

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



Agenda Date:	November 15, 2021
Action Required:	Approve Resolution
Presenter:	Kristel Riddervold, Environmental Sustainability and Facilities Development Divisions Manager
Staff Contacts:	Harold Young, Fleet Manager Chris Cullinan, Director of Finance Scott Hendrix, Senior Project Manager, Facilities Development Division
Title:	Capital Funding Transfer from previously approved CIP Projects to Avon Fuel Station Replacement - \$523,048.95

Background:

Per the Petroleum Underground Storage Tank Financial Responsibility Requirements Regulation, specific annual insurance coverage is required. The City has faced increased challenges and costs associated with obtaining required insurance coverage for the 4th Street Fueling Station (now closed) and the Avon Street Fueling Station. The adopted FY 2018 and 2019 Capital Improvement Programs (CIP) included funding for two fuel station related projects: the 4th Street Fuel Station (P-00940) was funded at \$581,500 and the Avon Fuel Station (P-00980) was funded at \$520,000.

In FY19, it was determined that the 4th Street Fuel station would be formally closed (versus replaced) and that an upgrade of the Avon Fuel station (versus full replacement) was appropriate. Given a projected surplus in the Avon Street project, a fund transfers to support the 4th Street Fuel station closure costs as well as performance of some time-sensitive deficiencies in Fleet facilities and its operations were done.

Below is the current status of each of the various projects mentioned above:

- 4th Street Fuel Station (P-00940) – Completed; remaining balance is \$137,900.85
- Fleet Shop Improvements (P-01001) – Completed; remaining balance is \$133,853.89
- Avon Fuel Station (P-00980) – Incomplete. The strategy to pursue basic upgrades at the Avon Fuel facility had to be revised due to updated insurability challenges and now consists of a time-sensitive facility replacement; remaining balance is \$198,547.05

Discussion:

The project for the Avon Fuel Station now involves full replacement of the underground fuel storage system with an aboveground fuel storage system that provides for reduced compliance risk. Design work is complete. Plans were submitted to Albemarle County Department of Community Development and are undergoing site plan review/approval. This project is planned to be bid out for construction in the winter with construction planned for Spring/Summer 2022.

We recently received final construction cost data from the engineering design firm and have completed a revised overall project budget requirement of \$721,596. This presents a funding deficit for the project of \$523,048.95

It is our recommendation that this funding deficit be addressed by a transfer of the fund balances from the 2 previously approved and now-completed projects (P-00940, 4th Street Fuel Station; and P-01001, Fleet Shop Improvements). In addition, we recommend a transfer of \$251,294.21 in existing funds programmed for a 3rd project (P-00948-09, Avon Salt Barn Replacement). While this will result in a funding gap for the salt barn replacement project, this project continues to be challenged by affordability issues, COVID-related delays and can be postponed. There are also efforts underway to review potential alternatives to the current project scope.

Alignment with City Council's Vision and Strategic Plan:

This proposal supports the City Council's "Green City" vision. It contributes to Goal 3 and 5 of the Strategic Plan, a beautiful and sustainable natural and built environment and a well-managed and responsive organization, and objectives 3.2 provide reliable and high quality infrastructure, 3.4 be responsible stewards of natural resources, 5.1 integrate effective business practices and strong fiscal policies.

Community Engagement:

N/A

Budgetary Impact:

No additional funding is required. All funds to be transferred have been previously appropriated as part of adopted Capital Improvement Programs.

Recommendation:

Staff recommends approval of this recommendation to use previously appropriated fund balances.

Alternatives:

City Council could decline this recommendation. There will be insufficient funds to address the Avon Street Fuel Station replacement project and the insurance requirements may not be met.

Attachments:

Resolution

RESOLUTION

Capital Funding Transfer from completed Fuel Station Project and Fleet Shop Improvements Project and incomplete Avon Salt Barn Project to Avon Fuel Station Project \$523,048.95

WHEREAS, the City of Charlottesville, conducted a closure of the 4th Street Fuel Station and the entire amount of the previously appropriated funding was not required; and

WHEREAS, the City of Charlottesville completed Fleet facility and operation improvement projects and the entire amount of the previously appropriated funding was not required; and

WHEREAS, the City of Charlottesville has previously appropriated funding for the replacement of the Avon Street Salt Barn Project that is postponed;

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

Transfer From

\$137,900.85	Fund: 426	WBS: P-00940	G/L Account: 599999
\$133,853.89	Fund: 426	WBS: P-01001	G/L Account: 599999
\$251,294.21	Fund: CP-018	WBS: P-00948-09	G/L Account: 599999

Transfer To

\$523,048.95	Fund: 426	WBS: P-00980	G/L Account: 599999
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