

CHARLOTTESVILLE CITY COUNCIL
Budget Work Session on the Capital Improvement Plan (CIP)
November 12, 2020
6:00 p.m. – 8:00 p.m.
Virtual/electronic meeting via Zoom

The Charlottesville City Council met in an electronic meeting on Thursday, November 12, 2020, in accordance with a local ordinance approved July 27, 2020, to ensure continuity of government and prevent the spread of disease.

Mayor Nikuyah Walker called the meeting to order at 6:02 p.m. with the following members present: Mayor Nikuyah Walker, Vice Mayor Sena Magill, Councilors Heather Hill, Michael Payne and Lloyd Snook.

Mayor Walker turned the meeting over to Acting City Manager John Blair, who advised that this meeting would provide an opportunity for fiscal clarity, with the hope of providing staff with guidance on priorities. Mr. Blair thanked various staff who worked to put the budget presentation together.

The agenda of the meeting followed the following format:

1. Key Budget Dates
2. Long-term Financial Policies
3. CIP Spending Overview
 - Parking Garage Mixed Use Alternatives
 - Dogwood Memorial
 - 5th Street Traffic Improvements
4. CIP Funding Overview
5. Capacity versus Affordability
6. Other Considerations
7. Council Discussion and Decisions

Ryan Davidson, Senior Budget and Management Analyst reviewed the agenda, key dates, and long-term financial policies for the City.

Budget Process Update Key Dates:

- December 8, 2020 – Planning Commission CIP Public Hearing
- March 1, 2021 - Proposed City and School Operating and Capital Budget Formally Presented to Council
- March 15, 2021 - First Budget and Tax Rate Public Hearings

- April 5, 2021 - Second Budget Public Hearing/Budget Approval First Reading/Tax Levy Approval First Reading
- April 13, 2021 - Budget and Tax Levy Approval Second Reading

Scheduled Work sessions:

- December 10, 2020 - Budget Work session (Budget Development)
- January 26, 2021 - Budget Work session (Budget Development)
- January 28, 2021 - City Council and School Board Joint Work session
- March 4, 2021 - Budget Work session #1 (Revenue & Expenditures)
- March 11, 2021 - Budget Work session #2 (Outside Agencies)
- March 17, 2021 - Community Budget Forum
- March 25, 2021 - Budget Work session #3 (CIP)
- April 8, 2021 - Budget Work session #4 (Wrap-up)

Long-term Financial Policies:

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

Krisy Hammill, Senior Budget and Management Analyst, reviewed the current five-year CIP for fiscal years 2021 to 2025, cash funding, outstanding debt, debt service estimates. She provided a comparison of debt capacity versus debt affordability and reviewed some additional CIP funding considerations:

- School Reconfiguration Project – cost to be determined
- Parking Garage Mixed Use Alternatives
- Dogwood Memorial
- 5th Street Traffic Improvements
- Comprehensive Plan Housing Spending Recommendation
- Unfunded Departmental Requests

Chris Engel, Director of Economic Development, at the request of Mr. Blair, provided a review of “Mixed-use Development Consideration in Conjunction with 7th Street Deck”, and answered questions for Council.

Brennen Duncan, Traffic Engineer, reviewed a request for improvements to Dogwood Vietnam Memorial access. He and Todd Brown, Director of Parks and Recreation, answered questions for Council. Mr. Duncan also provided information regarding 5th Street traffic improvements.

Ms. Hammill reviewed other Fiscal Year 2022 budget considerations:

- City Operating Budget Needs and Unknowns
 - Due November 13th
 - Departmental Requests
 - Employee Compensation and Benefits
- Schools Operating Budget Needs
- Outside Agency Budgets

Paul Oberdorfer, Deputy City Manager, answered questions about capital improvement projects.

Mayor Walker opened the floor for public comment. No one from the public indicated a desire to speak.

Council continued discussion about pending budget requests and outstanding studies from consultants. Council agreed to set a meeting to discuss priorities in order to guide future budget discussions.

Mayor Walker adjourned the meeting at 8:11 p.m.

BY Order of City Council

BY Kyna Thomas, Clerk of Council