

# City of Fredericksburg FY 2011 Capital Budget

*Fredericksburg*<sup>TM</sup>  
**TIMELESS.**  
SPOTSYLVANIA STAFFORD FREDERICKSBURG

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## MEMORANDUM

TO: Beverly R. Cameron, City Manager  
FROM: Mark Whitley, Assistant City Manager  
DATE: June 2, 2010  
SUBJECT: Transmittal and Summary - FY 2011 Recommended Capital Budget

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### INTRODUCTION

This memorandum is to transmit the City Manager's Recommendations concerning the Capital Budget for FY 2011. The Recommendation is for a reduced Capital Budget, with no transfer from the General Fund to support capital projects. The total recommended capital budget for **FY 2011** for all capital funds is **\$14,587,970**.

This memorandum will now engage in a fund-by-fund analysis of each capital fund, with recommendations concerning the FY 2011 level of funding and the future year funding as well. The Capital Improvements Plan for future years will be released this summer, reviewed by the Planning Commission, and returned to Council in the fall for action.

### PUBLIC EDUCATION CAPITAL FUND (Fund 301)

The Public Education Capital Fund contains a recommended appropriation of \$280,000, which includes \$100,000 for facility maintenance needs; \$100,000 for computer technology needs; and \$80,000 for a replacement school bus. The replacement school bus would be funded from the City's surplus motor fuels tax. The remaining \$200,000 would be transferred from the City's balance in the Public Facilities Capital Fund.

### PUBLIC WORKS CAPITAL FUND (Fund 302)

The Public Works Capital Fund contains several new projects, as well as continuations of existing projects. The total appropriation requested for the fund is \$3,793,970. The projects are as follows:

**Salt Storage Facility** – The City needs to replace the existing salt storage facility at the City Shop with a more modern facility. City Council is asked to approve an appropriation of \$250,000 in order to remove the existing facility and replace it with a new facility.

**Bridge Replacement – Fall Hill Avenue over the Rappahannock Canal** – This project represents the “carried over” project based on an awarded VDOT Revenue Sharing grant, plus the City's motor fuels tax, which has already been allocated for this

purpose. The City is attempting to supplement the original grant amount, and a budget amendment may be necessary for this project. The total appropriation is \$941,600.

**Fleet Replacements** – The City fleet replacement program in Public Works represents two large dump trucks, one tractor, one small dump truck, three replacement salt spreaders, two replacement snow plows, and an additional salt spreader to add capacity to our snow removal efforts. The total appropriation recommended is \$300,000, which would come from lease-purchase financing or short-term debt issuance.

**Pavement Rehabilitation** – The total appropriation on the annual pavement rehabilitation program is \$100,000. The funding is from a combination of motor fuels tax (\$80,000) and DMV weight enforcement tickets (\$20,000). This is a very small amount, given the pavement rehabilitation needs of the City. The City staff will be seeking creative opportunities to fund additional pavement rehabilitation in the upcoming couple of years in order to maintain an appropriate level of investment in the condition of our streets.

**Princess Anne Street Intersection Improvements** – This project, totaling \$500,000, is a carried over grant project from FY 2010 for intersection improvements along the Princess Anne Street corridor north of downtown.

**Traffic Signal Improvements – Pedestrian Signals** – This project represents \$111,000, split between City motor fuels taxes and VDOT Revenue Sharing funds, for pedestrian and signal improvements at six intersections located throughout the City. Should VDOT not award the Revenue Sharing funds, the City would have to adjust this project.

**Sophia Street & William Street Intersection Improvements** - This project is a \$350,000 project that is carried over from FY 2010 from grant funds.

**Traffic Signal Improvements (Route 1 and Route 3)** – This project is a \$600,000 project from grant funds for signal improvements in the Route 3 and Route 1 corridors.

**Fall Hill Avenue Bridge over I-95 (Preliminary Engineering)** – This project is a new project. The City would like to borrow \$450,000 to engage in preliminary engineering on the design of the Fall Hill Avenue Bridge over I-95. The bridge is functionally obsolete, and does not have adequate facilities for pedestrians and bicyclists attempting to cross I-95 along Fall Hill Avenue. The project is to design the bridge to the point where, should additional federal transportation funding become available, a design-build project could be awarded to replace the existing bridge.

**Transfer to General Fund** – This project represents a transfer of leftover borrowed funds for the Riverfront Park to the General Fund to assist in paying the debt service on the Riverfront Park. The amount is \$191,370.

### **WATER CAPITAL FUND (Fund 303)**

The Water Capital Fund is recommended for a total appropriation of \$1,725,000. The projects are as follows:

**Internal System Improvements** – A capital fund contingency of \$200,000 is recommended for line replacements or other medium-sized improvements that may be needed during FY 2011.

**Motts Run Water Treatment Plant Improvements** – The City currently purchases water from Spotsylvania County treated at the Motts Run Water Treatment

Plant. By agreement, if the County engages in major capital spending for repairs or upgrades, the City pays a proportionate share of the cost of the improvements. Currently, the raw water intake pipe that feeds the plant from Motts Run Reservoir is in need of repair. The requested appropriation of \$1,450,000 represents the City's share of that cost.

**Water and Sewer System Study** – The City staff recommends that an overall rate and management study be undertaken of the Water and Sewer System. The project is recommended for an appropriation of \$75,000 in each fund.

#### **WASTEWATER CAPITAL FUND (Fund 304)**

The Wastewater Capital Fund is recommended for an appropriation of \$2,806,000. The projects are as follows:

**Inflow and Infiltration Abatement** – A Capital Fund contingency of \$200,000 is recommended for line replacements or any other medium-sized improvements that may be needed during FY 2011.

**City Share of FMC Plant Improvements** – The City currently treats part of its wastewater at the Spotsylvania County FMC Wastewater Treatment Plant by agreement. As with the Motts Run Water Plant, by agreement the City is responsible for a share of capital improvements at the FMC Plant. The \$730,000 appropriation represents the current part of the City's share of a sludge handling improvement project undertaken by Spotsylvania County.

**Fall Hill Avenue Pump Station** – The City recently borrowed \$200,250 for improvements to the Fall Hill Avenue Pump Station. After additional review, the City will need an additional \$434,750 for this project, for a total of \$635,000. The additional funds would need to be borrowed.

**Normandy Village Pump Station** – The City recently borrowed \$755,000 for improvements to the Normandy Village Pump Station. The appropriation request is to carry over the borrowed funds into FY 2011 to begin the work.

**Snowden Pump Station** – The City staff recommends that an appropriation of \$411,000 be made for improvements to the Snowden Pump Station. These funds would have to be borrowed.

**Water and Sewer System Study** – The City staff recommends that an overall rate and management study be undertaken of the Water and Sewer System. The project is recommended for an appropriation of \$75,000 in each fund.

#### **PUBLIC FACILITIES CAPITAL FUND (Fund 305)**

The City has a variety of projects requested for the Public Facilities Capital Fund, which also includes the funding for facilities maintenance and the various pathways projects throughout the City. The total appropriation is recommended at \$4,557,000. The projects are as follows:

**Contingency – Public Facilities Repairs** – An appropriation of \$100,000 is requested to establish a small amount of funds to handle repair needs at City buildings.

**Computer Replacements** – An appropriation of \$75,000 is requested to replace aged computer equipment for the City. The City is transitioning to a 5-year replacement program, which will save funds over time.

**Fleet Replacement – Parks Maintenance Tractor** – The City's tractor for parks maintenance is in need of replacement, and the staff recommends adding \$50,000 to the

Fleet Replacement program in this fund in order to replace this item. These funds would need to be borrowed.

**Pathways – Virginia Central Railway Trail** – The City staff recommends an appropriation of \$1,850,000, the vast majority of which is grant funding. This will carry over the majority of funds for this project; however, a small amount may be included in a supplemental carry over resolution after the close of the fiscal year.

**Pathways – Rappahannock Heritage Trail** – The City staff recommends an appropriation of \$1,200,000, which includes most of the balance of the current TEA-21 grant plus an additional \$900,000 in CMAQ funding that was awarded to the City in FY 2011.

**Pathways – Cowan Boulevard Trail** – The City staff recommends an appropriation of \$140,000, which represents the amount awarded in a TEA-21 grant for this work. The City will be responsible for \$35,000 of the total, which is recommended to be taken from surplus motor fuels taxes.

**Playground Equipment and Parks Needs** – The City staff recommends an appropriation of \$100,000 from the capital fund balance for a contingency to replace worn playground equipment or meet other parks capital maintenance needs.

**Central Rappahannock Regional Library – Special Contribution** – The City staff recommends a special contribution of \$50,000 for the Central Rappahannock Regional Library for books and materials, in recognition of the opening of the England Run Branch. The Library Board would have discretion to place the books and materials at any of the branches, as they see fit to meet their needs. These funds will come from the capital fund balance.

**Fredericksburg Area Museum Capital Contribution** – The City staff recommends reinstating the \$100,000 capital contribution for the Fredericksburg Area Museum. The contribution was deferred in FY 2010. The FY 2011 contribution will represent the fifth of the seven pledged contributions of \$100,000 per year for the Museum expansion. These funds would come from the capital fund balance.

**Moss Clinic Capital Contribution** – The City staff recommends reinstating the \$42,000 capital contribution for the Moss Free Clinic. The contribution was deferred in FY 2010. The FY 2011 contribution will represent the third of five contributions of \$42,000 per year for the Moss Clinic expansion. The previous contributions had been made out of the General Fund. These funds would come from the capital fund balance.

**Hart Center Repairs** – The City staff recommends an appropriation of \$50,000 for necessary repairs to the parking lot at the Dorothy Hart Community Center. These funds would come from the capital fund balance.

The **Cal Ripken Baseball Field** project (\$400,000) is for the City's share of work on the Cal Ripken Baseball Field project. The funds were appropriated during FY 2010, will become part of the capital fund balance, and will need to be carried over to complete the project in FY 2011.

The **Transfer to Public Education Capital Fund** (\$200,000) represents a transfer from the Public Facilities Capital Fund balance to the Public Education Capital Fund in order to fund \$200,000 in capital costs for the Public Education Capital Fund.

The **City Hall Elevator** has been breaking down with more frequency this spring, and has reached the end of its useful life. The request for \$200,000 represents the cost of replacing the elevator in City Hall, and will come from the capital fund balance.

**PUBLIC SAFETY CAPITAL FUND (Fund 306)**

The Public Safety Capital Fund is recommended for a total of \$995,000 for three projects, as follows:

**Fleet Replacements** represents the cost of seven law enforcement vehicles – six for the Police Department and one for the Sheriff’s Office. The cost of this project is \$170,000, and represents either lease-purchase or short-term financing.

**Special Magistrate Facility** represents an appropriation of \$75,000 for the City’s share of an improvement to the Magistrate’s office, jointly operated with Spotsylvania County. This project is carried over from FY 2010.

**Replacement of Fire Station #1 Land Acquisition** – The City staff recommends an amount of \$750,000 be appropriated for the land acquisition for the replacement of Fire Station #1. This is the first step in moving Fire Station #1, and re-using that land for a new court building. These funds would have to be borrowed.

**NEW HIGH SCHOOL CONSTRUCTION FUND (Fund 308)**

There is a fund balance remaining in the New High School Construction Fund of \$281,000. Because it is a leftover borrowed amount, these funds will be transferred back to the General Fund to offset the debt service payments for the new James Monroe High School. This activity will close the fund.

**NEW COURT CONSTRUCTION FUND (Fund 315)**

During FY 2011, the City will continue progress on the New Court Construction Project. However, the next major step in the process is the acquisition of land for the relocation of Fire Station #1, which is budgeted in the Public Safety Capital Fund. The request for FY 2011 is for a small amount of funds (\$150,000) to maintain any needed ongoing professional services; however, the Council may be asked to consider supplemental funding at some point during FY 2011 if the project progresses to the point where that is necessary.

**SOURCES OF FUNDING**

The FY 2011 capital budget relies on a combination of grant funds, borrowed funds, motor fuels taxes, and capital fund balances. There is no transfer from the General Fund into the Capital Funds for the support of these projects.

The City will need to borrow a significant amount of funds in order to complete these projects. The staff recommends a total borrowed amount of \$4,415,750, based upon the following schedule:

PROJECT	AMOUNT	FUND
Fleet Replacements – Public Works	\$300,000	302
Salt Storage Facility	\$250,000	302
Fall Hill Bridge over I-95 Engineering	\$450,000	302
Water – Motts Run Raw Water Intake	\$1,450,000	303
Wastewater – Pump Stations	\$845,750	304
Fleet Replacements – Public Facilities	\$50,000	305

Fleet Replacements – Public Safety	\$170,000	306
Land Acquisition – Fire Station #1	\$750,000	306
New Court Project	\$150,000	315
Total	\$4,415,750	

City staff looks forward to reviewing these items. A public hearing on these items, in the form of an amendment to the FY 2011 budget, will be necessary on June 22, 2010.



**MOTION: KELLY**

**May 11, 2010  
Regular Meeting  
Resolution No. 10-57**

**SECOND: GREENLAW**

**RE: ADOPTING A CAPITAL BUDGET FOR FISCAL YEAR 2011**

**ACTION: APPROVED: Ayes: 7; Nays:0**

**FIRST READ: June 22, 2010 SECOND READ: July 13, 2010**

**Section 1 Capital Funds.**

**WHEREAS**, the City Manager has submitted to the City Council a Fiscal Year 2010 capital budget for the City’s various capital funds; and

**WHEREAS**, the City Council wishes to appropriate the funds necessary to move forward on these projects;

**NOW, THEREFORE, BE IT RESOLVED** that the annual appropriation in the sum of \$280,000 for Fiscal Year 2011 be made from the PUBLIC EDUCATION CAPITAL FUND (Fund 301) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council and the Fredericksburg City Public School Board, as follows:

School Facilities.....	\$ 100,000
School Computer Technology .....	100,000
School Transportation.....	80,000
<b>Total Public Education Capital Fund .....</b>	<b>\$ 280,000</b>

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, that the annual appropriation in the sum of \$3,793,970 for Fiscal Year 2011 be made from the PUBLIC WORKS CAPITAL FUND (Fund 302) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council, as follows:

Salt Storage Facility.....	\$ 250,000
Bridge Replacement – Fall Hill Avenue over Rappahannock Canal.....	941,600
Fleet Replacements .....	300,000
Pavement Rehabilitation .....	100,000
Princess Anne Street Intersection Improvements .....	500,000
Traffic Signal Improvements – Pedestrian Signals.....	111,000
Sophia Street & William Street Intersection Improvements.....	350,000
Traffic Signal Improvements (Route 1 and Route 3).....	600,000
Fall Hill Avenue Bridge over I-95 (Preliminary Engineering).....	450,000

Transfer to General Fund ..... 191,370

**Total Public Works Capital Fund .....\$ 3,793,970**

**BE IT FURTHER RESOLVED**, that the annual appropriation in the sum of \$1,725,000 for Fiscal Year 2011 be made from the WATER SYSTEM IMPROVEMENT FUND (Fund 303) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council, as follows:

Internal System Improvements .....\$ 200,000  
 Motts Run Water Treatment Plant Improvements ..... 1,450,000  
 Water and Sewer System Study..... 75,000

**Total Water System Improvement Fund.....\$ 1,725,000**

**BE IT FURTHER RESOLVED**, that the annual appropriation in the sum of \$2,806,000 for Fiscal Year 2011 be made from the WASTEWATER SYSTEM IMPROVEMENT FUND (Funds 304) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council, as follows:

Inflow and Infiltration Abatement .....\$ 200,000  
 City Share of FMC Plant Improvements ..... 730,000  
 Fall Hill Avenue Pump Station..... 635,000  
 Normandy Village Pump Station..... 755,000  
 Snowden Pump Station..... 411,000  
 Water and Sewer System Study..... 75,000

**Total Wastewater System Improvement Fund .....\$ 2,806,000**

**BE IT FURTHER RESOLVED**, that the annual appropriation in the sum of \$4,557,000 for Fiscal Year 2011 be and it is hereby made from the PUBLIC FACILITIES CAPITAL FUND (Fund 305) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council, as follows:

Contingency – Public Facilities Repairs .....\$ 100,000  
 Computer Replacements ..... 75,000  
 Fleet Replacement – Parks Maintenance Tractor ..... 50,000  
 Pathways – Virginia Central Railway Trail ..... 1,850,000  
 Pathways – Rappahannock Heritage Trail..... 1,200,000  
 Pathways – Cowan Boulevard Trail ..... 140,000  
 Playground Equipment Replacement & Parks Needs..... 100,000  
 Central Rappahannock Regional Library – Special Contribution ..... 50,000  
 Fredericksburg Area Museum Capital Contribution..... 100,000  
 Moss Free Clinic Capital Contribution..... 42,000

Hart Center Repairs.....	50,000
Cal Ripken, Sr. Foundation Ball Field Project .....	400,000
Transfer to Public Education .....	200,000
City Hall Elevator .....	200,000
<b>Total Public Facilities Capital Fund .....</b>	<b>\$ 4,557,000</b>

**BE IT FURTHER RESOLVED**, that the annual appropriation in the sum of \$995,000 for Fiscal Year 2011 be made from the PUBLIC SAFETY CAPITAL FUND (Fund 306) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council, as follows:

Fleet Replacements .....	\$ 170,000
Special Magistrate Facility (with Spotsylvania County) .....	75,000
Replacement Fire Station #1 Land Acquisition.....	750,000
<b>Total Public Safety Capital Fund .....</b>	<b>\$ 995,000</b>

**BE IT FURTHER RESOLVED**, that the annual appropriation in the sum of \$281,000 for Fiscal Year 2011 be made from the NEW HIGH SCHOOL CONSTRUCTION CAPITAL FUND (Fund 308) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council, as follows:

Transfer to General Fund to pay Education Debt Service .....	\$ 281,000
<b>Total New High School Construction Capital Fund.....</b>	<b>\$ 281,000</b>

**BE IT FURTHER RESOLVED**, that the New High School Construction Capital Fund be closed at the end of FY 2011;

**BE IT FURTHER RESOLVED**, that the annual appropriation in the sum of \$150,000 for Fiscal Year 2011 be made from the NEW COURT CONSTRUCTION FUND (Fund 315) which monies are to be expended in accordance with law for the purposes authorized and approved by the City Council, as follows:

New Court Construction .....	\$ 150,000
<b>Total New Court Construction Fund .....</b>	<b>\$ 150,000</b>

**BE IT FURTHER RESOLVED**, that the appropriations made herein shall become available for expenditures July 1, 2010 and shall expire June 30, 2011.

**Section 2. Capital Fund Revenues**

It is estimated that revenues and other sources will be available during the fiscal year beginning on July 1, 2010 and ending on June 30, 2011 to meet the foregoing appropriations according to the following sources:

**Public Education Capital Fund**

Surplus Motor Fuels Taxes (School Transportation).....	\$ 80,000
Transfer from the Public Facilities Capital Fund.....	200,000

**Total Public Education Capital Fund .....\$ 280,000**

**Public Works Capital Fund**

Fines and Forfeitures (Weight Enforcement) .....	\$ 20,000
Surplus Motor Fuels Taxes (Fall Hill Bridge - Canal) .....	470,800
Surplus Motor Fuels Taxes (Paving Program) .....	80,000
VDOT Revenue Sharing (Fall Hill Bridge) .....	470,800
VDOT Revenue Sharing (Pedestrian Traffic Signals).....	55,500
Surplus Motor Fuels Taxes .....	55,500
RSTP Grant (Sophia Street & William Street) .....	350,000
CMAQ Grant (Traffic Signal Work) .....	600,000
RSTP Grant (Princess Anne Street Intersection Improvements).....	500,000
Short Term Financing (Fleet Replacement).....	300,000
Short Term Financing (Salt Storage Facility).....	250,000
Capital Balance Forward (Old Bond Proceeds – Riverfront) .....	191,370
Proceeds from Debt Issuance – (Fall Hill Bridge - I-95 Engineering) .	450,000

**Total Public Works Capital Fund ..... \$ 3,793,970**

**Water Capital Improvement Fund**

Availability Fees .....	\$ 75,000
Bond Proceeds .....	1,450,000
Balance Forward .....	200,000

**Total Water Capital Improvement Fund ..... \$ 1,725,000**

**Wastewater System Improvement Fund**

Availability Fees .....	\$ 75,000
Proceeds from Debt Issuance.....	845,750
Balance Forward .....	1,885,250

**Total .....\$ 2,806,000**

**Public Facilities Capital Fund**

Proceeds from Financing – Fleet Replacement .....	\$ 50,000
Public Facilities Capital Fund Balance .....	1,372,000
Revenue - Federal Government – FY 2010 CMAQ (VCR) .....	1,795,000
Revenue - Federal Government – FY 2011 CMAQ (Heritage).....	900,000
Revenue – Federal Government – TEA-21 Cowan Trail .....	105,000
Revenue – Federal Government – TEA -21 Heritage Trail.....	225,000
Motor Fuels Taxes .....	110,000

**Total Public Facilities Capital Improvement Fund .....**\$ **4,557,000**

**Public Safety Capital Fund**

Proceeds from Financing (Fleet Replacement).....	\$ 170,000
Public Safety Capital Fund Balance .....	75,000
Proceeds from Financing (Fire Station #1 Replacement).....	750,000

**Total Public Safety Capital Improvement Fund .....**\$ **995,000**

**New High School Construction Capital Fund**

Fund Balance .....	\$ 281,000
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**Total New High School Construction Capital Fund.....**\$ **281,000**

**New Court Construction Fund**

Bond Proceeds .....	\$ 150,000
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**Total New Court Construction Fund .....**\$ **150,000**

**Votes:**

**Ayes:** Tomzak, Greenlaw, Devine, Ellis, Howe, Paolucci, Solley

**Nays:** None

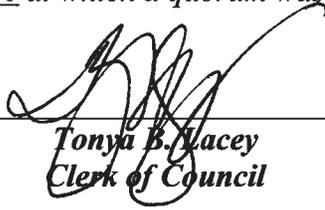
**Absent from Vote:** None

**Absent from Meeting:** None

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***Clerk's Certificate***

*I, the undersigned, certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 10-57 duly adopted at the City Council meeting held July 13, 2010 at which a quorum was present and voted.*



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***Tonya B. Hacey  
Clerk of Council***