



Colonial Heights City Council Meeting Agenda Item Executive Summary

City Council Meeting

MEETING TYPE: City Council Regular Meeting

MEETING DATE: April 13, 2021

ITEM: (First Reading 21-FIN-4) To amend the General Fund Budget for the fiscal year beginning July 1, 2020 and ending June 30, 2021, by appropriating \$2,458,986 consisting of 1) \$941,054 in restricted fund balance from VDOT maintenance funds for pavement preservation projects; 2) \$1,500,000 in unassigned fund balance for emergency sewer repairs; 3) \$8,000 in assigned fund balance for the replacement of the HVAC unit on the utilities building; 4) \$2,833 in animal shelter donations; 5) \$6,399 in restricted fund balance for the purchase of a narcotics canine and the associated supplies; 7) \$700 in additional fire programs grant funds; and 8) \$125,000 from the contingency reserve to be transferred to the emergency response fund for the August flooding event and February ice storms.

To amend the Emergency Response Fund Budget for the fiscal year beginning July 1, 2020 and ending June 30, 2021, by appropriating \$125,000 in transfer from the general fund for the August flooding event and February ice storms.

To amend the Capital Projects Budget for the fiscal year beginning July 1, 2020 and ending June 30, 2021, by appropriating \$1,246,353 consisting of 1) \$1,109,604 in state and federal funds for the completion of the Dupuy Avenue Modernization project; and 2) \$136,749 in state and federal funds for the completion of the City Bridges Rehabilitation project.

To amend the Water and Sewer Fund Budget for the fiscal year beginning July 1, 2020 and ending June 30, 2021, by appropriating \$1,500,000 consisting of a transfer from the general fund for emergency sewer repairs.

DEPARTMENT: Finance

PROPOSED ACTION: This item is for first reading of requested budgetary changes.

BACKGROUND: The state provides funding each year for the maintenance of public streets in the City. These funds are distributed quarterly, and at fiscal year end the City must submit an accounting of their use to the state. In FY20, a major street repair project on Conduit Avenue was delayed due to the impacts of Covid-19, and the state allowed the City to carry forward these funds to a future year. This item would appropriate those carried funds for the completion of this project.

Sewer line failure in six different areas have occurred since the beginning of the fiscal year, with an estimated cost, to date, of \$1,221,201. The utilities fund had only \$542,651 in unrestricted net position at June 30, 2020; staff does not recommend depleting the net position of the fund beyond this amount. Unassigned fund balance in the general fund at June 30, 2020 was \$10.86 million, or roughly 17% of current general fund appropriations. Reducing the fund balance by \$1.5 million as proposed in this item would leave the fund balance at \$9.36 million, or 14.85% of current general fund appropriations.

The compressor on one of the 16 year-old HVAC units at the utilities building failed and needed replacing. Staff replaced the entire unit, due to its age; this was an unbudgeted expenditure. Staff proposes appropriating assigned fund balance for facilities to cover this cost.

To date, the animal shelter has received donations of \$2,833 in the current fiscal year. The Police Department has requested appropriation of these donations to replace a washing machine that broke earlier in the year and address various other animal shelter needs. The Police Department has also requested the appropriation of the balance of donations collected years ago for a new canine. This balance of \$6,399 will cover the price of the dog (\$5,500) and associated equipment.

The Fire and EMS Department was recently awarded a grant of \$700 toward the purchase of a computer.

A flooding event on August 15-16 caused considerable damage to City facilities and required an emergency response. Likewise, two ice storms in February also required an emergency response by the City, including the opening of the City shelter. These events were separately tracked in the City's emergency response fund, and the City is awaiting a declaration of a state emergency for the August flooding event in order to have access to state emergency management funds. For the ice storms, it is unlikely that the City will meet the expenditure threshold required for reimbursement of expenditures incurred during these events. This item requests a transfer of funds from the City's contingency account to the Emergency Response Fund to appropriate the expenditures associated with these events (\$50,000 for the ice storms and \$75,000 for the August flooding). In the event that the City receives state or federal emergency funding, the contingency funds will be restored to the general fund.

Finally, the City is nearing completion of the Dupuy Avenue modernization and the City Bridges Restoration projects. The Virginia Department of Transportation has approved additional funding needed to complete both projects, and this funding will cover 100% of the additional costs. This item requests appropriation of that additional funding of \$1,246,353 for Dupuy Avenue and \$136,749 for the Bridges project.

BUDGET/FINANCIAL IMPACT:

Funding for this item was: included not included in the current-year budget N/A

RECOMMENDATION: The Director of Finance recommends approval.

ATTACHMENTS:

Emergency Sewer Repairs FY21, Fire Programs Grant, April Budget Summary, ORDINANCE 21-FIN-4

- Staff will be making a detailed presentation on this agenda item at the meeting.
- Staff will provide brief comments and answer questions on this item at the meeting.
- This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.