



MEMORANDUM

TO: Timothy J. Baroody, City Manager
FROM: Mark Whitley, Assistant City Manager
RE: Amending the FY 2021 Budget – Purchase of Property at City Shop
DATE: May 4, 2021 (for the May 11, 2021 Meeting)

ISSUE

Shall the City Council amend the FY 2021 budget in the amount of \$520,000 for the purchase of land and related work associated with 3.88 acres next to the City Shop facility?

RECOMMENDATION

Yes. Staff recommends the approval of the attached resolution on first reading. If approved on first reading, second reading would be scheduled for May 25, 2021.

This action would be a companion action to the authorization for the City Manager to enter into a contract for purchase of the property, which is also included in this agenda.

BACKGROUND

The City has an opportunity to purchase land in the Fredericksburg Battlefield Industrial Park adjacent to the current City Shop. The City has an initial concept design for the development of a school bus parking facility on the property.

If approved, the City would work with the Fredericksburg City Public Schools on the development of a facility for school bus maintenance, parking, and transportation offices.

FISCAL IMPACT

The negotiated purchase price for the 3.88 acres is \$500,000. The attached resolution also includes an additional \$20,000 for additional work to close the deal. The source of the funds is fund balance assigned for capital.

The current FY 2021 budget, as amended, currently has an appropriation of fund balance from all sources of \$3,833,486, plus prior year encumbrances of \$252,205. The attached resolution would increase the amount of fund balance used to balance the FY 2021 budget to \$4,353,486.

The FY 2022 budget does have a project in the capital budget for this work – the estimated amount at the time of budget development was \$600,000. In the budget, the project was developed with a source of debt issuance. Staff recommends moving ahead with cash fund balance instead, and by advancing the project now there is no need for the project in FY 2022.

Attachment: Appropriation Resolution



MOTION:

**May 11, 2021
Regular Meeting
Resolution 21-__**

SECOND:

RE: Amending the Fiscal Year 2021 Budget to Appropriate \$520,000 in the General Fund to Purchase Land Adjacent to the City Shop

ACTION: APPROVED: Ayes: 0; Nays: 0

The City of Fredericksburg has an opportunity to purchase 3.88 acres of land adjacent to the City Shop. This purchase would enable the City to develop a school bus parking facility, with the assistance of the Fredericksburg City Public Schools. The additional land will also assist in the re-development of the City Shop in the future.

City Council would like to amend the FY 2021 budget to facilitate the purchase of the land. Therefore, the City Council hereby amends the budget in the General Fund and the Public Works Capital Fund as follows:

General Fund (Fund 100)

Sources:

Fund Balance (Committed)

Fund Balance Committed from Capital	0100 361012	\$	<u>520,000</u>
Total Fredericksburg Opportunity Fund		\$	<u>520,000</u>
Total Sources		\$	<u>520,000</u>

Uses:

Interfund Transfers

Transfer to Capital Fund	10093100 492040	\$	<u>520,000</u>
Total Interfund Transfers		\$	<u>520,000</u>
Total Uses		\$	<u>520,000</u>

Public Works Capital Fund (Fund 302)

Sources:

Interfund Transfers

Transfer from General Fund	0302 341050	\$	<u>520,000</u>
Total Interfund Transfers		\$	<u>520,000</u>
Total Sources		\$	<u>520,000</u>

Uses:

City Shop / School Bus Parking Land Acquisition

Professional Services – Other	30294690 431600	\$	<u>20,000</u>
Purchase of Land	30294690 482140	\$	<u>500,000</u>
Total City Shop / School Bus Parking		\$	<u>520,000</u>
Total Uses		\$	<u>520,000</u>

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk's Certificate

I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 21-__, adopted at a meeting of the City Council held May 11, 2021, at which a quorum was present and voted.

Tonya B. Lacey, MMC
Clerk of Council