

CHARLOTTESVILLE CITY COUNCIL
Budget Work Session - Capital Improvement Program (CIP)
March 31, 2022 at 6:00 PM
Virtual/electronic meeting via Zoom

Call to Order/Roll Call

The Charlottesville City Council met in an electronic meeting on Thursday, March 31, 2022, in accordance with a local ordinance amended and re-enacted on March 7, 2022, to ensure continuity of government and prevent the spread of disease during the coronavirus State of Emergency. Mayor Lloyd Snook called the meeting to order at 6:02 p.m. and Clerk of Council Kyna Thomas called the roll, noting all members present: Mayor Lloyd Snook, Vice Mayor Juandiego Wade, and Councilors Sena Magill, Michael Payne and Brian Pinkston.

Discussion of Capital Improvement Program

Interim City Manager Michael C. Rogers shared the purpose of the meeting, which was a budget work session to discuss the Capital Improvements Program (CIP), broken into the following areas:

1. Proposed 5-Year CIP
 - a. Five-year spending plan
 - b. City Manager Proposed CIP
 - c. CIP revenues
2. Planning Commission Recommendations
3. Applicable Financial Policies
4. Potential Amendments

Krisy Hammill, Senior Budget and Management Analyst, presented the Proposed FY2023 Operating and Capital Improvement Budget. She explained the general nature of capital improvement projects:

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

Ms. Hammill and Director of Economic Development Chris Engel answered questions for Council on a variety of budget issues including parking deck ownership, enterprise funds, projects authorized but not issued, pay-as-you-go policy, and debt projection.

Vice Mayor Wade requested quarterly updates on CIP projects.

Regarding the Proposed 5-Year CIP, Ms. Hammill reviewed:

- Five-year spending plan
- City Manager Proposed CIP
- CIP revenues

Regarding 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 \$30,000 per year FY 23 – 26 and \$100,000 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 \$55,000 and \$30,000 per year FY 24 - 26. Total funding decrease of \$145,000 from \$600,000 to \$455,000
- 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.

Regarding applicable financial policies, Ms. Hammill reviewed variables and debt ratio. Financial Advisor Kevin Rotty advised that the city's 3% Pay-Go percentage was good, comparing to peer localities.

Regarding Potential Amendments, Ms. Hammill reviewed items related to transportation and access, education, and affordable housing.

Deputy City Manager Sam Sanders advised that the Stribling Ave sidewalk project would require well over a year of planning because of many complications.

Ms. Hammill reviewed several bond funding scenarios for the school reconfiguration project. She also reviewed FY2023 Revenue amendments, noting increased revenue projections, and advising that the third quarter financial report would reflect expenditures to give a more complete picture of the year-end FY2022 balance sheet. Looking forward, Ms. Hammill shared potential budget funding scenarios.

Mr. Rogers summarized the presentation, advising that the options presented cover a number of priorities without proposing a real estate tax increase. He advised that Council could use the

information to deliberate budget decisions.

Mayor Snook asked staff whether there are positions which would provide capacity to complete more projects in a timely manner. Mr. Rogers stated that he would bring back a report.

Mayor Snook advised of a meeting between himself, the School Board Chair Torres, School Superintendent Gurley, Schools Chief Financial Officer Powell, City Manager Rogers, Senior Budget and Management Analyst Hammill, and design consultant Wyck Knox on Monday, March 28. He stated that after talking with other councilors during the week, he communicated general agreement with moving forward with a \$68.8 Million project, leaving out auditorium improvements. He stated that questions remain about a plan for funding auditorium repairs and addressing capacity issues at Walker Upper Elementary School.

Councilors provided additional feedback and agreed to send last-minute change requests to Mr. Rogers, Mr. Snook or Ms. Hammill by April 4.

Public Comment

Mayor Snook opened the floor for public comment.

Elizabeth Stark, Woolen Mills resident, spoke in opposition to increasing the meals tax, in favor of 15-minute transit, in favor of funding for affordable housing, and the need to increase public defender pay.

Anthony Blow, city resident, spoke in support of building the bridge near Greenbrier Park and Rivanna Trail.

Moriah Wilkins, housing attorney with the Legal Aid Justice Center, spoke about creating new funding streams for public housing and other programs for low income residents, and funding for Park Street affordable housing development. She suggested putting discretionary funds from any tax increases into affordable housing.

Nancy Carpenter spoke in support of a tax increase to fund school reconfiguration and affordable housing.

Councilors expressed thanks to City Management and budget staff for responsiveness and detailed presentations. Councilor Magill encouraged implementing a real estate tax increase to put funds aside for designated future needs.

The meeting adjourned at 8:13 p.m.

BY Order of City Council

BY Kyna Thomas, Clerk of Council