department of Neighborhood Development Services  
PO Box 911, City Hall, Charlottesville, Virginia 22902  
Telephone (434) 970-3182 Fax (434) 970-3359

**FEE: A filing fee of \$100.00 made payable to the City of Charlottesville.**



## A. PETITIONER INFORMATION

Petitioner Name: \_\_\_\_\_

Petitioner Mailing Address: \_\_\_\_\_

Does Petitioner currently own property adjacent to the area requested to be closed? \_\_\_\_\_ If no, please explain \_\_\_\_\_

Petitioner Phone Number(s):

Work: \_\_\_\_\_

Fax: \_\_\_\_\_

Home: \_\_\_\_\_

Email: \_\_\_\_\_

## B. ADDRESSES OF PROPERTY OWNERS ADJACENT TO THE STREET/ALLEY (use back of form if necessary)

Property Owner Name	Mailing Address	City Tax Map and Parcel #
① CRNA	PO Box 1405 CHARLOTTESVILLE, VA 22902	260115000
② ORTIZ-CLOTHIAUX, ANA - AEGT	501 STONEHEDGE AVE CHARLOTTESVILLE, VA 22902	270098000

## C. PETITIONER'S REQUEST

- That, pursuant to the provisions of Section 15.2-2006 of the Code of Virginia (1950), as amended, the said Petitioner(s) apply for the vacating, closing and discontinuance of a certain street or alley, situated in the City of Charlottesville, Virginia, as described below as follows: (Provide name, right-of-way width and length of streets or alleys being closed)  
\_\_\_\_\_  
\_\_\_\_\_
- Confirm that no inconvenience will result to any person by reason of said closing, vacation and discontinuance of the said street or alley. Include details in narrative.
- That land owners along and adjacent to said street or alley desire and request the street or alley to be closed. Attach letters of approval or signatures of approval from adjacent property owners.
- Attach a copy of the city real property tax map showing the portion of the street or alley to be vacated with the square footage clearly indicated.
- Applicant must provide copies of a title search and opinion performed by an attorney or licensed title company of the property in question and the alley to the original dedication of the alley or street. Highlight on the deed when the street or alley was created. The deed information is available at the City Circuit Courthouse (315 E. High Street).
- Applicant must review the attached closing policy prior to submission of this form and attach a narrative which addresses the objectives outlined in that policy to include specific information as to why an alley closing is being requested.

Respectfully Submitted,

\_\_\_\_\_  
Signature of Petitioner(s)

\_\_\_\_\_  
Print

The review process typically takes two months. Following the review, valid applications will be forwarded to a joint Planning Commission and City Council Public Hearing and then to City Council for two readings.

### FOR OFFICE USE ONLY (Sign Posting)

I certify that the sign(s) as required by Section 31-271 of the City Code (Zoning Ordinance) as amended has been posted on the following date:

\_\_\_\_\_  
Signature

Date Paid: \_\_\_\_\_ Amt. Paid: \_\_\_\_\_ Check #: \_\_\_\_\_ Recorded by: \_\_\_\_\_

tion, together with any and all necessary and reasonable expenses, charges, counsel fees and other disbursements incurred by the Trustees in the discharge of their duties, shall be paid by the Company, or, if not so paid, shall be deductible out of the trust estate upon which they are hereby made a lien prior to that of the bonds issued hereunder. The Trustees may act upon any notice, consent, request, certificate, bond or other paper or document believed by them to be genuine and to be signed by the proper party.

IN WITNESS WHEREOF, Frank Ix and Sons Virginia Corporation, has caused this deed to be signed on its behalf by Alexander F. Ix, its President, and agent hereunto duly authorized, and its seal to be affixed and attested by Edward P. Ix, its Secretary, the day and year first above written.

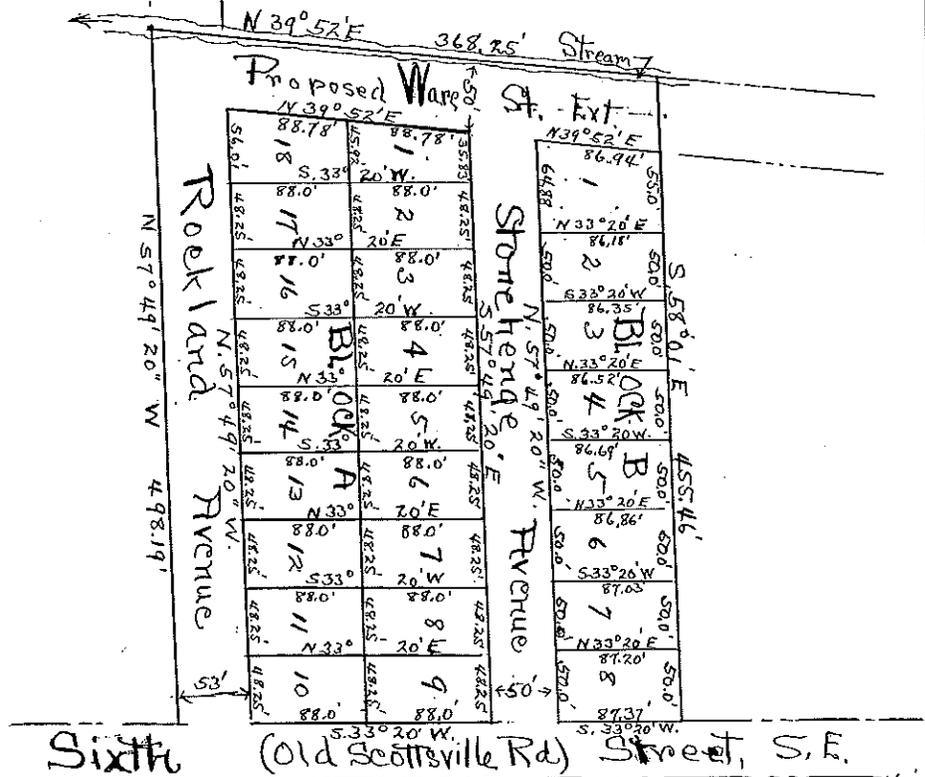
(SEAL) FRANK IX AND SONS VIRGINIA CORPORATION  
 Attest: By Alexander F. Ix  
 Edward P. Ix Secretary President  
 \$325.00 Int. Rev. stamps affixed

STATE OF NEW JERSEY  
 COUNTY OF HUDSON, to-wit:

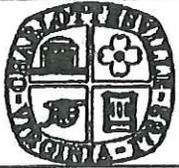
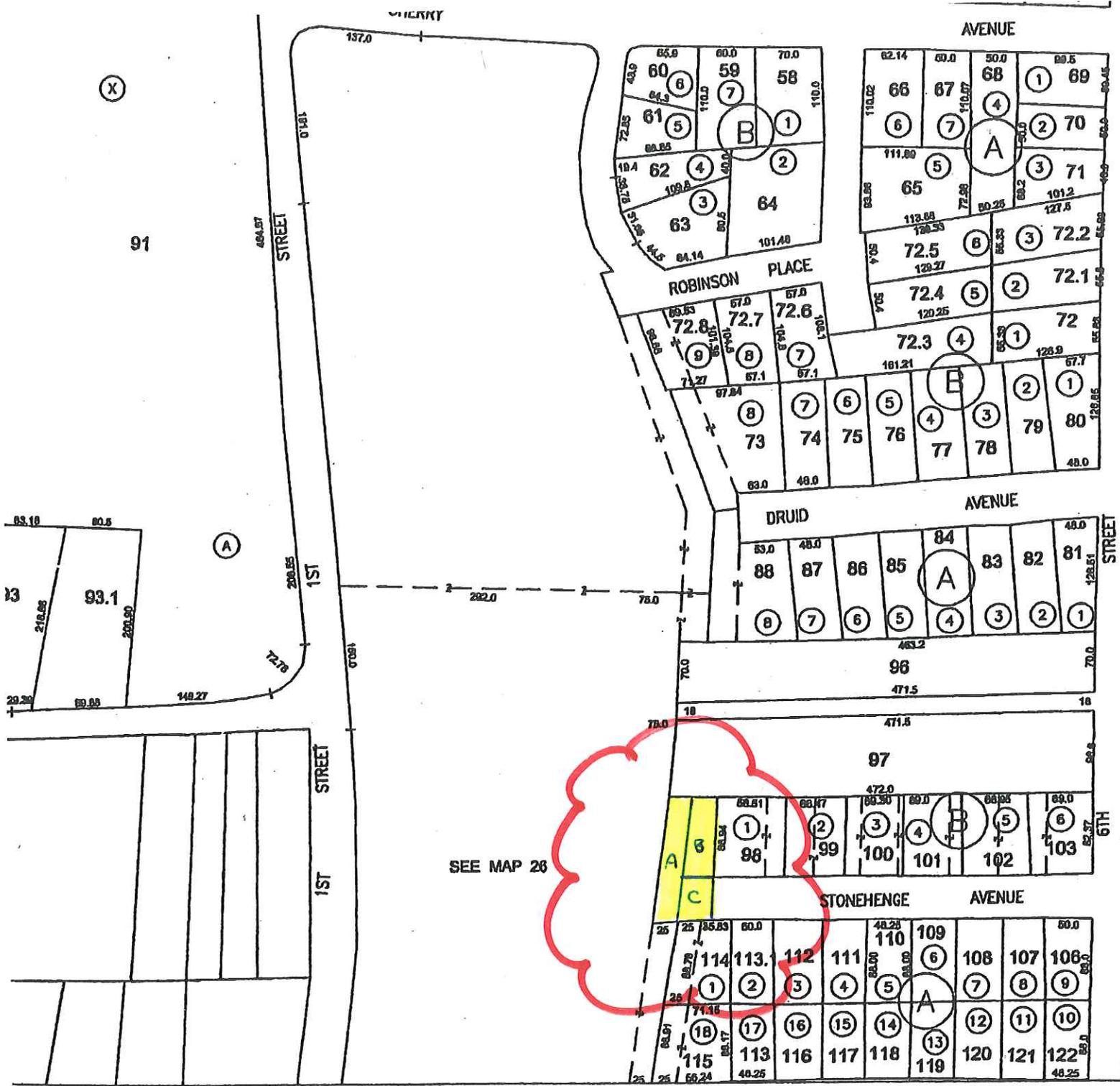
I, Regina Kilb, a Notary Public in and for the County of Hudson, in the State of New Jersey, do hereby certify that Alexander F. Ix, whose name is signed to the foregoing deed, dated the 15th day of June, 1951, has acknowledged the same before me in my County aforesaid.

Given under my hand this 24th day of July, 1951.  
 My commission expires the 29th day of January, 1956.

(SEAL) Regina Kilb  
 Notary Public



David P.



TAX

A → BECOMES PART OF TMP 26-115  
 B → BECOMES PART OF TMP 27-98  
 C → BECOMES PART OF TMP 27-114

PROPOSED



CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA



Agenda Date:	January 3, 2017
Action Required:	Approval of Appropriation
Presenter:	Tierra Howard, Grants Coordinator, N.D.S
Staff Contacts:	Tierra Howard, Grants Coordinator, N.D.S
Title:	<b>National Endowment for the Arts (N.E.A) Our Town Grant Match Appropriation \$25,000</b>

**Background:**

On March 7, 2016, Council approved the appropriation of the National Endowment for the Arts (N.E.A) Our Town cash match of \$30,000 to contribute to the artist in residency projects to complete the NEA grant efforts in partnership with the Piedmont Council of the Arts (P.C.A) and the Bridge Progressive Arts Initiative (PAI).

**Discussion:**

In July 2016, The Bridge PAI informed City staff that the Bridge PAI no longer had the capacity to carry out the artist in residency projects as a partner. As a result, the Bridge PAI reimbursed the City's match funds of \$25,000 (\$5,000 was utilized on the first artist-in residency project). On October 17, 2016, Council approved the use of the \$25,000 match funds to be used towards the Be Cville Project (artist in residency project) in partnership with the City's primary partner PCA and a new partner, the T.J.P.D.C Corporation. In order to expend the funds, an appropriation of the \$25,000 needs to be approved as a result of the reimbursement.

**Alignment with Council Vision Areas and Strategic Plan:**

The NEA grant project aligns directly with Council's vision for **C'ville Arts and Culture**. Expected outcomes include improved services provided to Charlottesville residents as well as enhanced local quality of life and creative economic development initiatives. The project also will help realize the following Strategic Plan objectives: *2.6. Engage in robust and context sensitive urban planning; 5.1. Respect and nourish diversity; 5.2. Build collaborative partnerships' and 5.3. Promote community engagement.*

**Community Engagement:**

A large component of the N.E.A grant involves engaging with the residents of the SIA area through a series of workshops and resident directed art installations. The N.E.A effort is the first

time that residents not only participate in a planning effort, but also get to see their vision realized and developed into something tangible.

**Budgetary Impact:**

This will have no impact on the General Fund if approved.

**Recommendation:**

Staff recommends approval of the appropriation.

**Alternatives:**

If appropriation is not approved, the project will not be completed to meet grant requirements. As a result, the City will have to reimburse N.E.A \$25,000.

**APPROPRIATION**  
**National Endowment for the Arts Our Town Grant for “Play the City”**  
**\$25,000**

**WHEREAS**, the Bridge Progressive Arts Initiative reimbursed the City of Charlottesville \$25,000 for the inability to carry out the Our Town grant from the National Endowment for the Arts to support the implementation of project known as “Play the City” in July 2016,

**WHEREAS**, the appropriation of \$25,000 will allow the City to carry out the Be Cville (artist in residency) project as approved by Council on October 17, 2016,

**NOW, THEREFORE BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia that the following is hereby appropriated in the following manner:

**Revenues**

\$25,000	Fund: 211	IO: 1900236	G/L: 451050
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**Expenditures**

\$25,000	Fund: 211	IO: 1900236	G/L: 530670
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**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



**Agenda Date:** January 3, 2017

**Action Required:** Appropriation, Public Hearing

**Presenter:** Tony Edwards, Neighborhood Development Services Manager

**Staff Contacts:** Tony Edwards, Neighborhood Development Services Manager

**Title:** HB2 / SMART Scale grant funding for High Street, Fontaine Avenue and Emmet Street totaling \$29,452,721

**Background:** The Governor signed House Bill 2 into law in 2014, which is now known as SMART Scale. This grant program outlines the funding process for potential state transportation projects. The City of Charlottesville was successful in its first year of HB2 submissions by being awarded 3 out of 3 projects for a total grant funding of \$29,452,721. No local funding match required.

Additional background information on funding criteria and requirements may be reviewed here: <http://www.virginiahb2.org>.

**Discussion:** This funding will provide the necessary resources to design, provide right-of way acquisition as needed, and construct the necessary infrastructure improvements as identified in the state applications. The specific locations are High Street/ Market Street (\$5,638,000) (P-00931) from Locust Avenue to 7th Street, Emmet Street (\$12,114,721) (P-00932) from University Avenue to Arlington Boulevard, and Fontaine Avenue (\$11,700,000) (P-00933) from Jefferson Park Avenue to city limits.

**Alignment with Council Vision Areas and Strategic Plan:** Submissions for the SMART Scale funding requests have the opportunity to support City Council's Vision for Economic Sustainability, A Green City, America's Healthiest City and A Connected Community. In addition, it would contribute to Goal2 of the Strategic Plan, Be a safe, equitable, thriving, and beautiful community and objectives 2.3. Provide reliable and high quality infrastructure and 2.6. Engage in robust and context

sensitive urban planning. These projects align with goals within the Comprehensive Plan, and Bike and Pedestrian Plan.

**Community Engagement:** East High Street improvements project has been a high priority for the Martha Jefferson neighborhood for many years which its inclusion in the SIA priorities.

Fontaine Avenue improvements underwent a review in 2004- 2005. Based on previous public input, a more limited scope using mostly existing right of way is proposed for this project.

Emmet Street proposed improvements have been developed under joint collaboration with UVA, a major adjacent property owner, and this project would allow for mutual benefits.

**Budgetary Impact:** State and Federal funding will be received on a reimbursement basis. No local match is required.

**Recommendation:** Staff recommends approval of this appropriation of funds.

**Attachment(s):** N/A

**APPROPRIATION**

**HB2 / SMART Scale FY2017 - \$29,452,721**

**WHEREAS**, a total of \$5,638,000 in federal and state funds for the East High Streetscapes Improvements project requires an appropriation;

**WHEREAS**, a total of \$11,700,000 in federal and state funds for the Fontaine Avenue Streetscapes Improvements project requires an appropriation;

**WHEREAS**, a total of \$12,114,721 in federal and state funds for the Emmet Street Corridor Streetscape and Intersections project requires an appropriation;

**NOW, THEREFORE BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia that the following is hereby appropriated in the following manner:

**Revenues**

**\$640,000** Fund: 426 WBS: P-00931 G/L Account: 431110  
**\$4,998,000** Fund: 426 WBS: P-00931 G/L Account: 430110  
**\$1,928,000** Fund: 426 WBS: P-00933 G/L Account: 431110  
**\$9,772,000** Fund: 426 WBS: P-00933 G/L Account: 430110  
**\$12,114,721** Fund: 426 WBS: P-00932 G/L Account: 430110

**Expenditures**

**\$5,638,000** Fund: 426 WBS: P-00931 G/L Account: 599999  
**\$11,700,000** Fund: 426 WBS: P-00933 G/L Account: 599999  
**\$12,114,721** Fund: 426 WBS: P-00932 G/L Account: 599999

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**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



<b>Agenda Date:</b>	January 3, 2016
<b>Action Required:</b>	Appropriation & Transfer
<b>Presenter:</b>	Jeanette Janiczek, UCI Program Manager
<b>Staff Contacts:</b>	Alex Ikefuna, NDS Director Tony Edwards, Development Services Manager Jeanette Janiczek, UCI Program Manager
<b>Title:</b>	Hillsdale Drive Extension – Appropriation of \$322,943.79 & Transfer of \$117,641.50

**Background:** On May 16, 2005, the City entered into an agreement with the Virginia Department of Transportation to participate in the Urban Construction Initiative (“First Cities”) Program (UCI). Through this program, the City is responsible for administering its urban system construction program – design, right-of-way acquisition, utility relocation, and construction. In addition, accounting of the UCI program funds must reconcile with the VDOT six-year plan. This appropriation involves the state, federal and local funds necessary to fund the City’s projects as outlined in the VDOT six-year plan.

Some state funds are received upfront from the state each year as they are allocated. The remaining state and federal funding, however, must be spent first by the City and is later reimbursed by the Virginia Department of Transportation. Reimbursement requests are submitted to VDOT on a bi-monthly basis.

**Discussion:** Preliminary Engineering (PE) is the phase of the roadway project “that includes all project initiation and development activities undertaken after its inclusion in the approved State Transportation Improvement Program through the completion of (construction bid submittal). It may include preliminary Right of Way engineering and investigations necessary to complete the environmental document.” Activities include design, plan development, environmental evaluation and public participation process. Right of Way (ROW) is the phase of the roadway project that “includes the work necessary to appraise and acquire project right of way, relocate individuals or businesses, and revise or relocate utilities.” Construction is the phase of the roadway project that includes “the management of all construction activities necessary to ensure the completion of a high quality product meeting all contract specifications, and applicable federal, state, and local laws and regulations.”

An appropriation was previously completed for each phase of the Hillsdale Drive Extension project which is a combination of federal, state and local funding. Administratively, the Federal/State revenue budget will be reduced by \$1,232,506.12 (per line E).

In addition, the City is working with the Albemarle County Service Authority (ACSA) to facilitate an upgrade to their existing sewer and waterlines along Greenbrier Drive. Design services total \$25,506.79 and construction expenses are expected to total \$297,437. ACSA has issued a check to the City for design services and a portion of construction for \$177,796.79. A reconciliation of expenses will be completed after a final invoice for the work, but the City needs to appropriate \$322,943.79 to ensure work can be completed.

The City has also designed and will be constructing a waterline betterment for the City's Utility department. A reconciliation of expenses has been completed after the final invoice for the work totaling \$117,641.50. This figure is composed of \$9,955.65 of design, \$103,230.10 of construction and \$4,455.75 of inspection expenses.

REVENUES		EXPENDITURES	
<i>Project</i>		<i>Project</i>	
Federal	\$13,078,854.80	Preliminary Engineering	\$ 3,500,000.00
State	\$16,585,005.70	ROW	\$ 11,397,588.00
City CIP (Local)	\$ 557,295.50	Construction	\$ 15,323,568.00
Subtotal	\$30,221,156.00	Subtotal	\$ 30,221,156.00
<i>Utility Betterment</i>		<i>Utility Betterment</i>	
City Utilities	\$ 117,641.50	City Utilities	\$ 117,641.50
ACSA	\$ 322,943.79	ACSA	\$ 322,943.79
Subtotal	\$ 440,585.29	Subtotal	\$ 440,585.29
TOTAL	\$30,661,741.29	TOTAL	\$ 30,661,741.29

<b>(A) FED/STATE COMBINES, TOTAL REVENUES</b>	<b>\$ 29,647,352.88</b>
(B) VDOT to spend directly on ROW, City does not need to appropriate (Figure taken from previous draft of Hillsdale appropriation from NDS)	\$ 10,897,588.00
(C; A-B) Balance (City to spend, seek reimbursement from VDOT)	\$ 18,749,764.88
(D) Federal/State funds previously appropriated by City Council	\$ 19,982,271.00
(E; C-D) Project budget needs to be reduced, City Council action not required	\$ (1,232,506.12)
<b>(F) CITY (LOCAL FUNDS)</b>	<b>\$ 557,295.50</b>
(G) City funds previously appropriated by City Council	\$ 557,295.50
<b>(I) UTILITY BETTERMENTS</b>	<b>\$ 440,585.29</b>
(J) ACSA (to be appropriated by City Council)	\$ 322,943.79
(K) City Utilities (to be transferred by City Council)	\$ 117,641.50

**Current Status:** The Hillsdale Drive Extension project executed a construction contract with Fielder’s Choice Enterprises on June 23, 2016 and held a pre-construction public meeting on June 29, 2016. The contractor has fully mobilized and work has started on: installing construction signs and environmental controls, relocating utilities, surveying, clearing, partial demolition of Seminole Square building, and preparation on County’s stormwater basin reconstruction. In the coming months, major work items will include construction of the retaining wall between Pepsi/Post Office, bridge construction and completing the roadway segment from existing Hillsdale Drive to Line Drive/India Road. Traffic impact alerts are issued weekly and a monthly project update is posted on the project’s website ([www.hillsdaledrive.org](http://www.hillsdaledrive.org)) and issued to the project’s/City’s contact list.

**Alignment with City Council’s Vision Areas and Strategic Plan:** Approval of this agenda item upholds the City’s commitment to create “a connected community” by improving upon our existing transportation infrastructure. In addition, it would contribute to Goal 2 of the Strategic Plan, Be a safe, equitable, thriving, and beautiful community; Objectives 2.3. Provide reliable and high quality infrastructure and 2.6. Engage in robust and context sensitive urban planning.

**Community Engagement:** A well-attended Citizen Information Meeting was recently held at the Senior Center on June 29<sup>th</sup> to review construction phasing, provide renderings of planned landscaping/hardscaping, answer questions and provide future contact information. There has been significant engagement throughout project planning.

**Budgetary Impact:** None. Appropriation is composed of a combination of state allocations that are received quarterly with the remaining state and federal allocations that are reimbursed once expended. Local funds were previously approved and funded through the CIP from FY05 to FY13 and from Albemarle County Service Authority to fund a sewer line upgrade.

**Recommendation:** Staff recommends approval and appropriation of the funds.

**Alternatives:** N/A

**Attachments:** Appropriation  
Urban Construction Initiative (UCI) Project Funding Worksheet

**APPROPRIATION & TRANSFER**  
**Hillsdale Drive Extension – \$440,585.29**

WHEREAS, a total of \$322,943.79 in local funds for the Hillsdale Drive Extension requires an appropriation;

WHEREAS, a total of \$117,641.50 from City Utilities for a Waterline Betterment requires transferring;

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that the following is hereby appropriated in the following manner:

**Revenues**

**\$322,943.79** Fund: 426                      WBS: P-00216                      G/L Account: 432080 Local

**Expenditures**

**\$322,943.79** Fund: 426                      WBS: P-00216 (Hillsdale)                      G/L Account: 999999

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that the following is hereby transferred in the following manner:

**Transfer From**

**\$ 117,641.50** Fund: 426                      WBS: P-00260-18                      G/L Account: 498010

**Transfer To**

**\$ 117,641.50** Fund: 426                      WBS: P-00216                      G/L Account: 498010

Project Number:

UPC:

60233

Locality:

City of Charlottesville

Project Narrative	
Scope:	Hillsdale Drive
From:	
To:	
Locality Project Manager Contact info:	
Department Project Coordinator Contact Info:	

	Preliminary Engineering	Right of Way and Utilities	Construction	Total Estimated Cost
Estimated Locality Project Expenses	\$0	\$0	\$0	\$0
Estimated VDOT Project Expenses	\$0	\$0	\$0	\$0
Estimated Total Project Costs	\$3,500,000	\$11,397,588	\$15,323,568	\$30,221,156

Project Cost and Reimbursement						
Phase	Estimated Project Costs	Funds type <i>(Choose from drop down box)</i>	Local % Participation for Funds Type	Local Share Amount	Maximum Reimbursement (Estimated Cost - Local Share)	Estimated Reimbursement to Locality (Max. Reimbursement - Est. VDOT Expenses)
Preliminary Engineering		2% paid to locality		\$0	\$0	
Pre UCI	\$51,156	Urban	0%	\$0	\$51,156	
	\$3,448,844	Urban	20%	\$689,769	\$2,759,075	
				\$0	\$0	
<b>Total PE</b>	<b>\$3,500,000</b>			<b>\$689,769</b>	<b>\$2,810,231</b>	<b>\$2,810,231</b>
Right of Way & Utilities	\$190,156	Urban	20%	\$38,031	\$152,125	
	\$8,626,730	MAP21 STP w/soft match	0%	\$0	\$8,626,730	
	\$183,100	MG Equity Bonus	0%	\$0	\$183,100	
UCI	\$1,316,900	MG Equity Bonus w/soft match	0%	\$0	\$1,316,900	
	\$1,080,702	Bond	0%	\$0	\$1,080,702	
<b>Total RW</b>	<b>\$11,397,588</b>			<b>\$0</b>	<b>\$11,359,557</b>	<b>\$11,359,557</b>
Construction	\$11,436,803	Bond	0%	\$0	\$11,436,803	
	\$2,886,765	CTB Formula State	0%	\$0	\$2,886,765	
	\$1,000,000	Revenue Sharing	50%	\$500,000	\$500,000	
<b>Total CN</b>	<b>\$15,323,568</b>			<b>\$500,000</b>	<b>\$14,823,568</b>	<b>\$14,823,568</b>
<b>Total Estimated Cost</b>	<b>\$30,221,156</b>			<b>\$1,189,769</b>	<b>\$28,993,356</b>	<b>\$28,993,356</b>

<b>Total Maximum Reimbursement by VDOT to Locality (Less Local Share)</b>	\$28,993,356
<b>Expenditures Prior to UCI Acceptance</b>	\$51,156
<b>Estimated Total Reimbursement by VDOT to Locality (Less Local Share and VDOT Expenses)</b>	\$28,942,200

Project Financing									
Pre UCI			Post UCI						
Urban	State Match	Local Match	Federal 80%	MAP 21 STP	MAP 21 Soft Match	MG Bonus 80%	MG Bonus Match 20%		
\$40,925	\$10,026	\$205	\$2,911,200	\$6,901,385	\$1,725,345	\$146,480	\$36,620		

MG - Equity Bonus	MG- Equity Bonus Soft Match	Revenue Sharing	Local Match	State CTB Formula	Bond	Quarterly Payments	Local Funds	Aggregate Allocations (A+B+C+D+E+F)
\$1,053,520	\$263,380	\$500,000	\$500,000	\$2,886,765	\$12,517,505	\$168,187	\$8,457	\$29,670,000

Program and project Specific Funding Requirements			
• The total expenditures prior to UCI participation is	\$51,156		
• before UCI expenditures as of	10/7/2016	is	\$ 7,878,364
• This is a limited funds project. The locality shall be responsible for any additional funding in excess of			\$28,717,778
• The total	\$ 20,839,414	as of	10/7/2016

**CITY OF CHARLOTTESVILLE, VIRGINIA.  
CITY COUNCIL AGENDA.**



Agenda Date: January 3, 2017.

Action Required: Report.

Presenter: Christopher Cullinan, Director of Finance.  
John Aldridge, CPA, Partner, Brown Edwards and Company.

Staff Contacts: Christopher Cullinan, Director of Finance.  
Glen Pack, Comptroller.  
Gail Hassmer, Chief Accountant.

Title: Audit Report for Fiscal Year 2016 by City's Auditor, Brown Edwards and Company.

**Background:**

The Code of Virginia requires that localities have all their accounts and records audited annually as of June 30 by an independent certified public accountant in accordance with the specifications.

**Discussion:**

The City's auditor is required by State Code to report to the governing body at a public session. John Aldridge, CPA from Brown Edwards and Company will be presenting their report to City Council.

**Community Engagement:**

The Comprehensive Annual Finance Report (CAFR) is available on the City's website under the Finance Department. Hard copies are available upon request.

**Budgetary Impact:**

N/A.

**Alignment with Council Vision Areas and Strategic Plan:**

This report serves to report on the audit of fiscal year 2016 and as such aligns with Goal 4 of the Strategic Plan, to be a well-managed and successful organization.

**Recommendation:**

N/A.

**Alternatives:**

N/A.

**Attachments:**

1. Auditor's opinion letter.
2. Auditor's management letter.
3. Auditor's letter to audit committee.

## **INDEPENDENT AUDITOR'S REPORT.**

To the Honorable Members of the City Council.  
City of Charlottesville, 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 Charlottesville, Virginia ("the City") as of and for the year ended June 30, 2016 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 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; 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 from material misstatement.

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, 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, as of June 30, 2016, 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 the 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 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, supplementary, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary section is the responsibility of management and was derived from and relates 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, this information is 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 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 December 19, 2016 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, and 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 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.

Roanoke, Virginia.  
December 19, 2016

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE PUBLIC SCHOOLS.**

**COMMENTS ON INTERNAL CONTROL AND  
OTHER SUGGESTIONS FOR YOUR  
CONSIDERATION.**

**June 30, 2016.**

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## INDEPENDENT AUDITOR'S REPORT ON COMMENTS AND SUGGESTIONS.

To the Honorable Members of the City Council and  
School Board Charlottesville, 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 Charlottesville, Virginia and Charlottesville City Public Schools as of and for the year ended June 30, 2016, 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 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.

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.

The entity's responses to our recommendations are included in this report. The responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the City Council, the School Board, management, and state and federal regulatory agencies and is not intended to be, and should not be, used by anyone other than those specified parties.

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

CERTIFIED PUBLIC ACCOUNTANTS.

Roanoke, Virginia.  
December 19, 2016.

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
COMMENTS AND SUGGESTIONS.**

**SEGREGATION OF DUTIES (Significant Deficiency) – City/Schools.**

One of the more important aspects of any internal control is segregation of duties. 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. Such access may allow errors or irregularities to occur and either not be detected or concealed. A proper segregation of duties has not been established in functions related to accounting system access, journal entries, payroll, accounts payable, and accounts receivable. We did not detect any issues as a result of conditions of conflicting duties during our testing.

Specific items related to segregation of duties are discussed below:

**Journal Entries (City).**

During our review of journal entries, we noted that they lacked proper approval by an individual other than the preparer and in one case, supporting documentation. During the fiscal year 2016, many finance department staff had the ability to post and approve their own journal entries. Lack of review and approval increases the risk for unauthorized entries remaining undetected. We recommend all journal entries be reviewed and approved by an individual other than the preparer. All entries should be initialed or the review otherwise documented by the preparer and the individual approving in order to attribute responsibility to the appropriate individuals.

**Management Response:** *The City has instituted a new policy to address journal entry approval for FY 17.*

**System Access (City).**

We noted during our internal control walkthroughs that payroll clerks have system access allowing them edit payroll data. The risk is that these staff could enter fraudulent employees or adjust their own pay rate. We recommend limiting system access in SAP. If this cannot be achieved, a detail report illustrating all changes made during the payroll process should be obtained and reviewed by a knowledgeable employee, preferably from the Human Resources department who should document the review through a sign-off.

**Management Response:** *A request was submitted to the Information Technology department on September 29, 2016 to correct this issue.*

**Time Entry (City).**

We noted that time is approved by supervisors in SAP; however there is no control in place to verify that all time entered has been reviewed and approved. The system does not process unapproved time for payment. The risk is that unapproved time will not be paid. We recommend implementing a control that ensures all time is approved and paid.

**Management Response:** *Payroll clerks perform a system check for full-time employees that will prompt if employees don't have 80 hours entered and approved. Payroll clerks are to follow-up and ensure that approval exists. However this creates an issue with part time employees as there is no prompt for approval, delaying payment to these employees in some cases. The city has implemented a new approval process in October, 2016.*

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
COMMENTS AND SUGGESTIONS (Continued).**

**SEGREGATION OF DUTIES (Significant Deficiency) – City/Schools (Continued).**

**Vendor Master List (City).**

We noted that the Accounts Payable and Accounts Receivable supervisor and staff have the ability to edit the vendor master file, record invoices in the system and prepare checks for payment. After the checks are signed, they also handle the mailing of the checks. The mitigating controls in place are that purchases are limited to the annual budgeted amount for the department and department managers can review budget results. However, a risk still exists for fraudulent payments. We recommend restricting access to the vendor master file to the Purchasing and Procurement departments. Additionally a review of the supporting documentation should be completed by an employee outside of the Accounts Payable team such as the Director of Finance. Lastly, the handling of checks after they have been printed should be assigned to another department.

**Management Response:** *A request has been submitted to the Information Technology Department to segregate roles in SAP to address this issue. We will confer with Brown Edwards upon completion of this change to ensure the process addresses their concerns.*

**Credit Card Purchases (Schools).**

We noted that credit card purchases made by the Superintendent were also approved by the Superintendent. Controls over purchases made with credit cards are generally less formal, and because often these transactions are conducted with vendors who may also sell consumer items, it can be difficult to detect unauthorized purchases. For this reason, the use of credit cards tends to attract fraud and abuse. At most local governments, the controls over these purchases consist primarily of the requirement that invoices and receipts be provided for every transaction. This documentation is then reviewed and approved by the supervisor before being forwarded to the finance department for final approval for payment. Properly implemented, these are effective controls – however, their effectiveness is highly dependent upon the attention to detail, knowledge, and skepticism of those approving the payments. We recommend that the Director of Finance review and approve all purchase orders for purchases made by the Superintendent and consideration of the following controls:

- Restrict some cards for specific uses or vendors. For instance, usage could be limited to travel related expenses, or for vendors where emergency purchases are made. For travel related expenses, set limits for expenditures, such as with a per diem rate, and require employees to pay for any overages.
- Limit the number of cards issued to employees. For instance, issuance of cards could be restricted to department heads or senior staff.
- Perform background or credit checks on employees before issuance, and consider bonding employees with cards issued to them.

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
COMMENTS AND SUGGESTIONS (Continued).**

**SEGREGATION OF DUTIES (Significant Deficiency) – City/Schools (Continued).**

**Credit Card Purchases (Schools) (Continued).**

- Other purchase cards should remain locked up until needed for use. A sign-out system could then be implemented whereby employees check out the cards when needed. The City should require prior written authorization before these cards are checked out or before purchase cards are used to make purchases. If a department has to have a card available at all times, have one card available at a centralized, controlled location to be checked out by only those who are on call.
- Limit the individuals authorized to request credit increases or additional cards.
- Have all statements mailed directly to the finance department. Require that employees submit original receipts for purchase card purchases to department heads for approval. Have department head submit approved, original receipts to the finance department for matching of supporting documentation to statements. Only pay statements that have been supported by approved, original supporting documentation. This function should be segregated from the issuance of purchase cards.
- Ensure that all receipts and other documentation are reviewed and approved by someone other than the individual making the purchases. This person should be knowledgeable about the department's purchasing needs.
- Set spending limits consistent with the needs of the City such as by day, by card, or by transaction. Monitor cards for spending beyond such limits.

**Management Response:** *The Director of Finance is now reviewing and signing-off on all purchases made using the Superintendent's credit card. The process change was implemented immediately when the auditors were on-site and made the recommendation. All other items listed as controls for credit cards are already considered and incorporated in existing processes for the Schools. Please advise if additional information is needed.*

**AUDIT ADJUSTMENTS (SIGNIFICANT DEFICIENCY).**

Audit procedures resulted in material audit adjustments to the financial statements. As of June 30, 2016, certain of the City's subsidiary ledgers were not in agreement with the general ledger. The City should adopt a policy requiring monthly reconciliation of all balance sheet accounts to their subsidiary ledgers in order to ensure that accuracy of the monthly financial statements and underlying subsidiary ledgers. Balance sheet reconciliations quickly identify errors and needed corrections. If reconciliations are performed infrequently, errors and adjustments can occur, resulting in the need for significant corrections when the reconciliations are performed. Any reconciling differences should be corrected before the books are closed for the year end. Please refer to the Required Communication with Those Charged with Governance for a list of corrected and uncorrected misstatements.

**Management Response:** *Given that each adjustment is unique, Management will review and evaluate the underlying cause of each of the adjustments and take corrective actions as required to ensure timely reconciliations.*

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
COMMENTS AND SUGGESTIONS (Continued).**

**RETIREMENT SYSTEM DISTRIBUTION ERROR.**

It was noted during our testing of the pension disbursements that one retiree out of the 54 that were tested has been receiving monthly payments that are overstated by \$550 due to a lack of controls over the distribution system. The normal process for verifying that the payment amounts are correct includes the human resources staff running a remuneration statement to check the gross pension amounts and benefit deductions. This step in the control process was overlooked in this situation causing the error. We would recommend further attention to detail when reviewing the pension amounts. We would also recommend a review of the retiree files to scan for similar errors to the one noted above.

**RETIREMENT SYSTEM INVESTMENT VALUATION.**

We noted during our testing of the ERS investment accounts that the Earnest Partners fund was immaterially undervalued. The investments in the fund are being valued at cost, using a statement provided by Suntrust, while the confirmation received by Earnest Partners shows the investments valued at market value including accrued interest. The retirement system uses a separate account to record the accrued interest which should make up the different between the cost and the market value, but this account does not capture the entire difference. The differences were most significant for certain zero coupon investments. We would recommend that management hold a conversation involving both the custodian (Suntrust) and the investment company (Earnest Partners) to ensure the appropriate valuation of the investments.

**TIMELY GRANT REIMBURSEMENT REQUESTS.**

During our testing surrounding accounts receivable, we noted that reimbursement requests were not filed timely for VDOT grants. We recommend that reimbursement requests be completed more timely, on a monthly or quarterly basis.

**CONSTRUCTION IN PROCESS.**

During our testing we noted that the City places all projects in service at the end of the year for proprietary funds in order to begin depreciation. The risk is that City is not beginning depreciation when the assets are placed in service. We recommend that a more thorough process be considered to track specific projects and begin depreciation when assets are placed in service.

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
ACCOUNTING AND OTHER MATTERS.**

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.

**GASB STATEMENT NO. 74.**

**GASB Statement No. 74**, *Financial Reporting for Postemployment Benefit Plans other than Pensions* improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*.

**GASB Statement No. 75**, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The scope of this Statement includes OPEB plans – defined benefit and defined contribution – administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

**GASB Statement No. 74** will be effective for the year ending June 30, 2017.

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
ACCOUNTING AND OTHER MATTERS (Continued).**

**GASB STATEMENT NO. 75.**

**GASB Statement No. 75**, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity.

In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

**GASB Statement No. 75** will be effective for the year ending June 30, 2018.

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
ACCOUNTING AND OTHER MATTERS (Continued).**

**GASB STATEMENT NO. 77.**

Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. **GASB Statement No. 77, *Tax Abatement Disclosures*** is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time.

Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

Although many governments offer tax abatements and provide information to the public about them, they do not always provide the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs. Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
ACCOUNTING AND OTHER MATTERS (Continued).**

**GASB STATEMENT NO. 77 (Continued).**

- The names of the governments that entered into the agreements.
- The specific taxes being abated.
- The gross dollar amount of taxes abated during the period.

**GASB Statement No. 77** will be effective for the year ending June 30, 2017.

**GASB STATEMENT NO. 78.**

The objective of **GASB Statement No. 78**, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement No. 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

This Statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

**GASB Statement No. 78** will be effective for the year ending June 30, 2017.

**GASB STATEMENT NO. 79.**

**GASB Statement No. 79**, *Certain External Investment Pools and Pool Participants* addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
ACCOUNTING AND OTHER MATTERS (Continued).**

**GASB STATEMENT NO. 79 (Continued).**

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement No. 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

**GASB Statement No. 79** will be effective for the year ending June 30, 2017.

**GASB STATEMENT NO. 80.**

**GASB Statement No. 80**, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14* will improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining whether Certain Organizations are Component Units*.

**GASB Statement No. 80** will be effective for the year ending June 30, 2018.

**GASB STATEMENT NO. 81.**

**GASB Statement No. 81**, *Irrevocable Split-Interest Agreements* will improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
ACCOUNTING AND OTHER MATTERS (Continued).**

**GASB STATEMENT NO. 81 (Continued).**

Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split interest agreements can be created through trusts – or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements – in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

**GASB Statement No. 81** will be effective for the year ending June 30, 2017.

**GASB STATEMENT NO. 82.**

The objective of **GASB Statement No. 82**, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73* is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Prior to the issuance of this Statement, Statements No. 67 and No. 68 required presentation of covered employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use that measure, in schedules of required supplementary information. This Statement amends Statements No. 67 and No. 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.

This Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement No. 67, Statement No. 68, or Statement No. 73 for the selection of assumptions used in determining the total pension liability and related measures.

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
ACCOUNTING AND OTHER MATTERS (Continued).**

**GASB STATEMENT NO. 82 (Continued).**

This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement No. 67 and as employee contributions for purposes of Statement No. 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

**GASB Statement No. 82** will be effective for the year ending June 30, 2017, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

**CURRENT GASB PROJECTS.**

GASB currently has a variety of projects in process. Some of these projects are as follows:

- ***Asset Retirement Obligations.*** The objective of this project would be to improve financial reporting by developing requirements on recognition for asset retirement obligations (ARO), other than landfills. The achievement of this objective would reduce inconsistency in current reporting and, therefore, enhance comparability between governments. The project also will improve the usefulness of information for decisions and analysis of various users of external financial reports of governments by developing disclosure requirements for AROs. An exposure draft document was issued in December 2015 with the comment period for the exposure draft, and the field test both ending on March 31, 2016. A final statement is expected in November 2016.
- ***Certain Debt Extinguishments Using Existing Resources.*** This project addresses certain issues identified during the pre-agenda research that evaluated the effectiveness of Statements No. 7, *Advance Refundings Resulting in Defeasance of Debt*, and No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, and relevant sections of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements*. The project will consider improvements to the existing guidance related to debt extinguishments using existing resources. Debt extinguishments connected with troubled debt restructurings and bankruptcy, which are addressed in other pronouncements, are not included. An exposure draft is expected in August 2016, with a final statement in May 2017.
- ***Conceptual Framework – Recognition.*** The project's objective is to develop recognition criteria for *whether* information should be reported in state and local governmental financial statements and *when* that information should be reported. This project ultimately will lead to a Concepts Statement on recognition of elements of financial statements. Deliberations recommenced in conjunction with the Financial Reporting Model project in October 2015.

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
ACCOUNTING AND OTHER MATTERS (Continued).**

**CURRENT GASB PROJECTS (Continued).**

- ***Fiduciary Responsibilities.*** The primary objective of this project would be to develop guidance regarding the application of the fiduciary responsibility criterion in deciding whether and how governments should report fiduciary activities in their general purpose external financial reports. Other objectives of this project include assessing whether additional guidance should be developed to (1) clarify the difference between a private-purpose trust fund and an agency fund, (2) clarify whether a business-type activity engaging in fiduciary activities should present fiduciary fund financial statements, and (3) consider requiring a combining statement of changes in assets and liabilities for agency funds. An exposure draft document was issued for public comment in December 2015 with the comment period ending March 31, 2016. A final statement is expected in December 2016.
- ***Financial Reporting Model.*** The objective of this project is to make improvements to the financial reporting model, including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and other reporting model-related pronouncements (Statements No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, No. 41, *Budgetary Comparison Schedules – Perspective Differences*, and No. 46, *Net Assets Restricted by Enabling Legislation, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*). The objective of these improvements would be to enhance the effectiveness of the model in providing information that is essential for decision-making and enhance the ability to assess a government’s accounting and address certain application issues, based upon the results of the pre-agenda research on the financial reporting model. The project is currently in deliberations with an exposure draft expected in December 2019, with a final statement in May 2021.
- ***Lease Accounting – Reexamination of NCGA Statement 5 and GASB Statement No. 13.*** The objective of this project is to reexamine issues associated with lease accounting, considering improvements to existing guidance. This project will provide a basis for the Board to consider whether current operating leases meet the definitions of assets or liabilities. This project would provide an opportunity for a fresh look at the existing guidance for any improvements not contemplated by the FASB/IASB project given the unique nature of governmental entities and the complexities of their leasing transactions. An exposure draft document was issued for public comment in January 2016 and the comment period ended May 31, 2016. A final statement is expected in December 2016.

**CITY OF CHARLOTTESVILLE, VIRGINIA AND  
CHARLOTTESVILLE CITY SCHOOLS  
ACCOUNTING AND OTHER MATTERS (Continued).**

**CURRENT GASB PROJECTS (Continued).**

- ***Revenue and Expense Recognition.*** The objective of this project is to develop a comprehensive application model for the recognition of revenues and expenses that arise from nonexchange, exchange, and exchange-like transactions, including guidance for exchange transactions that has not been specifically addressed in the current literature. The purpose for developing a comprehensive model is (1) to improve the information regarding revenues and expenses that users need to make decisions and assess accountability, (2) to provide guidance regarding exchange and exchange-like transactions that have not been specifically addressed, (3) to evaluate revenue and expense recognition in the context of the conceptual framework, and (4) to address application issues identified in practice, based upon the results of the pre-agenda research on revenue for exchange and exchange-like transactions. The project is currently in deliberations, with a final statement expected in June 2022.

**STATEMENTS OF ECONOMIC INTERESTS.**

The Virginia Conflict of Interest and Ethics Advisory council has implemented a \$250 late filing penalty for Statement of Economic Interest (SoEI) filers. This late fee will apply to all SoEI's filed after each filing deadline, June 15 and December 15. The late filing penalty does not apply to financial disclosure filers. Late filing lists should be submitted to the local Commonwealth attorney who will assess and collect the penalty from each individual who is late or does not file.

## REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE.

Honorable Members of City Council and  
School Board City of Charlottesville,  
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 Charlottesville, Virginia, collectively hereafter referred to as the City, for the year ended June 30, 2016. 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 July 7, 2016. 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 2016. 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 financial statements were:

- The useful lives of capital assets are based on management's knowledge and judgment, which is based on history.
- The annual required contribution, other post-employment benefits (OPEB) cost, and ultimate OPEB obligations are based on third-party actuarial calculations and assumptions that utilize census data provided by management.
- The allowance for uncollectible accounts receivable and unbilled accounts receivable is based on management's knowledge of the nature of the receivable and historical experience.
- The self-insurance liability is based on information from an external third party consultant and subsequent claims information provided by the insurance carrier.
- The net pension liability is based on an actuarial study provided by actuaries engaged by the City and Virginia Retirement System.

## **Significant Audit Findings (Continued).**

### *Qualitative Aspects of Accounting Practices (Continued).*

We evaluated the key factors and assumptions used to develop these estimates in determining that they 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, pensions, and other post-employment 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. The following material misstatements detected as a result of audit procedures were corrected by management:

#### Corrected Misstatements.

- Approximately \$453,000 to decrease accrued interest in the Water Fund and a corresponding increase to beginning net position.
- Approximately \$4 million to increase the net pension liability in the governmental and business-type activities and a corresponding increase in other pension related accounts.
- Approximately \$1.25 million in governmental activities to decrease capital assets and a corresponding increase to contribution expense to correct an amount improperly capitalized.
- Approximately \$214,000 to increase accounts receivable in the capital projects fund and a corresponding increase to intergovernmental revenue for grant reimbursements. The same entry was made for governmental activities.

Management has determined that the effects of the following misstatements are immaterial to the financial statements taken as a whole. All amounts are rounded to the nearest thousand.

#### Uncorrected Misstatements:

- Approximately \$1 million to record June 2016 sales tax receivable with a corresponding increase in deferred revenue in the General Fund. The corresponding amounts for governmental activities would increase revenue approximately \$87,000 and increase net position approximately \$913,000.
- Approximately \$883,000 in the general fund to increase deferred revenue and a corresponding decrease to fund balance to correct deferred revenue related to taxes.
- Approximately \$466,000 to record June 2016 sales tax receivable with corresponding increases of approximately \$233,000 to unavailable revenue and revenue in the School General Fund. Amounts for the government-wide statements would decrease revenue approximately \$19,000 and increase net position approximately \$485,000.

## **Significant Audit Findings (Continued).**

### Uncorrected Misstatements (Continued).

- Approximately \$704,000 to record a prior period adjustment to increase the leave liability to include the years of service credit on the government wide School statements and a corresponding decrease to beginning net position.
- Approximately \$2,300,000 to record a capital asset in governmental activities for the City's share of the new firing range and a corresponding decrease to expenses.
- Approximately \$209,000 across all City funds to record a liability for comp time earned and payable to employees. This amount is considered more than trivial for the golf and gas funds for approximately \$1,000 and \$27,000, respectively.
- Approximately \$491,000, \$98,000, and \$98,000 to record deferred costs on refunding in governmental activities, Sewer Fund, and Water Fund, respectively, with corresponding decreases to expenses in each fund.
- Approximately \$28,000 in the Sewer Fund, \$70,000 in the Water Fund, and \$29,000 in the Stormwater Fund to increase expenses and beginning net position to capitalize work completed in the prior year.
- Approximately \$6,000 to decrease inventory and a corresponding increase to expenses for projected errors noted during inventory testing.
- Approximately \$57,000 decrease to deferred revenue, an increase to beginning net position of \$44,000, and an increase to revenue of \$13,000 to remove deferred revenue in the Stormwater Fund.

### *Disagreements with Management.*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that 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 Representation.*

We have requested certain representations from management that are included in the management representation letter dated December 19, 2016.

### *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 City'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 while serving as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our being hired to serve as the City's auditor.

Other Matters.

We applied certain limited procedures to the management's discussion and analysis, certain budgetary comparison information, schedules related to the net pension liabilities, schedules related to post-employment benefits, and schedules of funding progress, 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 fund statements of the non-major and internal service funds, certain budget to actual statements, and the fund financial statements of the discretely presented component units, 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use.

This information is intended solely for the information and use of the City Council, the School Board and management of the City of Charlottesville and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

CERTIFIED PUBLIC ACCOUNTANTS.

Roanoke, Virginia.  
December 19, 2016.

CITY OF CHARLOTTESVILLE  
"A World Class City"



Office of Director of Finance

P.O. Box 911 • Charlottesville, Virginia 22902  
Telephone 434-970-3200 • Fax 434-970-3232

December 19, 2016

Brown, Edwards & Company, LLP  
Certified Public Accountants  
319 McClanahan Street  
Roanoke, Virginia 24014

This representation letter is provided in connection with your audit of the financial statements of the City of Charlottesville, 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, 2016, 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 December 19, 2016, 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 10, 2016, 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) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is as follows:
  - Approximately \$1 million to record June 2016 sales tax receivable with a corresponding increase in deferred revenue in the General Fund. The corresponding amounts for governmental activities would increase revenue approximately \$87,000 and increase net position approximately \$913,000.

- Approximately \$883,000 in the general fund to increase deferred revenue and a corresponding decrease to fund balance to correct deferred revenue related to taxes.
  - Approximately \$466,000 to record June 2016 sales tax receivable with corresponding increases of approximately \$233,000 to unavailable revenue and revenue in the School Fund. The corresponding increase on the government-wide statements was approximately \$466,000 to revenue.
  - Approximately \$704,000 to record a prior period adjustment to increase the leave liability to include the years of service credit on the government wide School statements and a corresponding decrease to beginning net position.
  - Approximately \$2,300,000 to record a capital asset in governmental activities for the City's share of the new firing range and a corresponding decrease to expenses.
  - Approximately \$209,000 across all City funds to record a liability for comp time earned and payable to employees. This amount is considered more than trivial for the golf and gas funds for approximately \$1,000 and \$27,000, respectively.
  - Approximately \$491,000, \$98,000, and \$98,000 to record deferred costs on refunding in governmental activities, Sewer Fund, and Water Fund, respectively, with corresponding decreases to expenses in each fund.
  - Approximately \$28,000 in the Sewer Fund, \$70,000 in the Water Fund, and \$29,000 in the Stormwater Fund to increase expenses and beginning net position to capitalize work completed in the prior year.
  - Approximately \$6,000 to decrease inventory and a corresponding increase to expenses for projected errors noted during inventory testing.
  - Approximately \$57,000 decrease to deferred revenue, an increase to beginning net position of \$44,000, and an increase to revenue of \$13,000 to remove deferred revenue in the Stormwater Fund.
- 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 taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us, if applicable.
- 22) We have a process to track the status of audit findings and recommendations.
- 23) 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.
- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 25) The entity has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 26) 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.
- 27) 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.
- 28) 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.
- 29) 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.
- 30) 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.
- 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.
- 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 pension and OPEB 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 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, if applicable.
- 50) 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.
- 51) 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.
- 52) 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.
- 53) 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.
- 54) 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) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) 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.
- e) 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.
- f) 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.
- g) 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.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) 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 identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards
- j) 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.
- k) 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.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E)
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) 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.
- o) 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.
- p) 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.
- q) 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.
- r) 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.

- s) 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.
- t) 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.
- u) 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.
- v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records, if applicable.
- w) We have charged costs to federal awards in accordance with applicable cost principles.
- x) 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.
- y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- z) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa) 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.
- bb) 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: Maurice Jones  
 Title: City Manager

Signature: Christopher V. Cillman  
 Title: Director of Finance

Signature: Eric C. Jiri  
 Title: Superintendent

Signature: K. Howell  
 Title: Director of Finance and Budget

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**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



Agenda Date:	January 3, 2017
Action Required:	Report Only
Presenter:	Susan Elliott, Climate Protection Coordinator
Staff Contacts:	Susan Elliott, Climate Protection Coordinator Kristel Riddervold, Environmental Sustainability Manager
<b>Title:</b>	<b>2016 City Market Composting Program Results</b>

**Background:**

The City Market Composting Program began in 2015, funded by a small grant from the U.S. Environmental Protection Agency (EPA). The success of the program and support from the community led to a continuation of the City Market program in 2016 and the establishment by Rivanna Solid Waste Authority of a similar drop-off composting program at the McIntire Recycling Center.

The City partnered with a local non-profit, GreenBlue, to manage the general operations of the program, which was implemented in April and concluded in October.

A final report summarizing successes, quantitative and qualitative results, observations, and recommendations from the 2016 City Market Composting Program has been prepared.

**Discussion:**

The 2016 City Market Composting Program was charged with:

- Measuring the volume/weight of organic waste that was collected from customers and market vendors
- Facilitating of an organic waste drop-off location for residents
- Guiding residents on how to compost at home
- Providing support to City Market food vendors interested in using sustainable packaging materials
- Collecting community input to gauge public interest on composting initiatives.
- Managing three-bin waste stations at the City Market to assist Market attendees in sustainably disposing of materials generated by the City Market

Several key highlights from the 2016 Program:

- A 17% increase in drop-off compostable material was collected
- 2016 was the first year that the City Market Composting Program operated concurrently with the McIntire Composting Program. Both locations experienced consistent usage
- Residents using the drop-off composting service demonstrated a strong understanding of how to compost and requested less training and assistance
- A 50% decrease in solid waste volume was observed one market day when only sustainable food packaging materials were used (i.e. no foam or Styrofoam packaging or serving ware was used)

**Alignment with Council Vision Areas and Strategic Plan:**

- The project supports City Council’s “Green City” vision.
- It contributes to Goal 2 of the Strategic Plan - Be a safe, equitable, thriving, and beautiful community, and Objective 2.5 - To provide natural and historic resources stewardship.
- The City’s Comprehensive Plan sets forth goals to more effectively manage the solid waste produced in the community.
- Charlottesville has committed to reducing its community-wide greenhouse emissions, including those associated with waste processing.

**Community Engagement:**

City staff and the contracted partner organization worked cooperatively to engage the community through a variety of means including social media outreach, website resources, email lists, survey tools, and media promotions. Community members and City Market attendees were invited to share responses and provide feedback regarding publically-available composting alternatives in the City.

**Budgetary Impact:**

The program was supported by approved General Funds. There were no additional budgetary impacts.

**Recommendation:**

N/A

**Alternatives:**

N/A

**Attachments:**

2016 City Market Composting Program Report

# City Market Composting Program Final Report

## December 6, 2016

Prepared by: Tesia Moore, GreenBlue

The City of Charlottesville's City Market Composting Program had a successful second year! This year we collected 7,583.1 lbs., a 17% increase from last year, even with the addition of McIntire Recycling Center as an alternate drop-off location for residents.

### City Market Drop-Off Program

GreenBlue, a local environmental nonprofit, served as the on-site management for the City Market Composting Program for the second year. The program offered Charlottesville residents the opportunity to drop-off their food scraps, yard waste, uncoated paper items, like napkins and paper towels, and certified compostable packaging at the City Market, to be composted for free from April through October. To make it more convenient for residents, every Saturday, when residents dropped off their waste, they were provided with free compostable bags. N.O.P.E., a Richmond-based compostables hauler, provided weekly collection and transported materials to Black Bear Composting in Crimora, VA to be composted. The Composting Drop-Off Station welcomed market-goers at the entrance to the market and served as an easy access point for quick drop-offs.



Many Charlottesville residents participated in the drop-off each week, ranging from 28 to 54 participants, with an average drop-off weight of 6.3 lbs. Total weights and type of compostables dropped off by participants were recorded to gauge interest and program growth over the market season. The drop-off station offered educational materials, free bags, and compost pails for sale. Many out-of-town patrons were also excited to see composting in Charlottesville. Often they would snap photos of our station and take informationals to bring home to share with their community.

Participants shared many positive comments regarding their participation in the City Market Composting Program.

“I love being able to bring my compost to the market before picking up my local goods for the week!”

“Keep it up! I’m from Denver, and I was so happy to see a composting program when I moved to Charlottesville. I’d love to see a curbside program one day.”

“By recycling & composting, I barely generate any trash. I’m excited to see the next phase of composting in Charlottesville!”

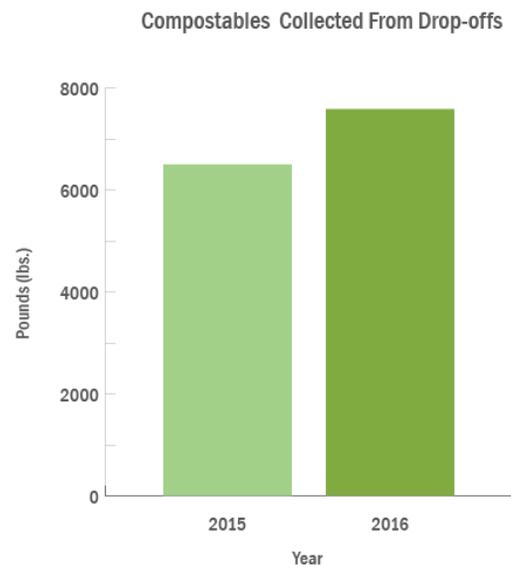
“I’d like to see a station at the market through December. It’s more convenient for me to drop off at the market, than at McIntire.”

And many participants voiced their concern for the future of composting in Charlottesville due to the recent report from Black Bear Composting regarding the closure of the facility at the end of 2016.

“I don’t want to see composting stop in Charlottesville.”

“I don’t want to see Charlottesville go backwards with composting with the closure of Black Bear Composting!”

Next year, GreenBlue recommends an unstaffed, well-labeled drop-off bin to be placed next to the Market Manager's tent for compostables drop-off in lieu of a staffed station. Recording weights and types of compostables led to lines and many participants asking, “Why are you weighing my compostables?” City Market staff could provide additional educational resources for current and future participants. Occasionally (1x/month), staff hired for the composting program and/or City Environmental staff can be present to provide in-person composting and recycling education.



## City Market Satellite Waste Stations

The City Market Composting Program also managed four waste stations for materials generated by the City Market, comprised of a composting, recycling, and landfill trash bin. As composting materials is a new process for many people, volunteers were needed to educate market-goers on how to properly dispose of their waste.



Sign-up Genius, an online sign-up tool was used to enlist community members to volunteer with the City Market Composting Program. Volunteers were sourced from a partnership with Madison House & CAYIP, UVA groups, including the APO-UVA service fraternity, the Department of Environmental Sciences, UVA Community Garden, Morven Kitchen Garden, Net Impact, SARC EcoReps, Slow Food, IFC Sustainability, and community organizations, including the Master Naturalists-Rivanna Chapter.

City Market volunteers were more difficult to secure on a weekly basis this year. To encourage participation, an incentive of \$10 in tokens for breakfast was offered to volunteers. This strategy worked very well. Volunteers were very appreciative of the tokens and returned for future volunteer shifts, as well as recruited others to volunteer with our program.

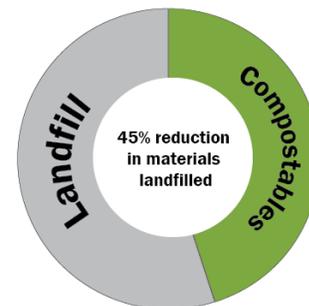
## Sustainable Packaging Options at the City Market

Many market-goers have expressed their views of discontentment over the use of foam and non-compostable/recyclable serviceware at the market as these materials are placed in the landfill bin, where they are unable to be recovered. Many vendors are interested in compostable packaging options, but remain concerned with cost, as well as convenience.

### *Findings and Observations:*

- A bulk ordering system was created to offer vendors a discount and free shipping on an order of certified compostable serviceware, but unfortunately the system went unused for the 2016 season, despite outreach efforts during the season.
- A survey, employed over the span of 10 weeks, asked market-goers: “If you were given the option, would you pay a small fee to use a compostable plate instead of using a foam plate when eating at the City Market? If so, how much would you be willing to spend?” Of the 200 people surveyed, 195 were willing to pay at least 5¢-10¢ more to use a compostable plate, while 27 market-goers were willing to pay up to 50¢ and even \$1.00 more.
- Mexican Tacos, in particular, was inspired by these results and is interested in using compostable plates. But the lack of affordable local options hindered the vendor’s efforts. Upon visiting local retailers, it was found that the price of paper plates were three times higher than foam plates (approximately 2-2.5 cents vs. 6 cents per plate).
- On August 13th, the market was foam-free, resulting in a 45% reduction in materials landfilled. Vendors used compostable plates and clamshells instead of foam ones. Many market-goers expressed their joy and were excited to pass along their observations that there was no foam at the market.
- Early vendor outreach in February and March should be employed to provide vendors with alternatives (local & online) to traditional packaging. The company, Vastly (formerly Tranlin) is interested in providing a sponsorship for serviceware. The new City Market Manager, Justin McKenzie, also expressed his interest in partnering with vendors to transition to fully compostable and recyclable packaging.

### **Foam-Free Day**



We recommend that the City work towards a requirement by the 2018 season for vendors to use exclusively compostable packaging for all foodservice-related items, to include cups for consistency. Vendors would also advertise the use of compostable serviceware at their tent. This would minimize contamination at the three-bin waste stations if a reduced staffed model is chosen.

### Marketing Efforts

To raise awareness for the City Market Composting Drop-Off Program, the City continued to maintain a dedicated webpage at [www.charlottesville.org/composting](http://www.charlottesville.org/composting) to educate potential participants on the “dos and don’ts” of composting. Additionally, the City delivered composting announcements at City Council and Noon Live News, distributed a utility bill insert, and posted signage at the McIntire Recycling Center Drop-Off station.

At the City Market, a new sign was employed this year to grab the attention of passing market-goers. The sign was very effective and brought many new interested participants to the station for information on composting in Charlottesville. The program also received a donation of three CompoKeepers by 1908 Brands. CompoKeepers are odor-free, fruit fly-free, and hands-free in-home compostables collection bins. The program chose to raffle the bins to participants at the end of each month in June, July, and August. Participants earned a chance to enter the raffle every time they dropped off their compostables at the market. Additional outreach efforts included email newsletters, Facebook posts, flyers, and Noon Live News broadcasts to educate residents on how to collect compostables at home for cookouts on 4th of July and Labor Day, as well as how to properly dispose Halloween pumpkins.



### **Community Attention Youth Internship Program (CAYIP)**

GreenBlue and the City Environmental Sustainability Office jointly applied and were granted two Community Attention Youth Internship Program (CAYIP) interns for the 2016 Summer. At GreenBlue, the interns researched and created new signs for City Market waste stations as well as assisted in weekly operations at the City Market, including setting up/taking down stations, monitoring waste stations, interacting with market patrons and vendors, administering surveys, answering questions about composting, and assisting with data tracking. The interns were pleasure to educate, and their help contributed to the success of the compost collection program.



### Suggested Next Steps:

#### Composting at the City Market:

1. An unstaffed, well-labeled drop-off bin could be placed next to the Market Manager's tent for compostables drop-off in lieu of a staffed station. City staff could provide additional educational resources for current and future participants. Occasionally (1x/month), staff can be present to provide in-person composting and recycling education.
2. Provide purchasing support to vendors for compostable serviceware alternatives (local & online).
3. Partner with Madison House, CAYIP, as well as UVA and community organizations to source volunteers to manage the market waste stations. The City should continue to provide a volunteer incentive to ensure volunteer participation.
4. For the 2018 season, a requirement for vendors to use exclusively compostable packaging will result in reduced contamination. The City should establish a program to recruit and train volunteers to help reduce waste at City events, similar to Vermont's Chittenden County Waste Warriors program. At the City Market, 1-2 volunteers would be needed to travel between waste station to remove contamination from bins. Volunteers should continue to receive tokens for a free meal for their efforts.

#### Composting at Additional Sites in Charlottesville:

1. The City could establish additional drop-off sites at city hot spots (i.e., Barracks Road Shopping Center, Homeowner's Associations (HOAs), etc.). Connect with property owners about the opportunity and reach out to current composting veterans through email list, to serve as compost ambassadors at respective HOAs. Compost bins in public areas would remain locked for use by educated participants to avoid contamination. The City's website would be printed on bins, so interested residents could seek out information to join the program.
2. Also, there are opportunities for small community compost piles at locations such as IX Art Park and local schools. Piles can be constructed in consultation with community partners and maintained by the site managers. This structure would eliminate the need to transport compostables over far distances and serve as an educational exhibit for community members and students. This option is especially important given that Black Bear Composting will no longer be available as a processing facility.

#### Support Compostables Collection at Local Businesses & Events:

Provide tools and a rebate for businesses to start compostables collection at their operation or event. The City of Austin offers a \$1,800 rebate for businesses that apply, to be used towards recycling and composting services, containers, signs, trainings, education, products and materials, and one-time zero waste events. Additionally, the City of Charlottesville should provide equipment for use (bins, signs, etc.).

#### **2016 Data:**

Total Number of Pounds Collected: 7,583.1

Average Weight of Drop-Off: 6.3 lbs.

Average Number of Weekly Participants: 38

Range of Weekly Participants: 28 to 54

Number of Compostable Bags Distributed: 2,292

Number of Volunteers: 92

Hours of Staff Time: 248

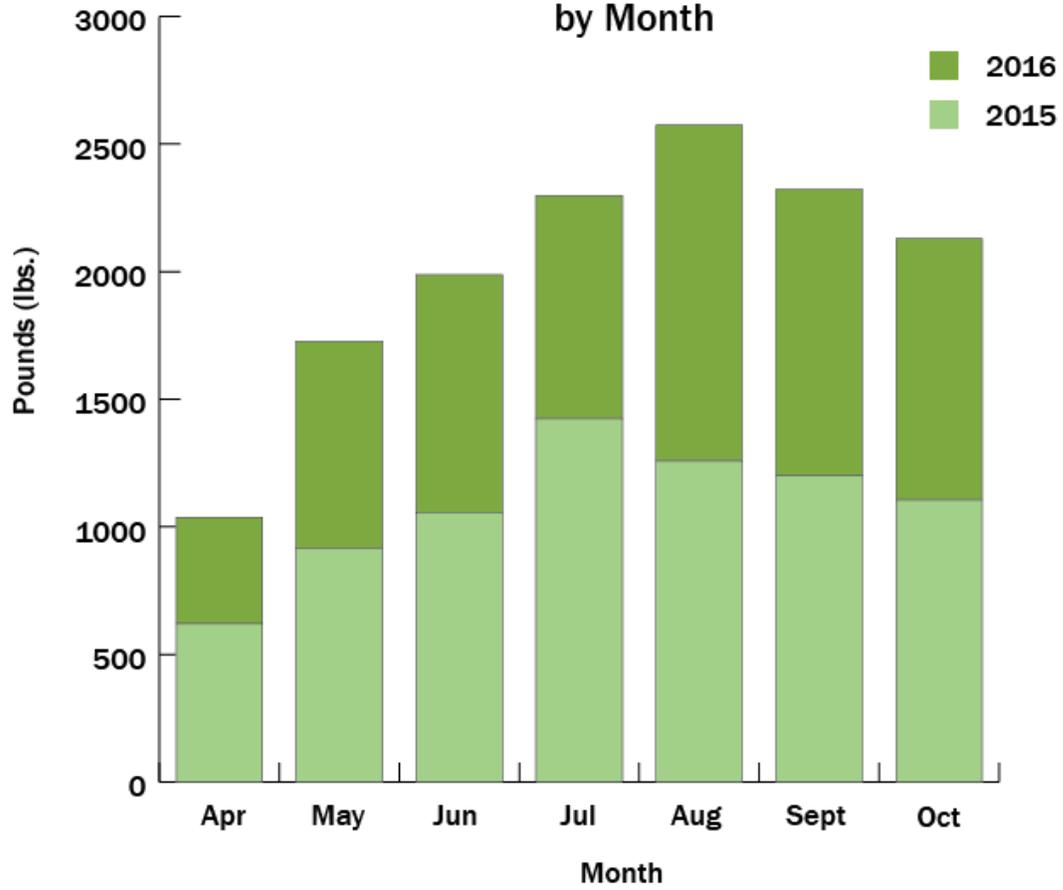
Pounds of CO2 Emissions Avoided: 269

#### Record High Days:

August 27: 54 participants, 380.7 lbs.

September 10 : 49 participants, 343.4 lbs.

### Compostables Collected From Drop-offs by Month



## City Market Vendors Utilizing Compostable Serviceware

Vendor	Compostable Item(s) Used
Carpe Doughnuts	Wax Paper & Paper Bag
Cocoa & Spice	Cold Cup, Lid, Straw
Dan's Jam	Sample Spoon
Desi Dosa	Plate & Bowl
Got Dumplings	Fiber Clamshell, Boats, Chopsticks
Ivy Provisions	Plate & Boat
Marie Bette	Wax Paper & Paper Bag
Mountain Culture	Cold Cups & Sample Cups
Orange Dot Bakery	Plate
Pearl Island	Plate, Boat, Cold Cup, Lid
Planet Earth Diversified	Hot Cup Base
Shenandoah Joe's	Cold Cup Base

### Partners & Volunteer Organizations

City of Charlottesville Parks & Recreations

N.O.P.E

Black Bear Composting

Lowe's

1908 Brands

Community Attention Youth Internship Program (CAYIP)

Madison House

APO-UVA service fraternity

Department of Environmental Sciences

UVA Community Garden

Morven Kitchen Garden

Net Impact

SARC EcoReps

Slow Food

IFC Sustainability

Master Naturalists-Rivanna Chapter

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