



CITY COUNCIL AGENDA March 31, 2022

J. Lloyd Snook, III, Mayor
Juandiego Wade, Vice Mayor
Sena Magill, Councilor
Michael K. Payne, Councilor
Brian R. Pinkston, Councilor
Kyna Thomas, Clerk

Register at www.charlottesville.gov/zoom. This meeting is being held electronically in accordance with a local ordinance amended and re-enacted March 7, 2022, to ensure continuity of government and prevent the spread of disease during a declared State of Emergency. Individuals with disabilities who require assistance or special arrangements to participate in the public meeting may call (434) 970-3182 or submit a request via email to ada@charlottesville.gov. The City of Charlottesville requests that you provide a 48-hour notice so that proper arrangements may be made.

6:00 PM Budget Work Session – FY2023 Budget - Capital Improvement Program

(Budget Documents available at <https://www.charlottesville.gov/169/Budget>)

- I. Call to Order**
- II. Roll Call**
- III. Work Session**
- IV. Public Comment** (Pre-registration for speaking not required; raise hand in webinar when prompted.)
- V. Adjournment**



March 31, 2022

BUDGET WORKSESSION #3

CAPITAL IMPROVEMENTS PROGRAM

Agenda

1. Proposed 5-Year CIP
2. Planning Commission Recommendations
3. Applicable Financial Policies
4. Potential Amendments

Capital Improvements Program

5-Year Spending Plan

1. Five-year financing plan
2. Projects usually cost more than \$50,000
3. Generally Non-recurring and Non-operational
4. Projects have useful life of five years or more

Not Shown in the 5-Year Plan:

1. Projects Approved in Prior Years
 - ABNI Projects - \$66.2M

FY 2023 – 2027 CIP Plan

City Manager Proposed CIP

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Totals
Sources of Funds:						
General fund transfer	\$ 6,737,940	\$ 7,549,378	\$ 6,580,400	\$ 6,476,400	\$ 6,481,098	\$ 33,825,216
Year- End Surplus	-	-	-	-	-	\$ -
Bond issues	16,867,467	85,273,907	9,885,491	9,885,491	-	\$ 121,912,356
Other	380,500	318,000	318,000	318,000	318,000	\$ 1,652,500
Total sources	\$ 23,985,907	\$ 93,141,285	\$ 16,783,891	\$ 16,679,891	\$ 6,799,098	\$ 157,390,072
Uses of funds:						
Education	\$7,100,000	\$75,900,000	\$2,150,000	\$2,150,000	\$1,311,000	\$88,611,000
Economic development	\$95,000	\$120,000	\$120,000	\$120,000	\$0	\$455,000
Facilities Capital Projects	\$1,420,491	\$1,420,492	\$1,420,491	\$1,470,491	\$1,295,098	\$7,027,063
Public safety and justice	\$1,360,776	\$1,306,215	\$153,800	\$265,000	\$0	\$3,085,791
Transportation and access	\$4,919,440	\$4,556,178	\$4,429,600	\$4,414,400	\$0	\$18,319,618
Parks and recreation	\$1,475,200	\$1,473,400	\$895,000	\$895,000	\$78,000	\$4,816,600
Affordable Housing	\$7,325,000	\$8,075,000	\$7,325,000	\$7,075,000	\$4,075,000	\$33,875,000
General government	\$290,000	\$290,000	\$290,000	\$290,000	\$40,000	\$1,200,000
Total uses	\$ 23,985,907	\$ 93,141,285	\$ 16,783,891	\$ 16,679,891	\$ 6,799,098	\$ 157,390,072

EDUCATION	Proposed FY23	Projected FY24	Projected FY25	Projected FY26	Projected FY27	5 Year Total
<u>Project</u>						
CHS Functional Renovation						
Lump Sum to Schools (City Contribution)	1,200,000	1,200,000	1,200,000	1,200,000	561,000	5,361,000
City Schools HVAC Replacement	750,000	750,000	750,000	750,000	750,000	3,750,000
City Schools Priority Improvement Projects	1,250,000	1,250,000	0	0	0	2,500,000
Charlottesville High School Roof Replacement	1,200,000	0	0	0	0	1,200,000
Charlottesville City School Reconfiguration	2,500,000	72,500,000	0	0	0	75,000,000
School Small Capital Improvements Program	200,000	200,000	200,000	200,000	0	800,000
SUBTOTAL	\$7,100,000	\$75,900,000	\$2,150,000	\$2,150,000	\$1,311,000	\$88,611,000



Education
\$7,100,000 in FY 2023, \$88.6M 5-year total

FACILITIES CAPITAL PROJECTS	Proposed	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>Total</u>
Lump Sum to Facilities Capital Projects	1,045,491	1,045,492	1,045,491	1,045,491	1,045,098	5,227,063
City Facility HVAC Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
City and Schools Solar PV Program	75,000	75,000	75,000	75,000	0	300,000
HVAC Contingency Fund - City Facilities	25,000	25,000	25,000	50,000	0	125,000
HVAC Contingency Fund - School Facilities	25,000	25,000	25,000	50,000	0	125,000
SUBTOTAL	1,420,491	1,420,492	1,420,491	1,470,491	1,295,098	7,027,063



Facilities Projects
\$1,420,491 in FY 2023, \$7.03M 5-year total

PUBLIC SAFETY AND JUSTICE

Project

	Proposed FY23	Projected FY24	Projected FY25	Projected FY26	Projected FY27	5 Year Total
Replacement Fire Apparatus	0	1,152,415	0	0	0	1,152,415
Bypass Fire Station - Add'l Funding	1,206,976	0	0	0	0	1,206,976
Police Mobile Data Terminals	45,000	45,000	45,000	75,000	0	210,000
Police Portable Radio Replacement	45,000	45,000	45,000	75,000	0	210,000
Fire Portable Radio Replacement	45,000	45,000	45,000	75,000	0	210,000
Sheriff Portable Radio Replacement	18,800	18,800	18,800	40,000	0	96,400
SUBTOTAL	\$1,360,776	\$1,306,215	\$153,800	\$265,000	\$0	\$3,085,791



Public Safety and Justice
\$1,360,776 in FY 2023, \$3.09M 5-year total

TRANSPORTATION AND ACCESS	Proposed	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>Total</u>
New Sidewalks	100,000	100,000	100,000	100,000	0	400,000
Sidewalk Repair	500,000	500,000	500,000	500,000	0	2,000,000
SIA Immediate Implementation	200,000	200,000	200,000	200,000	0	800,000
Small Area Plans	100,000	100,000	100,000	100,000	0	400,000
Street Milling and Paving	1,250,000	1,500,000	1,500,000	1,500,000	0	5,750,000
ADA Pedestrian Signal Upgrades	240,000	240,000	240,000	240,000	0	960,000
Minor Bridge Repairs	225,000	225,000	225,000	225,000	0	900,000
Citywide ADA Improvements - Sidewalks and Curbs	200,000	200,000	200,000	200,000	0	800,000
Traffic Signal Infrastructure Replacement	500,000	500,000	500,000	500,000	0	2,000,000
Market Street Garage Concrete Structural Repairs	683,000	0	0	0	0	683,000
State Bridge and Highway Inspections	60,000	75,000	100,000	100,000	0	335,000
CAT Transit Bus Replacement Match	139,510	114,400	114,400	114,400	0	482,710
Intelligent Transportation System	150,000	150,000	185,000	185,000	0	670,000
City Wide Traffic Engineering Improvements	100,000	137,800	150,000	150,000	0	537,800
Neighborhood Transportation Improvements	50,000	50,000	50,000	50,000	0	200,000
Bicycle Infrastructure	137,000	150,000	165,200	150,000	0	602,200
Right of Way Appurtenance	25,000	75,000	100,000	100,000	0	300,000
Traffic Sign Retro Reflective Compliance	75,000	100,000	0	0	0	175,000
ADA Ramp Corrections	134,930	138,978	0	0	0	273,908
Historic District and Entrance Corridor Design Guidelines	50,000	0	0	0	0	50,000
SUBTOTAL	\$4,919,440	\$4,556,178	\$4,429,600 ▲	\$4,414,400	\$0	\$18,319,618

Transportation and Access

\$4,919,440 in FY 2023, \$18.32M 5-year total



PARKS AND RECREATION

<u>Project</u>	<u>Projected FY23</u>	<u>Projected FY24</u>	<u>Projected FY25</u>	<u>Projected FY26</u>	<u>Projected FY27</u>	<u>5 Year Total</u>
McIntire Park Drainage Corrections	\$350,000	0	0	0	0	\$350,000
Key Recreation Slate Roof Replacement	\$42,000	\$486,000	0	0	0	\$528,000
Parks and Recreation Lump Sum Account	300,000	400,000	400,000	400,000	0	1,500,000
Parks and Schools Playground Renovations	112,000	112,000	112,000	112,000	0	448,000
Urban Tree Planting	75,000	75,000	75,000	75,000	0	300,000
Parkland and Trails Acquisition and Development	125,000	125,000	125,000	125,000	0	500,000
Downtown Mall Infrastructure Repairs	78,000	78,000	78,000	78,000	78,000	390,000
Parks and Recreation Comprehensive Master Plan	150,000	0	0	0	0	150,000
Oakwood Cemetery Drainage and Road Issues	45,700	0	0	0	0	45,700
Hazard and Liability Ash Tree Removal	105,000	105,000	105,000	105,000	0	420,000
City/County - Ivy Creek Preservation Study	66,000	92,400	0	0	0	158,400
City/County - Darden Towe Ash Trees	26,500	0	0	0	0	26,500
SUBTOTAL	\$1,475,200	\$1,473,400	\$895,000	\$895,000	\$78,000	\$4,816,600



Parks and Recreation
\$1,475,200 in FY 2023, \$4.82M 5-year total

ECONOMIC DEVELOPMENT	Proposed	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>Total</u>
Economic Development Strategic Initiatives	95,000	120,000	120,000	120,000	0	455,000
SUBTOTAL	\$95,000	\$120,000	\$120,000	\$120,000	\$0	\$455,000
GENERAL GOVERNMENT	Proposed	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>Total</u>
Communications Technology Account/Public Access	40,000	40,000	40,000	40,000	40,000	200,000
City Wide IT Strategic Infrastructure	250,000	250,000	250,000	250,000	0	1,000,000
SUBTOTAL	\$290,000	\$290,000	\$290,000	\$290,000	\$40,000	\$1,200,000



Economic Development and General Government
 \$385,000 in FY 2023, \$1.66M 5-year total

AFFORDABLE HOUSING

<u>Project</u>	<u>Proposed</u> <u>FY23</u>	<u>Projected</u> <u>FY24</u>	<u>Projected</u> <u>FY25</u>	<u>Projected</u> <u>FY26</u>	<u>Projected</u> <u>FY27</u>	<u>5 Year</u> <u>Total</u>
Public Housing Redevelopment - (CRHA)	3,000,000	3,000,000	3,000,000	3,000,000	0	12,000,000
Charlottesville Affordable Housing Fund (CAHF)	925,000	925,000	925,000	925,000	925,000	4,625,000
Supplemental Rental Assistance	900,000	900,000	900,000	900,000	900,000	4,500,000
Friendship Court Infrastructure Improvements	0	2,500,000	0	0	0	2,500,000
Friendship Court Redevelopment - Phase 2	2,500,000	0	0	0	0	2,500,000
Friendship Court Redevelopment - Phase 3	0	750,000	2,500,000	0	0	3,250,000
Friendship Court Redevelopment - Phase 4	0	0	0	2,250,000	2,250,000	4,500,000
SUBTOTAL	\$7,325,000	\$8,075,000	\$7,325,000	\$7,075,000	\$4,075,000	\$33,875,000



Affordable Housing
\$7,325,000 in FY 2023, \$33.88M 5-year total

CIP Revenues

City Manager Proposed CIP

Transfer from General Fund	6,737,940
Transfer from General Fund - Mall Vendor Fees	78,000
Contribution from Albemarle County (CATEC)	62,500
Contribution from Schools (Small Cap Program)	200,000
PEG Fee Revenue	40,000
CY 2023 Bond Issue	16,867,467
TOTAL AVAILABLE REVENUES	\$23,985,907

5-Year Totals

\$ 33.83 million - Transfer from the General Fund

\$121.91 million - Bonds

\$1.65 million - Miscellaneous

Planning Commission

Recommendations

The Planning Commission held a joint public hearing on December 14, 2021 to provide recommendations on the City's Capital Improvement Plan for Fiscal Year 2023-27.

The Commission recommended approval with the following changes:

- Recommend that existing and requested parking structure funding be reduced to the minimum amount necessary to satisfy Charlottesville's commitment to provide parking for Albemarle County per a 2018 agreement related to the joint General District Court project. **\$1,317,000 funding removed from CIP**
- Recommend fully funding project requests for tree planting, new sidewalks, and bicycle infrastructure, and hazardous tree removal. **Request of \$105,000/year for Ash Tree Removal fully funded – Increase of \$30k per year FY 23 – 26 and \$100k funding added in FY 23 or New Sidewalks**
- Recommend reducing funds going toward economic development strategic initiatives, small area plans, and Strategic Investment Area implementation. **Decreased FY 23 funding by \$55k and \$30k per year FY 24 – 26. Total funding decrease of \$145k from \$600k to \$455k**

Planning Commission

Recommendations

- Recommend full funding of a request for the Stribling Avenue sidewalk project that developer is proposing to fund upfront as part of a proposed rezoning that Council will consider in 2022. **Funding scenario to be presented for Council consideration**
- Recommend exploration of ways to add enhancements to the Drewary Brown Bridge to honor the Bridge Builders. **Directed to Historic Resources Committee**
- Recommend increasing the budget for the Charlottesville Affordable Housing Fund and finding ways to fund unfunded affordable housing requests.
- Recommend reducing the milling and paving line item to a level allows us to maintain a target pavement condition of 65.

Financial Policies

10% Debt Ratio

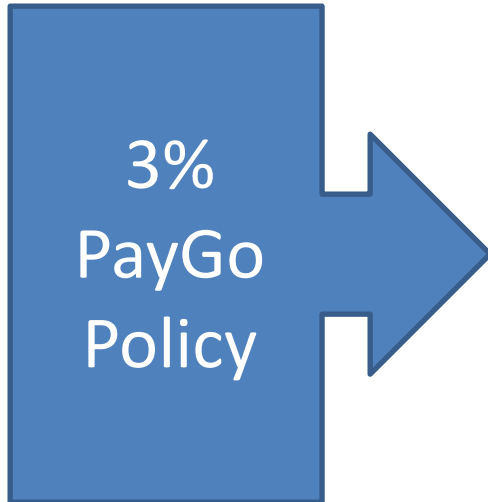
"Planning"				
Fiscal Year	Bond Issue Amount ⁽¹⁾	Annual Debt Service ⁽²⁾	General Fund Expenditure Budget ⁽³⁾	Ratio of Debt Service to Total General Fund Expenditures
2016	11,125,466	9,128,798	156,391,435	5.84%
2017	11,140,000	10,103,067	162,018,737	6.24%
2018	4,610,000	10,615,335	171,657,127	6.18%
2019	9,520,000	10,375,167	179,725,535	5.77%
2020	-	10,743,891	188,863,920	5.69%
2021	22,655,000	10,684,789	191,195,873	5.59%
2022	15,000,000	11,465,809	192,212,843	5.97%
2023	17,500,000	11,415,230	206,964,265	5.52%
2024	28,000,000	13,335,739	217,489,345	6.13%
2025	36,500,000	15,013,379	220,751,685	6.80%
2026	28,000,000	17,124,956	224,062,960	7.64%
2027	15,000,000	19,029,277	227,423,905	8.37%
2028	15,000,000	19,246,935	230,835,263	8.34%
2029	15,000,000	19,589,552	234,297,792	8.36%
2030	15,000,000	19,737,966	237,812,259	8.30%
2031	15,000,000	20,149,782	241,379,443	8.35%
2032	15,000,000	20,559,626	245,000,135	8.39%

- Variables Subject to Change
 - Bond Issue Amount – New Projects and Projects Previously Approved
 - Timing of Bond Issues
 - Interest Rates
 - General Fund Growth
- Variable Relationships
 - More Debt = Higher Annual Debt Service
 - Reduced Capacity = shrinking General Fund Budget, higher Interest Rates
 - Increased Capacity = General Fund Growth, stable/lower interest rates



Financial Policies

3% PayGo Policy



<u>Fiscal Year</u>	<u>General Fund Budget</u>	<u>Budgeted/Policy Transfer - 3%</u>	<u>Year-End Surplus Transfer</u>	<u>% of Total Cash Transfer</u>
2010	139,429,736	4,575,000	1,711,786	5%
2011	142,350,007	4,248,500	2,056,226	4%
2012	143,306,538	4,919,505	1,708,072	5%
2013	146,269,910	4,400,000	3,070,703	5%
2014	148,167,862	4,467,500	1,648,723	4%
2015	150,742,327	4,599,086	972,595	4%
2016	156,381,435	4,750,000	2,282,540	4%
2017	162,018,737	4,875,164	3,918,223	5%
2018	171,657,127	5,165,164	4,726,726	6%
2019	179,725,535	5,374,766	3,201,082	5%
2020	188,863,920	7,093,323	500,000	4%
2021	191,195,873	900,000	3,909,846	3%
2022	190,689,839	6,880,841	6,674,971	7%

5% Average

Note: The FY 2021 Adopted Budget deferred the General Fund cash transfer to the CIP in order to create an Economic Downturn Reserve that would be available to offset the potential financial impacts of COVID. The funds in the reserve account were not needed and Council appropriated the return of those funds to the CIP in January 2022.

Financial Policies

Peer Localities

Locality	% Pay-Go	Specific Language
Albemarle County, VA	3%	The County believes in funding an appropriate portion of its capital improvements on a cash basis to provide budgetary flexibility, to support those capital expenses not eligible for debt financing, and to reflect useful life considerations. The County's goal is that the budgeted net transfer to Capital after debt service would be 3% of General Fund Revenues.
City of Suffolk, VA	3%	The City will develop an escalation plan to accomplish an annual allocation of an amount equal to 3% of the General Fund departmental expenditures (excluding transfers out, grants, fund balance and reserve allocations, debt service, and respective flow-through expenditures) to pay-as-you-go-capital improvements annually. The escalation plan will begin with the FY 08 adopted budget and shall be increased annually for the ensuing five (5) year period until the 3% target is achieved.
City of Fairfax, VA	5%**	The target for the General Fund transfer to the Capital Fund shall be at least five percent of General Fund expenditures to help insure adequate reinvestment in capital plant and equipment. This transfer percentage incorporates the City's use of annual debt service payments toward capital projects.

*Peer group members not included: Virginia Cities of Manassas, Falls Church, Fredericksburg, Winchester, Williamsburg, and Town of Chapel Hill, NC

**Includes capital fund transfers for debt service



Potential CIP Amendments

Council Considerations

+\$4.9M Transportation and Access

- Stribling Avenue Sidewalk
- Meadowcreek Trail – Section 3

-\$6.2M Education

- School Reconfiguration Project – from \$75M to \$68.8M

+\$4.95M Affordable Housing

- PHA – MACAA Apartments - \$3M
- PHA – Park Street Apartments - \$1.95M

Potential CIP Amendments

Stribling Avenue Sidewalk

	<u>Proposed</u> <u>FY23</u>	<u>Projected</u> <u>FY24</u>	<u>Projected</u> <u>FY25</u>	<u>Projected</u> <u>FY26</u>	<u>Projected</u> <u>FY27</u>	<u>5 Year Total</u>
Revenues						
Transfer from General Fund	0	0	0	0	0	0
Developer Financing Agreement	0	0	2,900,000	0	0	2,900,000
Bond Previously Authorized - Parking Garage	0	0	1,317,000	0	0	1,317,000
TOTAL AVAILABLE REVENUES	\$0	\$0	\$4,217,000	\$0	\$0	\$4,217,000
TRANSPORTATION AND ACCESS						
<u>Project</u>	<u>Proposed</u> <u>FY23</u>	<u>Projected</u> <u>FY24</u>	<u>Projected</u> <u>FY25</u>	<u>Projected</u> <u>FY26</u>	<u>Projected</u> <u>FY27</u>	<u>5 Year</u> <u>Total</u>
Stribling Sidewalk	0	0	4,217,000	0	0	4,217,000
SUBTOTAL	\$0	\$0	\$4,217,000	\$0	\$0	\$4,217,000



Potential CIP Amendments

School Reconfiguration Project

	<u>Debt Scenarios</u>	
Bond Funding Scenarios for School Reconfiguration	\$ 54,000,000	\$ 50,000,000
<u>Potential Additional Cash Funding</u>		
FY 2021 Year-End Surplus	\$ 6,700,000	\$ 6,700,000
Potential ARP Funding from Schools	\$ 7,500,000	\$ 7,500,000
Other Cash Source	\$ 600,000	\$ 4,600,000
Total Other Cash Sources Identified to Date	\$ 14,800,000	\$ 18,800,000
Total Project Funding	\$ 68,800,000	\$ 68,800,000
Annual Incremental Debt Service Transfer Increase - 3 years	\$ 1,947,112	\$ 1,855,154
Lump Sum Debt Service Transfer Increase	\$ 5,101,674	\$ 4,869,779
FY 2023 Tax Increase Equivalent*	\$0.5500	\$0.5250

Potential CIP Amendments

PHA Affordable Housing Projects

	<u>Proposed</u> <u>FY23</u>	<u>Projected</u> <u>FY24</u>	<u>Projected</u> <u>FY25</u>	<u>Projected</u> <u>FY26</u>	<u>Projected</u> <u>FY27</u>	<u>5 Year Total</u>
Revenues						
Transfer from General Fund	0	0	4,950,000	0	0	4,950,000
TOTAL AVAILABLE REVENUES	\$0	\$0	\$4,950,000	\$0	\$0	\$4,950,000

AFFORDABLE HOUSING	<u>Proposed</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>5 Year</u>
<u>Project</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>Total</u>
PHA - MACAA Apartments	0	0	3,000,000	0	0	3,000,000
PHA - Park Street Apartments	0	0	1,950,000	0	0	1,950,000
SUBTOTAL	\$0	\$0	\$4,950,000	\$0	\$0	\$4,950,000

Annual GF Transfer Change

	<u>Proposed</u> <u>FY23</u>	<u>Projected</u> <u>FY24</u>	<u>Projected</u> <u>FY25</u>	<u>Projected</u> <u>FY26</u>	<u>Projected</u> <u>FY27</u>	<u>5 Year Total</u>
Revenues						
Transfer from General Fund - Already Programmed	6,737,940	7,549,378	6,580,400	6,476,400	6,481,098	33,825,216
Additional Cash for PHA Projects			4,950,000			4,950,000
	6,737,940	7,549,378	11,530,400	6,476,400	6,481,098	38,775,216
Year to Year Change		811,438	3,981,022	(5,054,000)	4,698	

FY 2023 Revenue Amendments

Revised Projections

Manager's Recommended FY 23 Revenue Estimates	\$ 216,171,432
Amendments to FY 23 Revenue Estimates	
<i>Decrease Revenues</i>	
Taxes	
Virginia Communications Sales and Use Tax	(75,000)
<i>Increase Revenues</i>	
Taxes	
Personal Property Tax (using current rate of \$4.20/\$100)	2,000,000
Utility Taxes	100,000
Sales & Use Tax	900,000
Transient Room Tax	500,000
Meals Tax	25,000
Licenses and Permits	
Business & Professional Licenses	300,000
Designated Revenues	
Meals Tax Designated for the Debt Service Fund	26
Total Revenue Amendments	\$ 3,750,026
Total Amended FY 23 General Fund Revenue Estimates	\$ 219,921,458

FY 2022 Revised Revenue

Revised Projections

	<u>FY 2022 Budget</u>	<u>FY 2022 Revised</u>	<u>Change</u>
<u>Local Taxes</u>			
Real Estate Tax (using current rate of \$0.95/\$100)	\$ 80,277,442	\$ 83,722,339	\$ 3,444,897
Personal Property Tax (using current rate of \$4.20/\$100)	9,741,000	10,641,000	900,000
Public Service Tax	1,542,930	1,589,086	46,156
Utility Taxes	4,500,000	4,590,000	90,000
Virginia Communications Sales and Use Tax	2,400,000	2,270,000	(130,000)
Tax on Bank Stock	1,200,000	1,157,411	(42,589)
Tax on Wills & Deeds	725,000	1,000,000	275,000
Sales & Use Tax	12,000,000	13,900,000	1,900,000
Transient Room Tax	5,000,000	7,000,000	2,000,000
Meals Tax	10,700,000	12,825,000	2,125,000
Cigarette Tax	550,000	450,000	(100,000)
<u>Licenses and Permits</u>			
Business & Professional Licenses	\$ 7,000,000	\$ 8,700,000	1,700,000
<u>Charges for Services</u>			
Recreation Income	\$ 1,665,859	\$ 1,472,699	(193,160)
<u>Designated Revenues</u>			
Meals Tax Designated for the Debt Service Fund	\$ 2,140,000	\$ 2,565,000	\$ 425,000
Total Revenue Budget Surplus			\$12,440,304

A Path Forward

Potential Funding Scenarios

	<u>FY 2023 Amendments</u>	<u>CIP Contingency</u>	<u>PROJECTED FY 2022 Revenue Budget Surplus</u>
Potential Funding Available (assumes NO change in current tax rates)	\$ 3,750,026	\$ 11,433,191	\$ 12,440,304
<u>Potential CIP Amendments</u>			
School Reconfiguration - \$54M Bond Scenario (1st year of Add'l Debt Service)	1,947,112		
School Reconfiguration - \$54M Bond Scenario (Cash Contribution - FY 2021 Surplus)		6,700,000	
School Reconfiguration - \$54M Bond Scenario (Additional Cash Needed to get to \$68.8M)			600,000
School Reconfiguration - \$54M Bond Scenario (Years 2 of Add'l Debt Service)			1,947,112
School Reconfiguration - \$54M Bond Scenario (Years 3 of Add'l Debt Service)			1,947,112
PHA Projects - Cash Funded		4,733,191	216,809
Meadowcreek Trail - Section 3			700,000
<u>FY 2023 Budget Amendments</u>			
The Paramount Theater	7,500	-	
Festival of Cultures	(2,160)		
Housing Coordinator Position Upgrade	55,514		
Procurement - Restore Funding for 1 FTE - Buyer	81,355		
Sheriff - Vehicle Replacement (1)	46,500		
African American Heritage Center	??		
PHAR	??		
C4K	??		
Public Defender	??		

A Path Forward

Potential Funding Scenarios

	<u>FY 2023 Amendments</u>	<u>CIP Contingency</u>	<u>PROJECTED FY 2022 Revenue Budget Surplus</u>
<u>One-Time Considerations</u>			
DSS - Software Replacement - Foster Care Payments - City Match			150,000
Procurement eSourcing Software			100,000
2 Additional Buses - Route 6 Equity Initiative			1,000,000
SAFER Grant Match - Adjusted for FY 22 Mid-year and FY 23 Proposed Merit			2,109,000
City Manager Fund			1,000,000
Balance	\$ 1,614,205	\$ -	\$ 2,670,271



Wrap-up and Staff Follow-up

Budget Calendar

March 31: Worksession, 6:00pm, Capital Improvements Program

- Public invited. Opportunity for Council discussion with staff. Public comment at end.

April 4: Public Hearings, 6:30pm

- Smaller presentation with opportunity for Public feedback and Council discussion

April 7: Worksession, 6pm - Remaining budget issues and wrap up

- Public invited. Opportunity for Council discussion with staff. Public comment at end.

April 12: Budget Approval by City Council, 5:30pm

Appendix



Projected Debt

5 Year CIP Plan – **INCLUDING** \$50 School Reconfiguration Project
\$132.4M Total 5 Year Plan - \$96.9M Bonds

Assumptions:

- *\$15M New Bonds Annually based on historical average + **\$50M for School Reconfiguration***
- *Annual borrowing rates: 2.5% FY22, 3% FY23, 3.5% FY24, 4% FY25 and beyond*
- *General Fund budget growth rate of 1.5% 2% meals tax growth in years 2024-2027*
- *Debt Service Fund balance used to help mitigate impact on amount of General Fund Transfer*
- *Estimated Draw Schedule - \$2.5M FY23, \$13M FY 24, \$21.5M FY25, \$13M FY26*
- *\$927,577 = Equivalent of \$0.01 Real Estate Tax increase*
- *Bonds will be sold on a cash needs basis and NOT all at once*

Projected Debt

5 Year CIP Plan – **INCLUDING** School Reconfiguration Project - \$50M
 \$132.4M Total 5 Year Plan - \$96.9M Bonds

Fiscal Year	"Planning"				"Consequences"		
	Bond Issue Amount ⁽¹⁾	Annual Debt Service ⁽²⁾	General Fund Expenditure Budget ⁽³⁾	Ratio of Debt Service to Total General Fund Expenditures	General Fund Transfer ⁽⁴⁾	\$ Increase	Debt Service Fund Balance ⁽⁵⁾
2016	11,125,466	9,128,798	156,391,435	5.84%	9,279,578	-	11,962,480
2017	11,140,000	10,103,067	162,018,737	6.24%	9,817,330	537,752	11,880,013
2018	4,610,000	10,615,335	171,657,127	6.18%	10,371,750	554,420	11,905,368
2019	9,520,000	10,375,167	179,725,535	5.77%	11,003,348	631,598	12,830,074
2020	-	10,743,891	188,863,920	5.69%	11,049,584	46,236	13,410,785
2021	22,655,000	10,684,789	191,195,873	5.59%	10,354,393	(695,191)	13,225,476
2022	15,000,000	11,465,809	192,212,843	5.97%	10,700,784	346,391	12,460,451
2023	17,500,000	11,415,230	206,964,265	5.52%	12,980,912	2,280,128	14,026,133
2024	28,000,000	13,335,739	217,489,345	6.13%	14,887,365	1,906,453	15,577,760
2025	36,500,000	15,013,379	220,751,685	6.80%	16,794,845	1,907,479	17,359,225
2026	28,000,000	17,124,956	224,062,960	7.64%	16,848,217	53,372	17,082,486
2027	15,000,000	19,029,277	227,423,905	8.37%	16,902,656	54,439	14,955,866
2028	15,000,000	19,246,935	230,835,263	8.34%	16,958,185	55,528	12,667,116
2029	15,000,000	19,589,552	234,297,792	8.36%	17,014,823	56,639	10,092,387
2030	15,000,000	19,737,966	237,812,259	8.30%	17,072,595	57,772	7,427,015
2031	15,000,000	20,149,782	241,379,443	8.35%	17,131,522	58,927	4,408,755
2032	15,000,000	20,559,626	245,000,135	8.39%	17,191,627	60,106	1,040,756

\$0.02
 Annual Tax
 Increase
 Equivalent
 for 3 years

*Estimates and subject to change



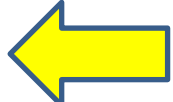
Projected Debt

5 Year CIP Plan – **INCLUDING** School Reconfiguration Project - \$50M
 \$132.4M Total 5 Year Plan - \$96.9M Bonds

"Planning"					"Consequences"		
Fiscal Year	Bond Issue Amount ⁽¹⁾	Annual Debt Service ⁽²⁾	General Fund Expenditure Budget ⁽³⁾	Ratio of Debt Service to Total General Fund Expenditures	General Fund Transfer ⁽⁴⁾	\$ Increase	Debt Service Fund Balance ⁽⁵⁾
2016	11,125,466	9,128,798	156,391,435	5.84%	9,279,578	-	11,962,480
2017	11,140,000	10,103,067	162,018,737	6.24%	9,817,330	537,752	11,880,013
2018	4,610,000	10,615,335	171,657,127	6.18%	10,371,750	554,420	11,905,368
2019	9,520,000	10,375,167	179,725,535	5.77%	11,003,348	631,598	12,830,074
2020	-	10,743,891	188,863,920	5.69%	11,049,584	46,236	13,410,785
2021	22,655,000	10,684,789	191,195,873	5.59%	10,354,393	(695,191)	13,225,476
2022	15,000,000	11,465,809	192,212,843	5.97%	10,700,784	346,391	12,460,451
2023	17,500,000	11,415,230	211,834,044	5.39%	15,995,537	5,294,753	17,040,759
2024	28,000,000	13,335,739	222,432,171	6.00%	16,046,837	51,299	19,751,856
2025	36,500,000	15,013,379	225,768,653	6.65%	16,099,162	52,325	20,837,639
2026	28,000,000	17,124,956	229,155,183	7.47%	16,152,534	53,372	19,865,217
2027	15,000,000	19,029,277	232,592,511	8.18%	16,206,974	54,439	17,042,914
2028	15,000,000	19,246,935	236,081,398	8.15%	16,262,502	55,528	14,058,481
2029	15,000,000	19,589,552	239,622,619	8.18%	16,319,141	56,639	10,788,070
2030	15,000,000	19,737,966	243,216,959	8.12%	16,376,912	57,772	7,427,015
2031	15,000,000	20,149,782	246,865,213	8.16%	16,435,839	58,927	3,713,072
2032	15,000,000	20,559,626	250,568,191	8.21%	16,495,945	60,106	(350,609)

\$0.0525
Tax Increase
Equivalent

Debt Service
Fund Balance
is negative



*Estimates and subject to change



Projected Debt

5 Year CIP Plan – **INCLUDING** \$54 School Reconfiguration Project
 \$136.4M Total 5 Year Plan - \$100.9M Bonds

Assumptions:

- *\$15M New Bonds Annually based on historical average + **\$54M for School Reconfiguration***
- *Annual borrowing rates: 2.5% FY22, 3% FY23, 3.5% FY24, 4% FY25 and beyond*
- *General Fund budget growth rate of 1.5% 2% meals tax growth in years 2024-2027*
- *Debt Service Fund balance used to help mitigate impact on amount of General Fund Transfer*
- *Estimated Draw Schedule - \$2.5M FY23, \$14.125M FY 24, \$23.25M FY25, \$14.1253M FY26*
- *\$927,577 = Equivalent of \$0.01 Real Estate Tax increase*
- *Bonds will be sold on a cash needs basis and NOT all at once*

Projected Debt

5 Year CIP Plan – **INCLUDING** School Reconfiguration Project - \$54M
 \$136.4M Total 5 Year Plan - \$100.9M Bonds

Fiscal Year	"Planning"				"Consequences"		
	Bond Issue Amount ⁽¹⁾	Annual Debt Service ⁽²⁾	General Fund Expenditure Budget ⁽³⁾	Ratio of Debt Service to Total General Fund Expenditures	General Fund Transfer ⁽⁴⁾	\$ Increase	Debt Service Fund Balance ⁽⁵⁾
2016	11,125,466	9,128,798	156,391,435	5.84%	9,279,578	-	11,962,480
2017	11,140,000	10,103,067	162,018,737	6.24%	9,817,330	537,752	11,880,013
2018	4,610,000	10,615,335	171,657,127	6.18%	10,371,750	554,420	11,905,368
2019	9,520,000	10,375,167	179,725,535	5.77%	11,003,348	631,598	12,830,074
2020	-	10,743,891	188,863,920	5.69%	11,049,584	46,236	13,410,785
2021	22,655,000	10,684,789	191,195,873	5.59%	10,354,393	(695,191)	13,225,476
2022	15,000,000	11,465,809	192,212,843	5.97%	10,700,784	346,391	12,460,451
2023	17,500,000	11,415,230	206,964,265	5.52%	13,072,870	2,372,086	14,118,091
2024	29,125,000	13,335,739	217,489,345	6.13%	15,071,281	1,998,411	15,853,634
2025	38,250,000	15,109,004	220,751,685	6.84%	17,070,719	1,999,437	17,815,348
2026	29,125,000	17,376,113	224,062,960	7.76%	17,124,091	53,372	17,563,327
2027	15,000,000	19,376,214	227,423,905	8.52%	17,178,530	54,439	15,365,643
2028	15,000,000	19,586,153	230,835,263	8.48%	17,234,059	55,528	13,013,548
2029	15,000,000	19,921,052	234,297,792	8.50%	17,290,697	56,639	10,383,193
2030	15,000,000	20,061,748	237,812,259	8.44%	17,348,469	57,772	7,669,915
2031	15,000,000	20,465,845	241,379,443	8.48%	17,407,396	58,927	4,611,466
2032	15,000,000	20,867,970	245,000,135	8.52%	17,467,501	60,106	1,210,997

\$0.02+
 Annual Tax
 Increase
 Equivalent
 for 3 years

*Estimates and subject to change



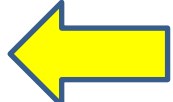
Projected Debt

5 Year CIP Plan – **INCLUDING** School Reconfiguration Project - \$54M
 \$136.4M Total 5 Year Plan - \$100.9M Bonds

"Planning"					"Consequences"		
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2019	9,520,000	10,375,167	179,725,535	5.77%	11,003,348	631,598	12,830,074
2020	-	10,743,891	188,863,920	5.69%	11,049,584	46,236	13,410,785
2021	22,655,000	10,684,789	191,195,873	5.59%	10,354,393	(695,191)	13,225,476
2022	15,000,000	11,465,809	192,212,843	5.97%	10,700,784	346,391	12,460,451
2023	17,500,000	11,415,230	206,964,265	5.52%	16,227,432	5,526,648	17,272,653
2024	29,125,000	13,335,739	217,489,345	6.13%	16,278,731	51,299	20,215,646
2025	38,250,000	15,109,004	220,751,685	6.84%	16,331,057	52,325	21,437,698
2026	29,125,000	17,376,113	224,062,960	7.76%	16,384,429	53,372	20,446,015
2027	15,000,000	19,376,214	227,423,905	8.52%	16,438,868	54,439	17,508,669
2028	15,000,000	19,586,153	230,835,263	8.48%	16,494,397	55,528	14,416,912
2029	15,000,000	19,921,052	234,297,792	8.50%	16,551,035	56,639	11,046,895
2030	15,000,000	20,061,748	237,812,259	8.44%	16,608,807	57,772	7,593,955
2031	15,000,000	20,465,845	241,379,443	8.48%	16,667,734	58,927	3,795,844
2032	15,000,000	20,867,970	245,000,135	8.52%	16,727,839	60,106	(344,287)

\$0.055
Tax Increase
Equivalent

Debt Service
Fund Balance
is negative



*Estimates and subject to change

