

## Memorandum

**TO:** The Honorable Mayor and Members of City Council

**VIA:** James E. Baker, City Manager

**FROM:** Steven Jenkins, Budget Director

**DATE:** July 23, 2014

**SUBJECT:** Budget Amendments – Capital Improvement Program

In May City Council approved the proposed Capital Improvement Plan (CIP) for Fiscal Years (FY) 2015 through 2019 in the amount of \$342.6 million and a Capital Improvement Budget (CIB) for FY 2015 in the amount of \$65.7 million. Since that time, two amendments to the CIP have been presented and approved by City Council in June. These amendments to the CIP and Capital Budget are:

1. Add a new project for the contribution to the Operations of the Hampton Roads Regional Jail Authority (HRRJA) – City Council appropriated \$3 million to this new project on June 10, 2014. This amendment increased the Capital Budget for FY 2015 and the CIP for FY 2015 through 2019 by \$3 million. Under the terms of this agreement, Chesapeake is required to pay \$3 million to the authority in order to become a full member with all privileges and responsibilities of the other members (Hampton, Newport News, Norfolk, and Portsmouth). The City and the Authority have agreed that the contribution will be paid in three annual installments of \$1 million due at the start of the next three years.
2. Partially fund the Conference Center Roof Replacement early (new project) – In May City Council approved funding \$968,000 for this project in Fiscal Year 2015. On June 17, 2014, a \$95,000 emergency appropriation was approved during Fiscal Year 2014 to immediately begin the design phase of this project to better align this project with the roof replacement project at Human Services for cost savings. By funding this \$95,000 early (FY 2014), this amendment has reduced the Capital Budget for FY 2015 and the CIP for FY 2015 through 2019 by \$95,000.

The net result of these two changes is to increase in the Capital Budget for FY 2015 and the CIP for FY 2015 through 2019 by \$2.9 million. The total amended Capital Budget for FY 2015 is \$68.6 million and the total amended CIP for FY 2015 through FY 2019 is \$345.5 million. Attached you will find a schedule that summarizes the effect of these amendments on the CIP. Please let me know if I can be of further assistance.

Attachments

**City of Chesapeake**  
**Capital Budget**  
**FY 2015**

| Source of Funding                   | FY 2015<br>Budget    | HR Regional Jail<br>Authority | Conference<br>Center Roof<br>Replacement | Amended FY<br>2015 Budget |
|-------------------------------------|----------------------|-------------------------------|--|---------------------------|
| Cash - City Lockbox                 | \$ 627,265           |                               |  | \$ 627,265                |
| Cash - General Fund Transfer        | 3,900,055            |                               |  | 3,900,055                 |
| Cash - School Lockbox               | 6,685,981            |                               |  | 6,685,981                 |
| Cash - South Norfolk TIF            | 1,749,300            |                               |  | 1,749,300                 |
| Cash - Stormwater Fund              | 4,936,165            |                               |  | 4,936,165                 |
| CTS - Renewal & Repl. Fund          | 690,000              |                               |  | 690,000                   |
| Equipment Lease                     | 1,349,208            |                               |  | 1,349,208                 |
| Fund Balance - Capital Projects Fd. | 3,945,280            |                               |  | 3,945,280                 |
| Fund Balance - Conference Ctr. Fd.  | 968,000              |                               | (95,000)                                 | 873,000                   |
| Fund Balance - General Fund         | 5,730,000            | 3,000,000                     |  | 8,730,000                 |
| Fund Balance - OSAP Fund            | 1,120,000            |                               |  | 1,120,000                 |
| Fund Balance - Other Funds          | 1,145,100            |                               |  | 1,145,100                 |
| Fund Balance - Utility Fund         | 950,000              |                               |  | 950,000                   |
| GO Debt - City                      | 13,514,550           |                               |  | 13,514,550                |
| GO Debt - Greenbrier TIF            | -                    |                               |  | -                         |
| GO Debt - VPSA                      | 7,500,000            |                               |  | 7,500,000                 |
| Grant - State Matching              | 2,500,000            |                               |  | 2,500,000                 |
| Grant - US DOT                      | -                    |                               |  | -                         |
| Revenue Bonds - Utility Fund        | 4,347,524            |                               |  | 4,347,524                 |
| VDOT - RevShare                     | 4,000,000            |                               |  | 4,000,000                 |
| <b>TOTAL FUNDING SOURCES</b>        | <b>\$ 65,658,428</b> | <b>\$ 3,000,000</b>           | <b>\$ (95,000)</b>                       | <b>\$ 68,563,428</b>      |

| Improvement Category               | FY 2015<br>Budget    | HR Regional Jail<br>Authority | Conference<br>Center Roof<br>Replacement | Amended FY<br>2015 Budget |
|------------------------------------|----------------------|-------------------------------|--|---------------------------|
| Community Facilities               | \$ 4,180,856         |                               |  | \$ 4,180,856              |
| Economic Development               | 6,749,300            |                               |  | 6,749,300                 |
| Education                          | 14,185,981           |                               |  | 14,185,981                |
| Information Technology             | 1,298,507            |                               |  | 1,298,507                 |
| Parks, Recreation, and Tourism     | 2,213,000            |                               | (95,000)                                 | 2,118,000                 |
| Public Safety                      | 10,661,815           | 3,000,000                     |  | 13,661,815                |
| Public Utilities                   | 5,297,524            |                               |  | 5,297,524                 |
| Stormwater Projects                | 4,936,165            |                               |  | 4,936,165                 |
| Transportation                     | 16,135,280           |                               |  | 16,135,280                |
| <b>TOTAL CAPITAL APPROPRIATION</b> | <b>\$ 65,658,428</b> | <b>\$ 3,000,000</b>           | <b>\$ (95,000)</b>                       | <b>\$ 68,563,428</b>      |

**City of Chesapeake**  
**Capital Improvement Program**  
**FY 2015 - 2019**

| <b>Source of Funding</b>            | <b>Proposed Capital Program</b> | <b>HR Regional Jail Authority</b> | <b>Conference Center Roof Replacement</b> | <b>Revised Capital Program</b> |
|-------------------------------------|---------------------------------|-----------------------------------|---|--------------------------------|
| Cash - City Lockbox                 | \$ 9,929,289                    |                                   |   | \$ 9,929,289                   |
| Cash - General Fund Transfer        | 10,206,645                      |                                   |   | 10,206,645                     |
| Cash - School Lockbox               | 25,435,981                      |                                   |   | 25,435,981                     |
| Cash - South Norfolk TIF            | 5,049,300                       |                                   |   | 5,049,300                      |
| Cash - Stormwater Fund              | 25,118,565                      |                                   |   | 25,118,565                     |
| CTS - Renewal & Repl. Fund          | 690,000                         |                                   |   | 690,000                        |
| Equipment Lease                     | 1,349,208                       |                                   |   | 1,349,208                      |
| Fund Balance - Capital Projects Fd. | 6,947,000                       |                                   |   | 6,947,000                      |
| Fund Balance - Conference Ctr. Fd.  | 968,000                         |                                   | (95,000)                                  | 873,000                        |
| Fund Balance - General Fund         | 11,170,000                      | 3,000,000                         |   | 14,170,000                     |
| Fund Balance - OSAP Fund            | 1,120,000                       |                                   |   | 1,120,000                      |
| Fund Balance - Other Funds          | 1,915,100                       |                                   |   | 1,915,100                      |
| Fund Balance - Utility Fund         | 7,828,123                       |                                   |   | 7,828,123                      |
| GO Debt - City                      | 41,642,019                      |                                   |   | 41,642,019                     |
| GO Debt - Greenbrier TIF            | 16,000,000                      |                                   |   | 16,000,000                     |
| GO Debt - VPSA                      | 59,500,000                      |                                   |   | 59,500,000                     |
| Grant - State Matching              | 7,500,000                       |                                   |   | 7,500,000                      |
| Grant - US DOT                      | 22,000,000                      |                                   |   | 22,000,000                     |
| Revenue Bonds - Utility Fund        | 52,232,770                      |                                   |   | 52,232,770                     |
| VDOT - RevShare                     | 36,000,000                      |                                   |   | 36,000,000                     |
| <b>TOTAL FUNDING SOURCES</b>        | <b>\$ 342,602,000</b>           | <b>\$ 3,000,000</b>               | <b>\$ (95,000)</b>                        | <b>\$ 345,507,000</b>          |

| <b>Improvement Category</b>        | <b>Proposed Capital Program</b> | <b>HR Regional Jail Authority</b> | <b>Conference Center Roof Replacement</b> | <b>Revised Capital Program</b> |
|------------------------------------|---------------------------------|-----------------------------------|---|--------------------------------|
| Community Facilities               | \$ 13,009,682                   |                                   |   | \$ 13,009,682                  |
| Economic Development               | 45,049,300                      |                                   |   | 45,049,300                     |
| Education                          | 84,935,981                      |                                   |   | 84,935,981                     |
| Information Technology             | 2,320,097                       |                                   |   | 2,320,097                      |
| Parks, Recreation, and Tourism     | 6,953,000                       |                                   | (95,000)                                  | 6,858,000                      |
| Public Safety                      | 23,077,482                      | 3,000,000                         |   | 26,077,482                     |
| Public Utilities                   | 60,060,893                      |                                   |   | 60,060,893                     |
| Stormwater Projects                | 25,118,565                      |                                   |   | 25,118,565                     |
| Transportation                     | 82,077,000                      |                                   |   | 82,077,000                     |
| <b>TOTAL CAPITAL SPENDING PLAN</b> | <b>\$ 342,602,000</b>           | <b>\$ 3,000,000</b>               | <b>\$ (95,000)</b>                        | <b>\$ 345,507,000</b>          |