



# Richmond City Council

*The Voice of the People*

*Richmond, Virginia*

Office of the Council Chief of Staff

## Analysis of the Proposed FY22 Richmond Government Budget Richmond Capital Improvement Plan

**Presented  
April 12, 2021**

**Richmond City Council Budget Work Session 4**

Updated 4.9.2021

# FY22 Budget Analysis – CIP Key Parameters

## General

- Revenue and expenditure data for the proposed FY22 Capital Improvement Plan (CIP) and the historical information **do not** include federal CARES Act, American Rescue Plan Act, or potential federal infrastructure funds.
- Council **may not** adopt a capital budget in which the total of expenditures exceeds receipts **unless** at the same time it adopts additional revenue measures, e.g. an increase in a tax or fee.
- CIP Text Amendments **must** impose a condition on the administration of an appropriation of funds.

# FY22 Budget Analysis – CIP Key Parameters

## Appropriation of CIP Funds.

- Only FY22 represents actual appropriations.
- FY23 to FY26 represent planned expenditures.
- Generally, construction on Capital Projects may not begin until **all funds** are actually **appropriated**
  - The City has often only appropriated partial funding
  - Partial funding will likely result in a delayed starting date, with potential cost increases
  - A legitimate, stand-alone phase of a multi-phase project may move forward

# FY22 Budget Analysis – CIP Key Parameters

## Restrictions Unique to the CIP

- Cash; Revenue Bonds; Federal, State, and Other Funds **must** remain in the year proposed
  - Revenue Bonds are usually restricted to utility, and parking projects
- General Obligation Bond (GOB) Debt is limited by the City's Debt Policy Model
  - GOB Debt Capacity is the **maximum** that may be added over the 5-year CIP
  - The proposed budget utilizes **all** of the \$389.9 Million of GOB Debt Capacity
  - GOB Debt proposed for the 4 plan years **may not** be moved to FY22

# FY22 Budget Analysis – CIP Key Parameters

## Debt Policy Model

- Debt cap = 3.75% of taxable real estate, personal property, & machinery & tools.
- **Debt service no more than 10% of:**
  - **GF budget + the RPS budget + State Highway and Street Maintenance**
  - **Less City GF contribution to RPS (Prevents double counting)**
- 10-year principal paid shall not be less than 60%
- Average term = useful asset life, no longer than 30 years.
- **Changes in the City's Debt Policy should only be adopted after considerable analysis, and consultation with the City's Financial advisors.**





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## Analysis of the Proposed FY22 Capital Improvement Program Office of the Council Chief of Staff Staff Analysis

*Presented*  
*April 12, 2021*  
*Budget Work Session 4*

# FY22 Capital Improvement Program Analysis

## Things we look at when we review the CIP:

- FY22 proposed versus FY22 planned
  - What's new? Or defunded?
  - What was increased or decreased?
  - What has not changed?
- Project and funding distribution by:
  - Category
  - Funding source
- Anything else that stands out or raises questions
  - Such as: Complete Streets
- Councilmember Questions

# FY22 Capital Improvement Program Analysis

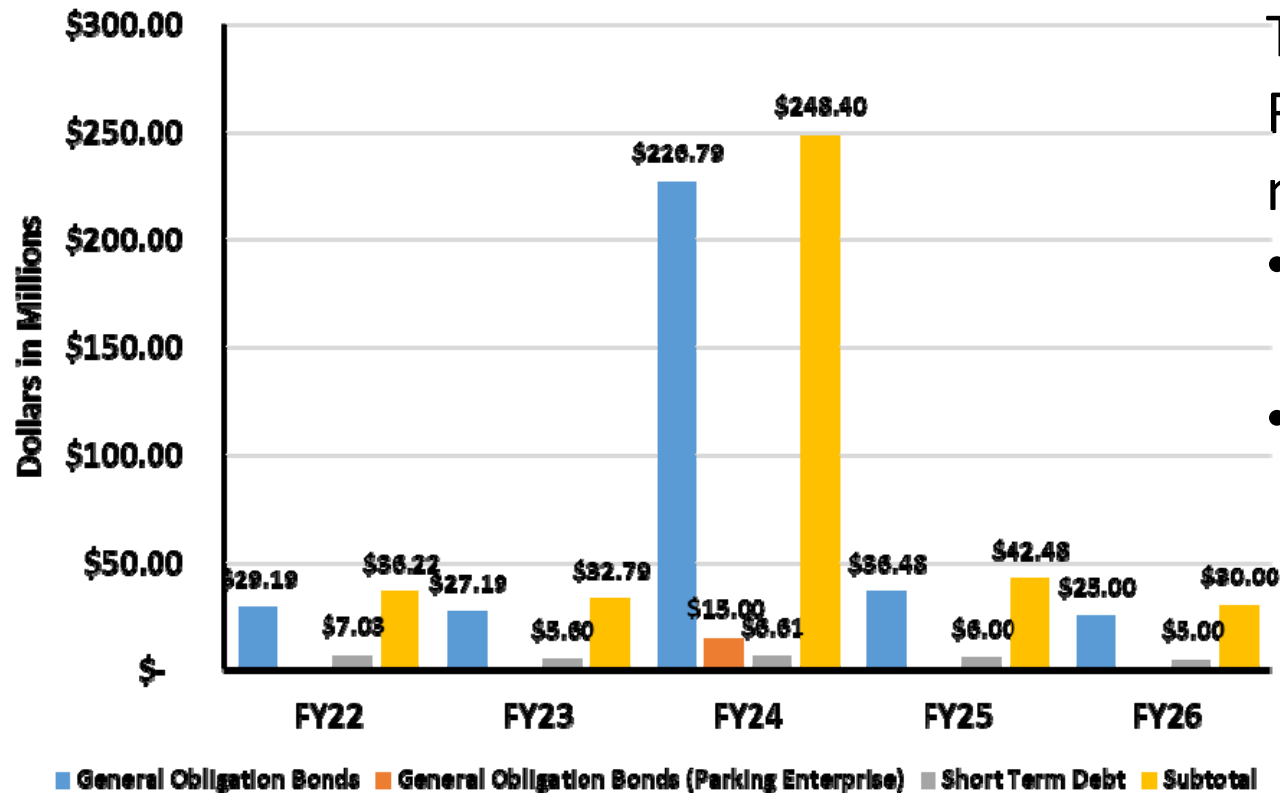
## Overview

- \$63.2 million of General Funds is proposed for FY22
- In FY21 \$65.6 million was planned for FY22
  - That is a decrease of -\$2.4 million
  - Represents a negative -3.71% decrease
- 42 Proposed Projects this year
  - 13 are new
  - 10 are removed
  - 9 have been increased from planned in FY21
  - 2 have been decreased from planned in FY21
- Detailed spreadsheets are provided in an appendix, at the end of this presentation.



# FY22 Capital Improvement Program Debt Capacity

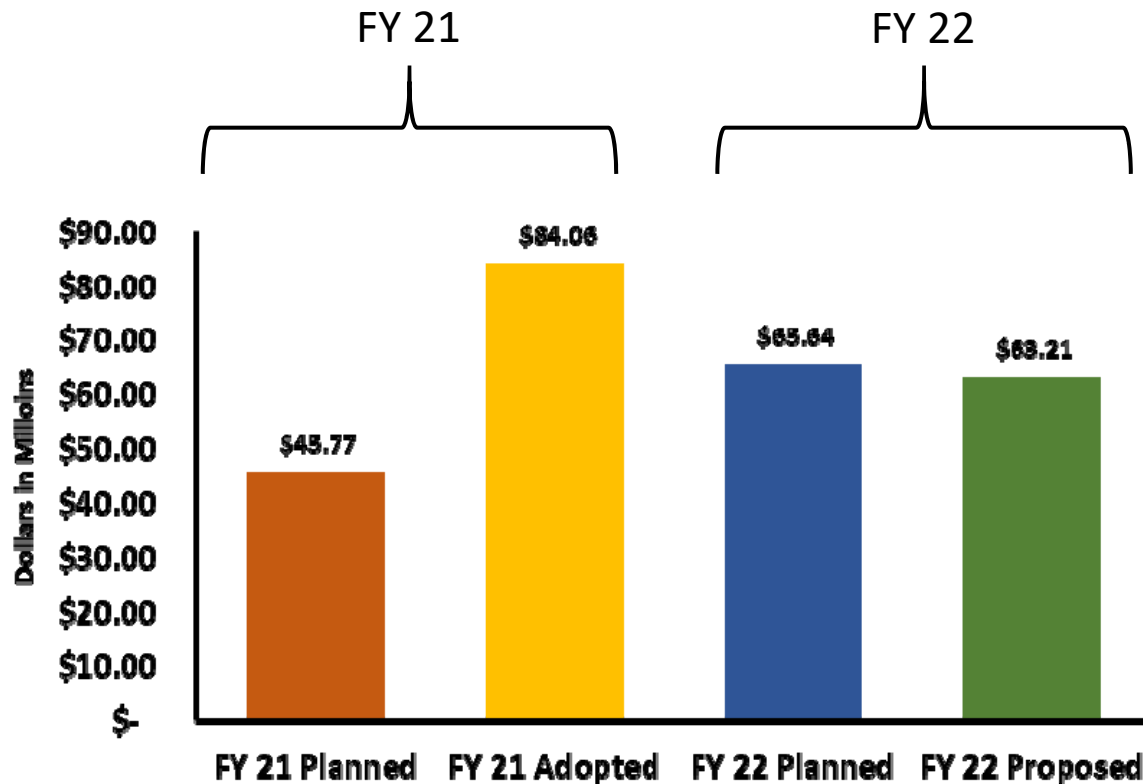
Debt Capacity FY22 - FY26



Total Debt Capacity for FY22-FY26 is \$389.9 million

- \$387.7 - Bonds & Short-term debt
- \$2.2 million project balances

# FY22 Proposed Capital Improvement Program

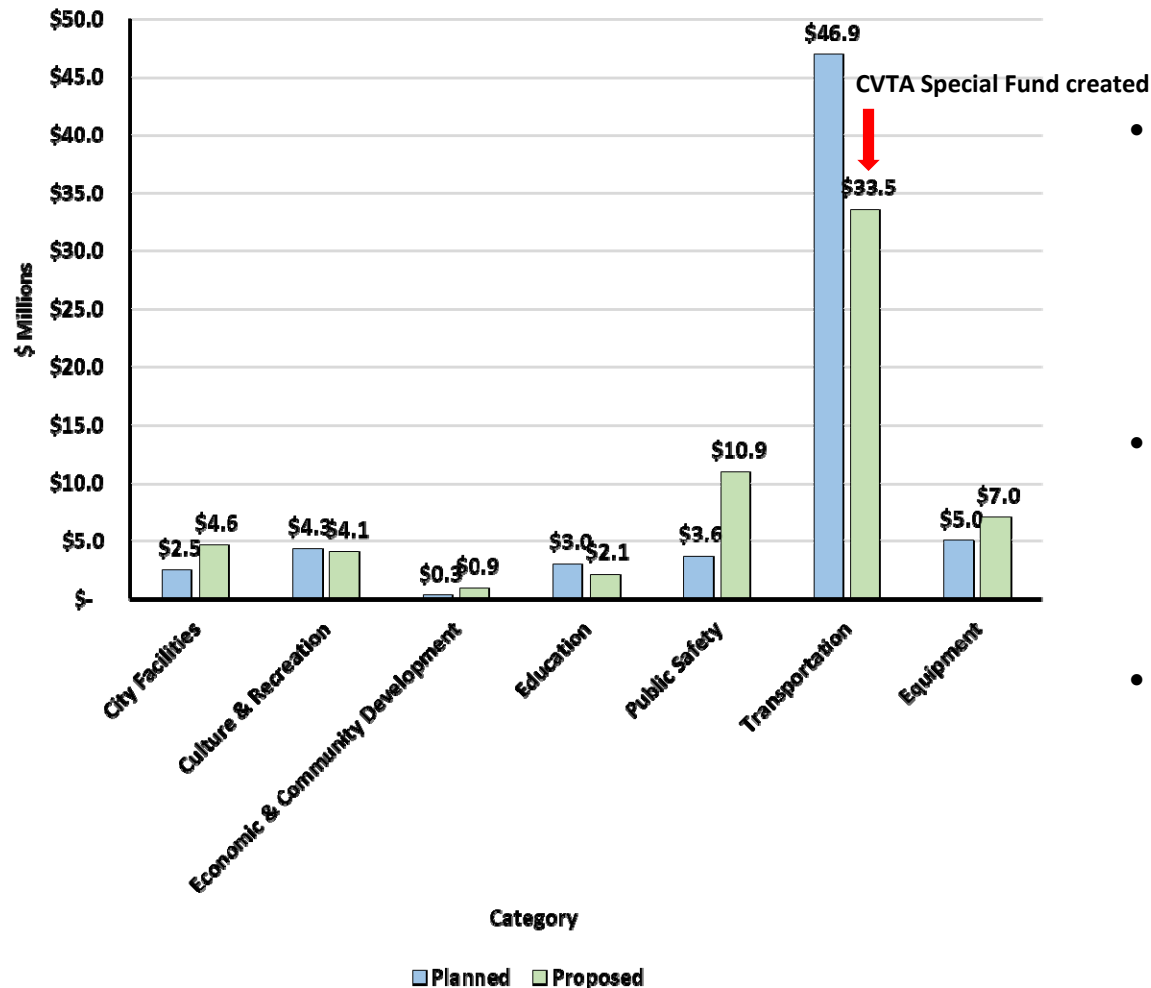


General Fund in CIP: FY 21 & FY 22

- The shifts in CIP funding are largely determined by:
  - Debt Capacity
  - Federal Funding
  - State Funding
  - City Revenues
  - Shifts in GF vs Special Fund
- FY21 adopted was +\$38.3 million more than planned.
- FY22 proposed is - \$2.4 million less than planned.

# FY22 Proposed Capital Improvement Program

FY22 Planned v Proposed Capital Appropriations



- Proposed CIP appropriations total \$63.2 Million
  - A decrease of -\$2.4 Million from FY22 Planned
- 4 Categories have increases v planned totaling +\$12.1 Million
  - City Facilities +\$2.1 Million
  - Economic & Community Development +\$0.6 Million
  - Public Safety +\$7.3 Million
  - Equipment +\$2.0 Million
- 3 Categories have decreases v planned totaling -\$14.5 Million
  - Culture & Recreation -\$0.3 Million
  - Education -\$0.9 Million
  - Transportation -\$13.4 Million
- Tables breaking out planned versus proposed changes by projects have been provided prior to the meeting and in the appendix.



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## Proposed FY22 Operating Budget

### General Fund Expenditures

by

Category

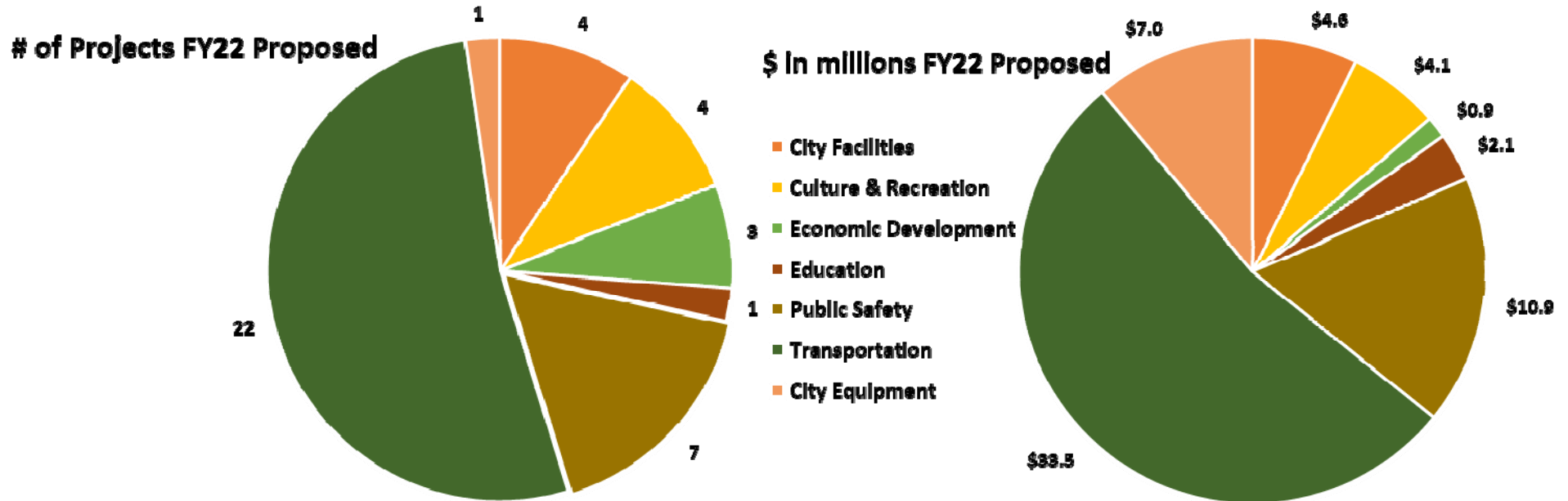
*Presented*

*April 5, 2021*

*Budget Work Session 3*



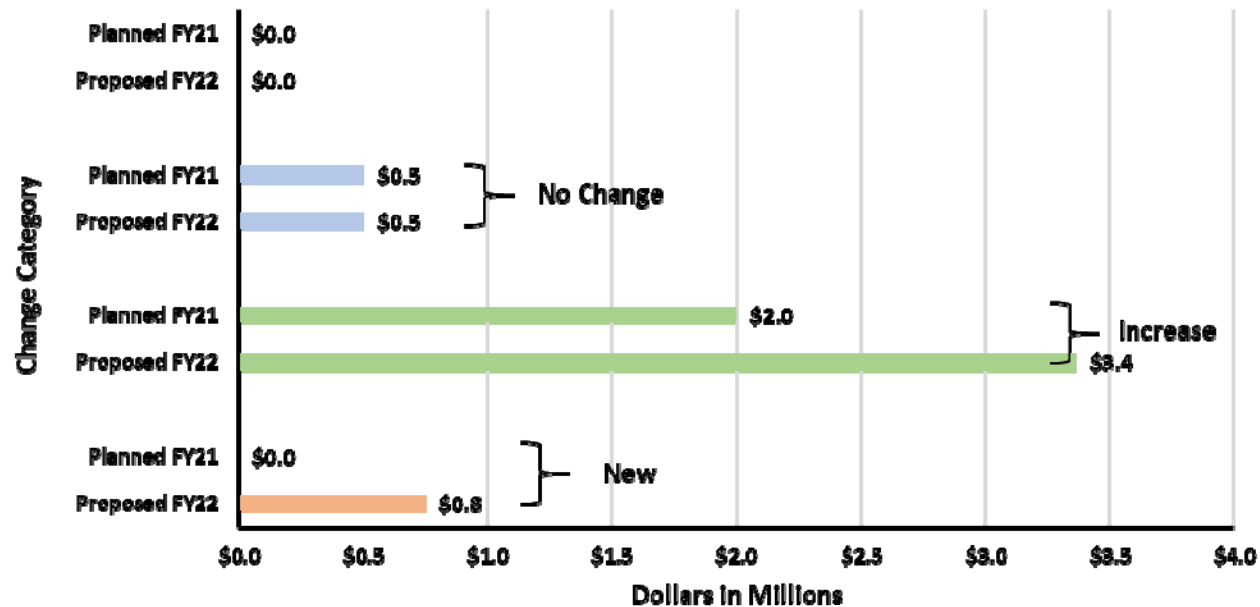
# FY22 Proposed CIP by Category



- This breakout is focused on projects with proposed funding in FY22
- Does not include proposed projects funded only in the out years of the 5 year CIP

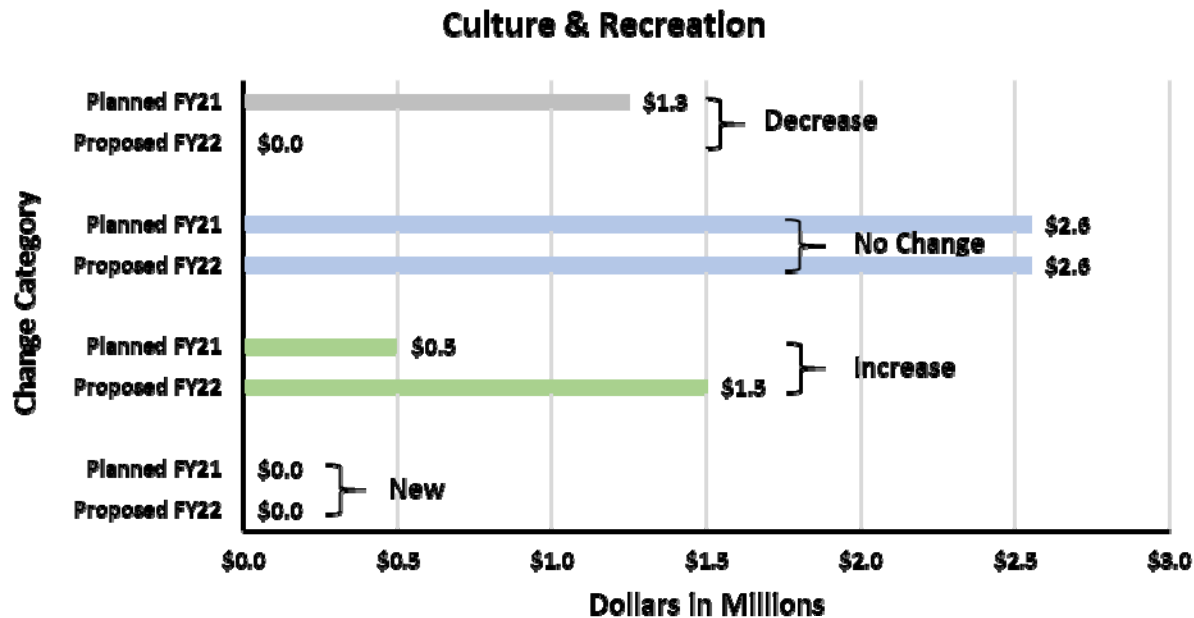
# FY22 Proposed CIP – City Facilities

## City Facility Maintenance & Improvement



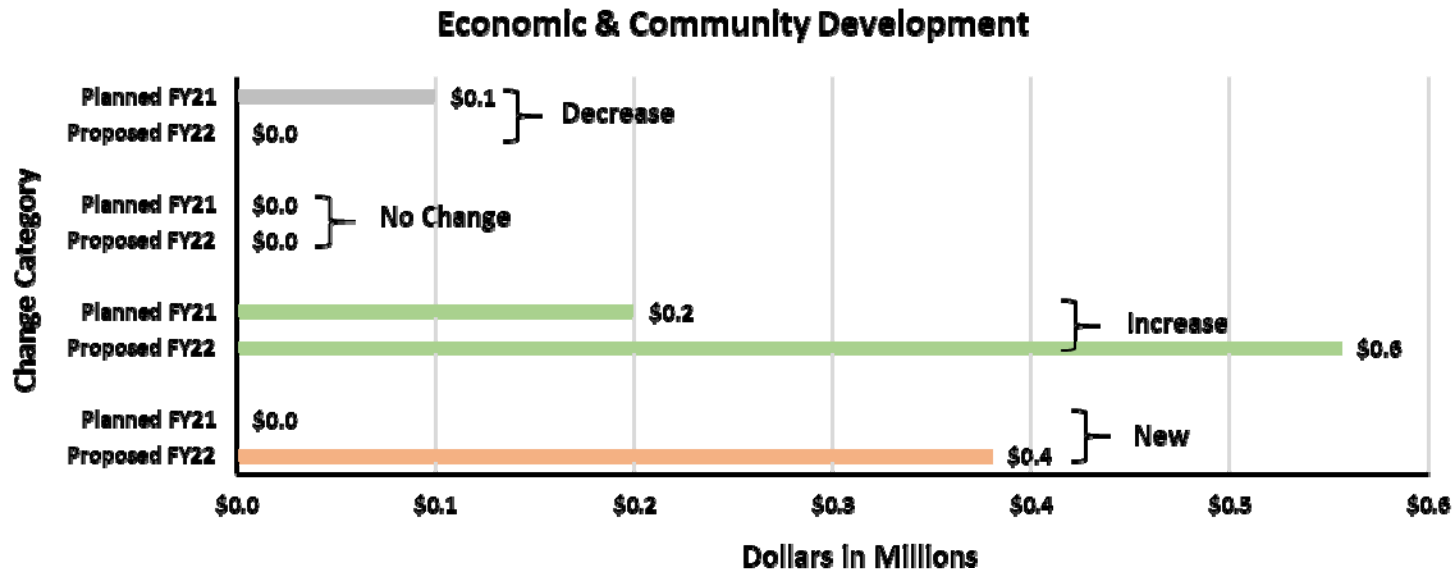
- FY22 Proposed for City Facilities: \$4.6 million versus FY22 Planned: \$2.5 million
  - Increase of +\$2.1 million
- These categories are mostly routine maintenance and equipment replacement due to use and age; but also include renovations within City Hall due to the age of the building.
  - City Hall Rooms 101 & 103 are being renovated following a space utilization study.
  - Rooms 100, 102, and the 4<sup>th</sup> floor have already been renovated following this study.

# FY22 Proposed CIP – Culture & Recreation



- FY22 Proposed for Culture & Recreation: \$4.1 million versus FY22 Planned: \$4.3 million
  - Decrease of -\$0.25 million
- One project has a proposed increase of +\$1.0 million for FY22 v FY22 Planned
  - Southside Regional Park & Community Center: \$1.5 million proposed v \$0.5 million Planned
- Two planned projects were removed in FY22 Proposed v FY22 Planned:
  - Swimming Pools and the Hickory Hill Community Center
  - Community Center funding is now broken out by individual center
- James River Park Infrastructure has planned funding of:
  - \$100,000 in FY 23
  - \$100,000 in FY 24

# FY22 Proposed CIP – Economic & Community Development



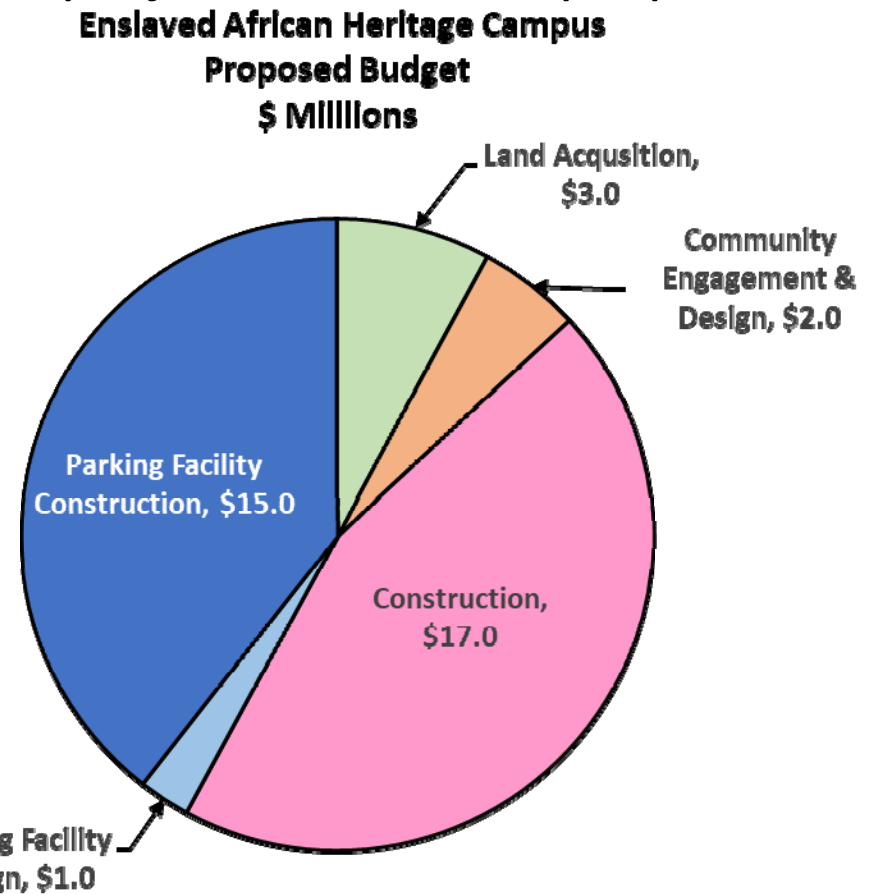
- FY22 Proposed for Economic & Community Development: \$0.9 million versus FY22 Planned: \$0.3 million
  - Increase of +\$0.6 million
- Enslaved African Heritage Campus has planned funding of \$27.9 million from FY23 – FY26, but has **no** funding in FY22
- Planned FY22 funding for Neighborhoods in Bloom was removed, totaling \$100,000
- Percent for the Arts had planned FY22 funding of \$0.2 million, proposed FY22 funding is \$0.6 million. (This increase is tied to an appropriated fund balance.)



# FY22 Budget Analysis – Enslaved African Heritage Campus

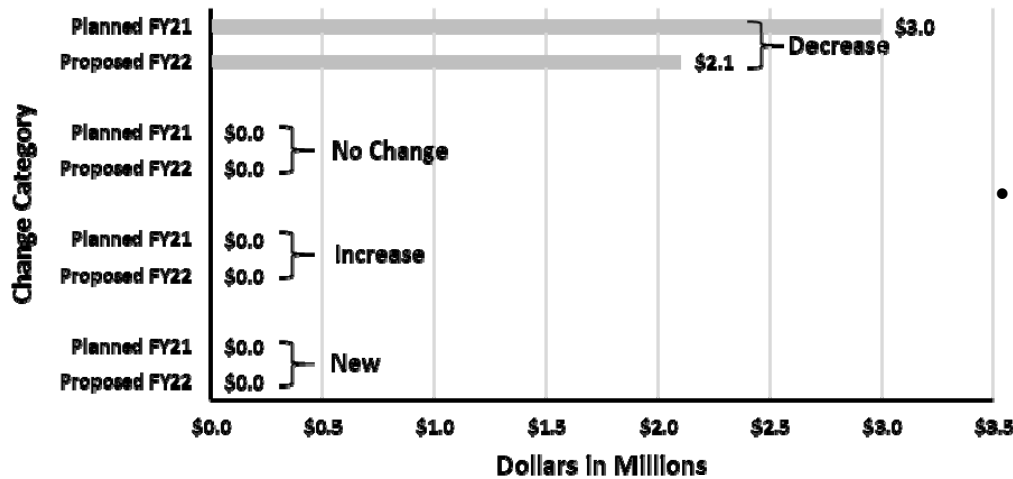
- The Enslaved African Heritage Campus project has a total proposed cost of \$38.0 Million.

Funding Sources	FY22 Planned \$ Million
Prior Year Appropriation	\$1.7
FY22 Proposed	<u>\$0.0</u>
<b>Total: YTD Appropriations</b>	<b>\$1.7</b>
<b>Planned FY23 to FY26</b>	
FY23	\$2.8
FY24	\$15.0
FY25	\$6.0
FY26	<u>\$4.1</u>
<b>Total: Proposed Appropriations</b>	<b><u>\$27.9</u></b>
<b>Total: Appropriation &amp; Planned</b>	<b><u>\$29.6</u></b>
<b>Remaining Need</b>	<b>\$0.0</b>
<b>Total Cost: Enslaved African Heritage Campus</b>	<b>\$38.0</b>



# FY22 Proposed CIP – Education

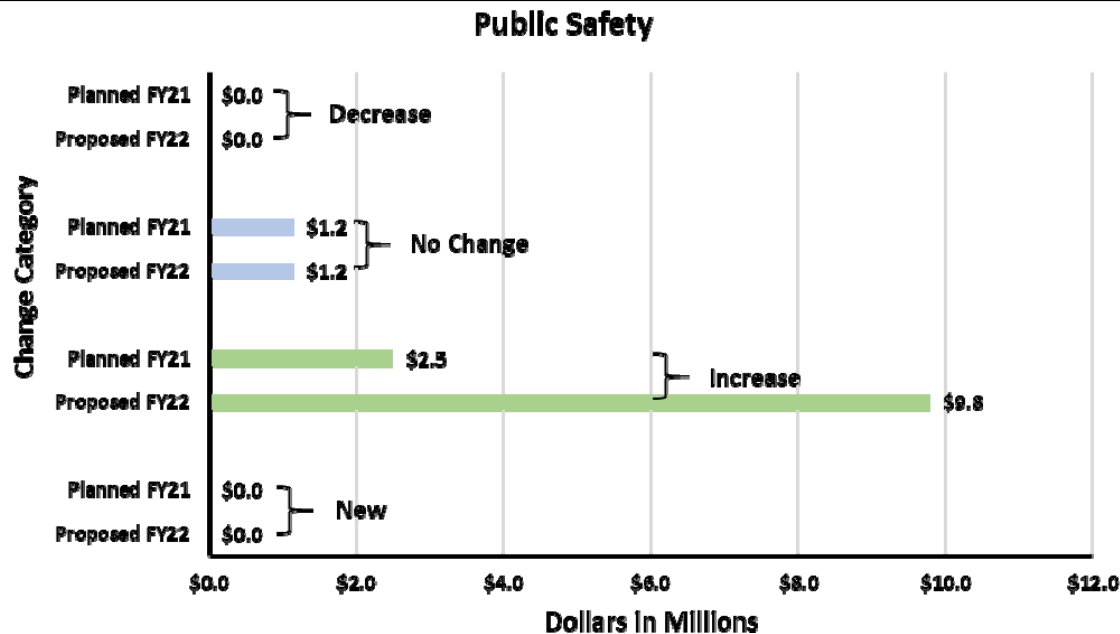
## Education



- FY22 Proposed for Education: \$2.1 million versus FY22 Planned: \$3.0 million
  - Decrease of -\$0.9 million - School Capital Maintenance project
- School Modernization Planned for FY24:
  - George Wythe High School: \$100,000,000
  - Technical Education Center: \$100,000,000

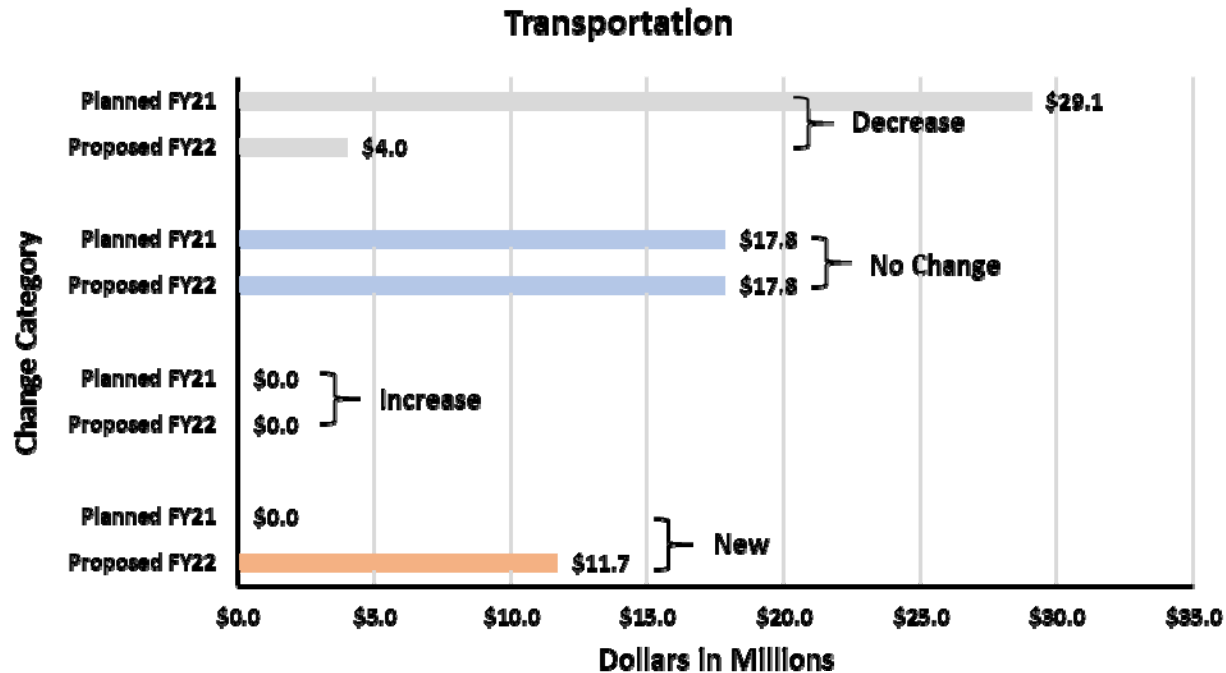
* Dollars in Millions	School CIP Planning & Construction	School Capital Maintenance	High School Athletic Facilities	School ADA	Total
Current Available Balance	\$7.3	\$9.6	\$0.08	\$3.1	\$20.1
Pending Reimbursements	\$0	\$1.7	\$0	\$0.3	\$1.8
Encumbrances	\$0	\$3.3	\$0.02	\$0.1	\$3.4
Available Balance w/ Reimbursement & Encumbrances	\$7.3	\$4.6	\$0.08	\$3	\$15

# FY22 Proposed CIP – Public Safety



- FY22 Proposed for Public Safety: \$10.9 million versus FY22 Planned: \$3.6 million
  - Increase of +\$7.3 million
- Improve security in court buildings and juvenile detention center
- Repair or replace inoperable/inefficient building mechanical systems
- New roofs for fire stations
- Fire Station 12 Replacement: \$6.4 million
  - Was last renovated over 40 years ago & does not meet current code standards
  - Renovation is not feasible due to lot size

# FY22 Proposed CIP – Transportation



- FY22 Proposed: \$33.5 million versus FY22 Planned: \$46.9 million
  - Net Decrease of \$-13.4 million
- \$15 million reduction from CIP due to creation of CVTA Special Fund
- More than half of Transportation Projects are funded with Federal or State dollars.
- Half of the Transportation projects with proposed funding in FY22 are City Wide.



# FY22 Proposed CIP – Complete Streets

- New Project: Complete Streets with \$8,150,000 in FY22 is funded by reassignments from the following former projects:

Former Project Title
City Wide Traffic Calming Measures
New Sidewalk Program
Pedestrian Safety Crossing Improvement
Sidewalk Projects
Streets, Sidewalks, and Alley Improvements
Traffic Control Installation
Transportation Projects
<b>Total Reassigned from Former Projects</b>

- Complete Streets includes paving, potholes, crosswalks, etc.
- This shift towards complete street allows great flexibility for DPW to meet the needs of the City.

# FY22 Proposed CIP – Transportation Reassignment

- **Reassigned Transportation Projects**
  - Planned FY22: \$20.0 million
  - Proposed FY22: \$0.0 million
  - Reassigned: \$20.0 million

Former Project Title	FY22 Planned \$	FY22 Proposed \$
"Transportation Projects"	\$20,000,000	\$0
Reassignments:		
To "Complete Streets"	\$0	\$5,000,000
To Special Fund (Ord. No. 2021-015)	\$0	\$15,000,000
<b>Total: "Transportation Projects" after Reassignments</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>

Dollars in Millions

- **Technical amendment: Forest Hill Avenue Project**
  - Additional State Funding of +\$1.5 Million approved for FY22
  - Distribution will occur in FY22 and progress will be made in FY23

# FY22 Proposed CIP – Ord. 2021-015

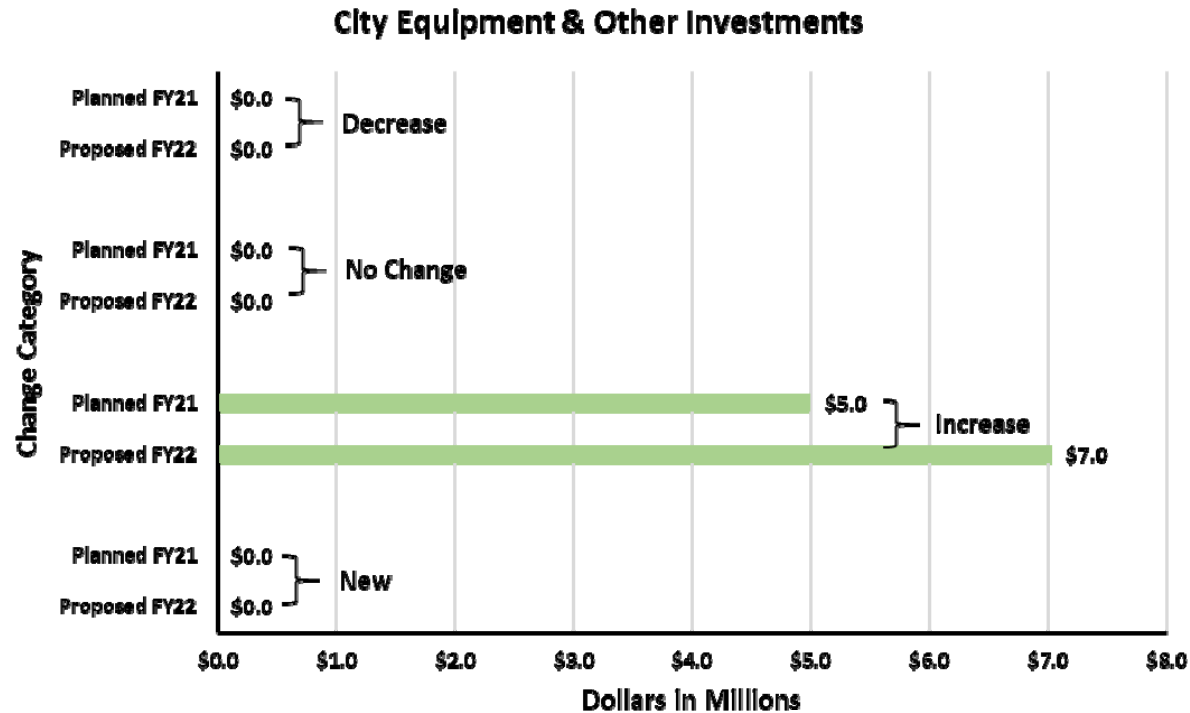
- VA General Assembly created the Central Virginia Transportation Authority (CVTA) on May 1, 2020 with HB 1541
- 50% of CVTA funds are proportionally returned to each locality within its jurisdiction
  - Richmond is 1 of 9 localities served by the CVTA
- Financial guidance accompanying this legislation stated that CVTA funds should be deposited into a special fund, not General Fund
- CVTA funds must be used for transportations purposes

Projected Paving & Infrastructure Budget	CVTA Funds	CIP Funds	Total
Ord. No. 2021-015 (FY21)	\$12.2	\$15	\$27.2
Proposed FY22	\$16.7	\$8.1	\$24.8

Dollars in Millions

- Ord. No. 2021-015 created a new special fund for CVTA funds and transferred an initial amount of \$12.2 million.

# FY22 Proposed CIP – City Equipment & Other Investments



- FY22 Proposed for City Equipment & Other: \$7.0 million versus FY22 Planned: \$5.0 million
  - Increase of +\$2.0 million
  - Vehicle Replacement for:
    - Fire & Police vehicles
    - Department of Public Works - Light & heavy duty vehicles
    - Other agencies

# Questions



# FY22 Proposed CIP – Appendix

## FY22 CIP Funding Source by Project and Category

	Project Title	FY22 Proposed	GF Source			Total
			GF Cash	GOB	Federal/State/Other	
1	<b>City Facility Maintenance &amp; Improvements</b>					
2	730 Building	\$ -	\$ -	\$ -	\$ -	\$ -
3	City Hall	\$ 2,186,750	\$ 2,159,476	\$ 27,274	\$ -	\$ 2,186,750
4	City Hall Rooms 101 & 103	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ 750,000
5	City Hall Security Enhancements	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000
6	Citywide Planning & Design	\$ -	\$ -	\$ -	\$ -	\$ -
7	Major Building Maintenance	\$ 1,175,750	\$ 1,175,750	\$ -	\$ -	\$ 1,175,750
8	<b>Subtotal: City Facility Maintenance &amp; Improvements</b>	<b>4,612,500</b>	<b>3,335,226</b>	<b>1,277,274</b>	<b>-</b>	<b>4,612,500</b>
14	<b>Culture &amp; Recreation</b>					
15	James River Park Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -
16	Major Parks Maintenance	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
17	Neighborhood Parks Maintenance	\$ 650,000	\$ -	\$ 650,000	\$ -	\$ 650,000
18	Park and Recreation Building Maintenance	\$ 900,000	\$ -	\$ 900,000	\$ -	\$ 900,000
19	Southside Regional Park and Community Center	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000
20	<b>Subtotal: Culture &amp; Recreation</b>	<b>4,050,000</b>	<b>-</b>	<b>4,050,000</b>	<b>-</b>	<b>4,050,000</b>



# FY22 Proposed CIP – Appendix

## FY22 CIP Funding Source by Project and Category

	Project Title	FY22 Proposed	GF Source			Total
			GF Cash	GOB	Federal/State/Other	
26	<b>Economic &amp; Community Development</b>					
27	Enslaved African Heritage Campus	\$ -	\$ -	\$ -	\$ -	\$ -
28	Percent for Art	\$ 556,396	\$ -	\$ 250,000	\$ 306,396	\$ 556,396
29	Tredegar/Brown's Island Accessible Walk Improvements	\$ 380,000	\$ -	\$ 76,000	\$ 304,000	\$ 380,000
30	Subtotal: Economic & Community Development	<b>936,396</b>	<b>-</b>	<b>326,000</b>	<b>610,396</b>	<b>936,396</b>
	Project Title	FY22 Proposed	GF Source			Total
			GF Cash	GOB	Federal/State/Other	
1	<b>Education</b>					
2	School Capital Maintenance	\$ 2,100,000	\$ 2,000,000	\$ -	\$ 100,000	\$ 100,000
3	School Modernization - George Wythe High School	\$ -	\$ -	\$ -	\$ -	\$ -
4	School Modernization - Technical Education Center	\$ -	\$ -	\$ -	\$ -	\$ -
5	Subtotal: Education	<b>2,100,000</b>	<b>2,000,000</b>	<b>-</b>	<b>100,000</b>	<b>2,100,000</b>

# FY22 Proposed CIP – Appendix

## FY22 CIP Funding Source by Project and Category

	Project Title	FY22 Proposed	GF Source			Total
			GF Cash	GOB	Federal/State/ Other	
11	<b>Public Safety</b>					
12	Fire Station Building Maintenance	\$ 1,012,500	\$ -	\$ 1,012,500	\$ -	\$ 1,012,500
13	John Marshall Courts Building	\$ 1,315,000	\$ 1,315,000	\$ -	\$ -	\$ 1,315,000
14	Juvenile Detention Center	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ 400,000
15	Manchester Courthouse	\$ 1,110,000	\$ -	\$ 1,110,000	\$ -	\$ 1,110,000
16	Oliver Hill Courts Building	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ 300,000
17	Police Department Buildings	\$ -	\$ -	\$ -	\$ -	\$ -
18	Police Headquarters Building	\$ 450,000	\$ -	\$ 450,000	\$ -	\$ 450,000
19	Replacement of Fire Station 12	\$ 6,350,000	\$ -	\$ 6,350,000	\$ -	\$ 6,350,000
20	Subtotal: Public Safety	<b>10,937,500</b>	<b>1,315,000</b>	<b>9,622,500</b>	<b>-</b>	<b>10,937,500</b>

# FY22 Proposed CIP – Appendix

## FY22 CIP Funding Source by Project and Category

	Project Title	FY22 Proposed	GF Source			Total
			GF Cash	GOB	Federal/State/Other	
1	<b>Transportation</b>					
2	1st & 2nd Street Buffered Bike Lanes	\$ 300,000	\$ -	\$ 60,000	\$ 240,000	\$ 300,000
3	Belmont Road at Walmsley Blvd. Pedestrian Safety Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
4	Bike Lanes/Blvd (Street Conversion)	\$ -	\$ -	\$ -	\$ -	\$ -
5	Blanton Avenue, Garrett Street, and Park Drive Pedestrian & Vehicular Safety Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
6	Central Transit Signal Priority and Emergency Vehicle Preemption (Federal)	\$ 1,701,000	\$ -	\$ -	\$ 1,701,000	\$ 1,701,000
7	Cherokee Road Roadside Safety Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
8	Complete Streets	\$ 8,150,000	\$ -	\$ 8,150,000	\$ -	\$ 8,150,000
9	Cowadin Ave and Semmes Ave Pedestrian Safety Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
10	East Broad Over Ravine Bridge Replacement	\$ 840,000	\$ -	\$ -	\$ 840,000	\$ 840,000
11	Government Road Slope Repair	\$ -	\$ -	\$ -	\$ -	\$ -
12	Greene Elementary School Sidewalks (Phase II)	\$ 675,000	\$ -	\$ 135,000	\$ 540,000	\$ 675,000
13	Hey Road Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
14	Highland Grove/Dove Street Redevelopment	\$ -	\$ -	\$ -	\$ -	\$ -
15	Hull Street at Belt Blvd. - Pedestrian Safety Improvements (Federal)	\$ 460,000	\$ -	\$ -	\$ 460,000	\$ 460,000
16	Hull Street Improvements Phase I: Hey Road to Warwick Road (Federal)	\$ 5,125,000	\$ -	\$ -	\$ 5,125,000	\$ 5,125,000
17	Hull Street Improvements Phase II: Chippenham Parkway to Hey Road (Federal)	\$ -	\$ -	\$ -	\$ -	\$ -
18	Hull Street Improvements Phase III: Warwick Road to Arizona Drive (Federal)	\$ -	\$ -	\$ -	\$ -	\$ -
19	Hull Street Streetscape Mayo Bridge to 9th Street (Federal)	\$ 1,387,000	\$ -	\$ -	\$ 1,387,000	\$ 1,387,000
20	Jefferson Avenue Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
21	Kanawha Plaza Pedestrian Safety Project (Federal)	\$ 810,000	\$ -	\$ -	\$ 810,000	\$ 810,000
22	Leigh Street Streetscape (Federal)	\$ -	\$ -	\$ -	\$ -	\$ -
23	Lombardy Street Over CSX Bridge Replacement (Federal)	\$ -	\$ -	\$ -	\$ -	\$ -
24	Major Bridge Improvement Project (Federal)	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000
25	Matching Funds for Federal/State Grants (VDOT)	\$ 70,000	\$ -	\$ 70,000	\$ -	\$ 70,000
26	Maymont Neighborhood Sidewalks Phase II	\$ 430,000	\$ -	\$ 86,000	\$ 344,000	\$ 430,000
27	New Traffic Control Signals (Federal)	\$ 394,000	\$ -	\$ -	\$ 394,000	\$ 394,000
28	Nicholson Street Streetscape	\$ -	\$ -	\$ -	\$ -	\$ -
29	Pedestrian Safety Improvements at Signalized Intersections on Federal and State Routes Phase II (Federal)	\$ 1,330,000	\$ -	\$ -	\$ 1,330,000	\$ 1,330,000
30	Richmond Fiber Optic Network System	\$ -	\$ -	\$ -	\$ -	\$ -
31	Richmond Signal System Phase III (Federal)	\$ 1,027,650	\$ -	\$ -	\$ 1,027,650	\$ 1,027,650
32	Safety Improvement Program Contingency Account	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000
33	Shockoe Valley Streets Improvement/I-95 Borad Street Area Improvements Project (Federal)	\$ 3,546,000	\$ -	\$ -	\$ 3,546,000	\$ 3,546,000
34	State Route 161 Bicycle Infrastructure	\$ 1,050,000	\$ -	\$ 210,000	\$ 840,000	\$ 1,050,000
35	Street Lighting - General	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ 300,000
36	Street Lighting - LED Conversion	\$ 800,000	\$ -	\$ 800,000	\$ -	\$ 800,000
37	Systemic Sight Distance Improvements at Signalized Intersections (Federal)	\$ 844,000	\$ -	\$ -	\$ 844,000	\$ 844,000
38	Virginia Capital Trail Connector to Brown's Island	\$ 250,000	\$ -	\$ 50,000	\$ 200,000	\$ 250,000
39	Subtotal: Transportation	33,539,650	-	13,911,000	19,628,650	33,539,650

# FY22 Proposed CIP – Appendix

## FY22 CIP Funding Source by Project and Category

	Project Title	FY22 Proposed	GF Source			Total
			GF Cash	GOB	Federal/State/ Other	
1	<b>City Equipment &amp; Other Investments</b>					
2	Vehicle Replacement	\$ 7,029,835	\$ -	\$ 7,029,835	\$ -	\$ 7,029,835
3	Subtotal: City Equipment & Other Investments	<b>7,029,835</b>	-	<b>7,029,835</b>	-	<b>7,029,835</b>