



MEMORANDUM

TO: Timothy J. Baroody, City Manager
FROM: Brenna Erford, Budget Manager
DATE: May 11, 2011 (for May 25, 2021 City Council Meeting)
SUBJECT: Fiscal Year (FY) 2022 Operating and Capital Budget Resolution

ISSUE

The City Council is asked to approve the FY 2022 Operating and Capital budget.

RECOMMENDATION

This resolution passed first reading on a vote of 6-1 on April 27, 2021. Staff recommends approval of the attached resolution on second reading.

DISCUSSION

{2nd Read Update: The staff recommends adoption of the attached resolution on second reading. The Fredericksburg City Public Schools budget was passed separately on May 11, 2021 and is no longer included in this budget resolution.}

This resolution is the main budget resolution for the City for FY 2022.

The FY 2022 Budget includes several changes to the City Manager's Recommended Budget. The FY22 revenue forecast anticipates continued gradual recovery from the COVID-19 pandemic, with revenue increases resulting from a combination of economic growth and several proposed tax and fee changes. Significant changes to the budget since the presentation of the Recommended Budget on March 9, 2021, are presented in this memo in bold, italic type. ***{2nd Read Update: The bold, italic type in this updated memorandum now highlights changes between first and second reading.}***

Public Hearing

A public hearing was held on the budget on April 20, 2021. Several comments were heard in support of funding for various agencies. The public hearing was held open through April 27, 2021. No additional comments were received.

General Fund

The revised General Fund budget of **\$103,916,388** is an increase of \$7,658,105, or 8% from the FY 2021 General Fund amended appropriation of \$96,258,283. The line item details associated with the General Fund for both revenues and expenditures are attached to this memorandum for review.

General Fund Expenditures

Major expenditure changes from the Recommended Budget include:

- Increases the Recommended Budget's across-the-board pay increase for City employees from 3% to 4% at a cost of approximately \$297,000;
- Increases revenue estimates for business license tax receipts and receipts from the Virginia Compensation Board for constitutional officers;
- Increases the City's contribution to the local health department by \$24,997 in accordance with new state requirements;
- Increases state-shared revenue for the Voter Registrar office, and includes associated increases to the Voter Registrar's compensation;
- Adds \$15,000 for police investigative software, \$40,000 for regular wheeled refuse cart replacements, and \$40,000 for a proffer study;
- Increases the transfer to FCPS by \$1,000,000 for planning and programming work for a new elementary school;
- Includes a \$70,000 decrease to the transfer to City Grants for regional tourism, instead re-locating that support to the Economic Development and Tourism budget; and
- Adds \$5,000 for Virginia Food Connections into the City's total support for community partner agencies.

General Fund Revenues

The FY 2022 revenue forecast reflects the expectation of a partial economic recovery from the most severe impacts of the COVID-19 pandemic, accelerating through the second half of FY 2022. It also includes two recommended General Fund revenue increases: an increase of 3 cents to the real estate tax rate, from \$0.80 to \$0.83 per \$100 in valuation, and a new recycling fee of \$3 per billing cycle. These two changes are estimated to raise \$1,350,000 and \$125,000 in FY 2022, respectively. Four new planning fees related to the City's new archaeological ordinance are also included, which are collectively expected to generate \$7,000 in FY 2022.

Staff recommends that the overall General Fund revenues, not including the use of fund balance, be forecast for \$99,585,541. This reflects a positive adjustment to the revenue level that was prepared for the public hearing, most notably a \$400,000 increase in anticipated FY 2022 business license tax collections based on FY 2021 year-to-date collections. Additional increased revenues are attributable to a \$97,933 increase in revenue from the Commonwealth. The overall revenue forecast prepared for first reading is \$497,933 more than the March 9 forecast of \$99,087,608.

Use of Fund Balance

The use of General Fund balance is **\$4,330,847**. Of that total, \$2,699,419 is the amount used from the fund balance committed for capital projects. An additional \$631,428 is a use of the fund balance assigned to stabilize contributions to the regional detention facilities – in particular, the Rappahannock Regional Jail.

In addition, City Council assigned \$1,000,000 of unassigned fund balance for use in planning and site selection for a new school on April 13. This increased the available assignment for school capital needs to \$2,000,000 at the City, and the FCPS has set aside an additional \$1,000,000 for this purpose at this time. The budget includes the use of \$1,000,000 of these funds to transfer to the FCPS for the development of a plan and program for a new elementary school during FY2022.

General Fund Contingency

The General Fund Contingency in the recommended budget was \$500,000. As a balancing entry from the other changes in the budget, the General Fund contingency is now proposed to be \$511,354.

General Fund Attrition Savings

Over the past several years, the City budget has included an allowance for turnover and attrition savings in the General Fund of \$250,000 or more. The City utilizes a system where a negative number is created in the budget, which has the effect of reducing the total expenditures in the General Fund. Towards the end of the fiscal year, the staff transfers positive budget savings as they become available to the Attrition Savings line item until it reaches a zero balance.

For the FY 2022 March 9 Recommended Budget, the Attrition Savings line was set at \$400,000. The Attrition Savings credit is recommended to increase to \$420,000 in the adopted budget.

Overview of Other Main Operating Funds

City Grants Fund

The City Grants Fund is recommended for funding at **\$1,091,656**, which is a 26.3% decrease from the original FY 2021 budget level of \$1,480,419. A large part of this decrease is attributable to changes removing financial administration of the \$210,000 regional tourism program from the fund – the program will continue uninterrupted, but participating local governments will administer their own funds moving forward rather than having the City serve as fiscal agent. It is common throughout the year to amend the City Grants Fund as grants are awarded to the City.

Major programs funded through the City Grants Fund include the Farmer's Market, the Victim Witness Program, the Community Development Block Grant Program, and the regional tourism program.

Stormwater Management Fund

The City's Stormwater Management Fund is recommended for first reading funding at **\$895,000**. This is slightly lower than the FY 2021 Amended budget of \$970,805.

This fund was created in FY 2017 to assist with tracking activities related to the management of stormwater in the City. The revenue for this fund is *mostly* from the equivalent of two cents (\$0.02 / \$100) on the real estate tax rate. ***There is also \$20,000 estimated from permit fees.***

Water Operating Fund & Wastewater Operating Fund

The first reading for the Water Operating Fund is recommended for **\$5,954,034**, a 20.7% decrease from the FY 2021 revised funding level of \$7,506,242. The first reading for the Wastewater Operating Fund is **\$8,622,271**, a 19.8% decrease from the FY 2021 revised funding level of \$10,747,029. The revised budget levels for FY 2021 reflect large capital projects that required re-authorization.

This resolution contains the fee increase of 10% for water & sewer effective July 1 that was proposed in the original March 9 Recommended budget.

Transit Operating Fund

{Update for 2nd read: The Transit Operating Fund has been adjusted since first reading to include the 4% cost-of-living increase. The new total appropriation is recommended at \$9,526,015, which is an increase of \$228,353 over the \$9,297,662 recommended in the first reading resolution. This difference will be paid for with federal funds and there is no local fiscal impact to the City in FY 2022.}

The Transit Operating Fund is recommended on second reading for **\$9,526,015**, a 23.2% increase over the FY 2021 amended funding level of \$7,729,637. It was recommended on first reading for \$9,297,662 prior to application of the 4% cost-of-living adjustment.

In FY 2020, FRED Transit received \$7,535,930 in Federal Transit Administration Section 5307 funds that can be used to operate, maintain and manage the public transit system, which includes funds that allow an agency to prevent, prepare for, and respond to COVID-19. Section 5307 funds can only be used on a reimbursement basis. FRED Transit will continue to utilize these funds to support FRED and benefit the region through FY 2022.

Parking Fund

The Parking Fund is recommended for first reading funding at **\$666,415**, a 6.8% decrease from the FY 2021 original budget of \$711,543.

Social Services Fund

The Social Services Fund is recommended for FY 2022 for funding at **\$7,134,796**. This includes \$1,275,329 of local funding. The local funding is provided by a combination of the use of Social Services Fund Balance of \$395,329 and a transfer from the General Fund of \$880,000. DSS anticipates increased revenue from the Commonwealth of approximately \$240,000 as a result of state changes to shared funding for local DSS employee pay increases as well as changes to in-home foster care funding.

The amended FY 2021 budget for the Social Services Fund is \$6,469,127.

Children's Services Act Fund

The Children's Services Act Fund is recommended for FY 2021 for funding at **\$3,897,930**. This includes \$1,418,123 of local funding. The local funding is a combination of the use of the Children's Services Act Fund Balance of \$418,123 and \$1,000,000 in a transfer from the General Fund.

Multi-Purpose Stadium Fund

The Multi-Purpose Stadium Fund is included in the budget at **\$1,055,000**, which meets the City's funding commitment for the stadium of \$1,050,000 and includes a small amount in case there are fees or other costs associated with City events. The staff recommends the use of revenues derived from the stadium to meet this commitment.

Overview of Capital Funds

{Update for 2nd Read: The following items detail changes made to the first year – FY 2022 – of the CIP proposed alongside the City Manager's Recommended Budget. Changes made to the CIP in years FY 2023 – FY 2026 will be presented separately in the forthcoming CIP resolution.}

School Capital Fund

Council directed \$1,000,000 in unassigned City fund balance to be used to "buy down" future debt issuance for construction of a new school. The capital section of this budget resolution reflects that change and directs appropriation of the funds for this purpose.

Public Works Capital Fund

The estimated cost of replacing 12 blocks of downtown colonial streetlights that are structurally failing has been increased from \$1,500,000 to \$1,800,000. {Update for 2nd Read: ***{Additionally, \$50,000 in General Fund support for Bankside Trail has been redirected to the downtown streetlight project since the trail project has been deferred to a future year.}***}

Public Facilities Capital Fund

{Update for 2nd Read: The Bankside Trail project has been moved from FY 2022 to FY 2024 to better align with VDOT's Transportation Alternatives Program funding cycle. No appropriation is recommended in FY 2022 for this project as a result of this change, and the City General Fund support for this project re-directed to the downtown streetlight project.}

{Update for 2nd Read: The City Shop Improvements project has been amended to remove \$600,000 for acquisition of land near the shop. This initiative is being advanced in FY 2021 via a separate resolution. The project was slated for funding via debt issuance; this has also been removed, lowering the City's overall planned future debt issuance. No appropriation is recommended in FY 2022 for this project as a result of this change.}

Water System Improvements Fund

{Update for 2nd Read: New cost estimates from Spotsylvania County are reflected in the Motts Run Water Plant expansion line item; the FY 2022 recommended appropriation has decreased to \$1,000,000 from \$1,402,800.}

Next Steps

The attached resolution adopts and appropriates the budget. City Council can adjust the budget for second reading, and City Council is able to amend the budget at any time during the fiscal year as conditions warrant.

Council was presented with a full proposed Capital Improvements Plan and has held several public meetings addressing proposed projects in March and April of 2021. A separate resolution to adopt the CIP for the full planning period will be brought before the City Council for consideration in late May.

The capital budget for FY 2022 is included in the attached resolution. The one major change was the increase to the Downtown Streetlight project in the Public Works Capital Fund based upon new estimates, from \$1.5 million to \$1.8 million. The current source of funds for the project is debt issuance.

American Recovery Act

The resolution does not include any appropriation for the American Recovery Act funds from the federal government. The current estimate is that the City will receive approximately \$5 million in federal funds from the federal government. The staff recommends setting up a project budget for these funds through a separate budget amendment, once the grant is finalized.

FISCAL IMPACT

The attached resolution budgets a total General Fund of \$103,916,388. The budget resolution also includes the Capital Funds, Debt Service Funds, the City Grants Fund, the Social Services Fund, the Children's Services Act Fund, the Storm Water Management Fund, the Fredericksburg Opportunity Fund, the Baseball Stadium Fund plus a variety of other Special Revenue Funds. It also includes the City's Enterprise Funds (Water, Wastewater, Transit, and Parking) and its fiscal agency funds.

cc: Mark Whitley, Assistant City Manager
Robyn Shugart, Director of Finance

Attachments: Fiscal Year (FY) 2022 Operating and Capital Budget Resolution



MOTION:

SECOND:

**May 25, 2021
Regular Meeting
Resolution 21-35**

RE: Budgeting and Appropriating Funds for Fiscal Year (FY) 2022 Beginning July 1, 2021 through June 30, 2022

ACTION: APPROVED: Ayes: 0; Nays: 0

Section 1.

The City Manager has submitted to the City Council a proposed balanced FY 2022 budget necessary for the provision of City services.

A duly advertised public hearing was held on April 20, 2021 and held open through April 27, 2021, at which comments from the public concerning the budget were heard.

The City Council has reviewed and made certain revisions to the budget.

Therefore, the City Council resolves that the annual GENERAL FUND budget for Fiscal Year 2022 shall be \$103,916,388. City Council further resolves that an appropriation of \$103,916,388 be made in the General Fund. The full budget amounts are shown as follows:

<u>Function</u>	
City Council	\$ 220,843
City Manager.....	1,134,457
Clerk of the Council	141,241
Clerk of the Circuit Court.....	868,044
Commissioner of the Revenue.....	1,172,509
Commonwealth's Attorney.....	1,542,970
Courts	237,773
Economic Development.....	1,170,454
Fire	7,140,919
Fire - EMS.....	2,224,737
Finance	837,373
Historic Resources	163,336
HR	670,301
Insurance.....	961,000
IT	2,540,336
J&DR Services.....	118,274
Legal Services	443,333
Nondepartmental	114,000
Planning	838,177
Building	828,819

Parks, Recreation & Events.....	2,920,143
Police	9,458,306
Police – E911.....	1,631,219
Public Facilities.....	2,737,813
Public Information	97,058
Public Works	7,578,287
Risk Management	120,843
Sheriff	2,686,320
Transportation Division.....	21,750
Treasurer	973,052
Voter Registrar	576,118
Schools.....	30,049,266
Correction & Detention.....	5,258,809
Outside Agencies	2,808,296
Debt Service.....	6,890,844
Transfer to Capital.....	2,699,419
Transfer to Social Service	880,000
Transfer to Children's Services Act.....	1,000,000
Transfers - Others.....	1,868,595
OPEB Benefit Trust.....	200,000
Contingency.....	511,354
Attrition Savings	<u>(420,000)</u>
TOTAL	\$ 103,916,388

The City Council further resolves that the annual appropriation in the sum of \$7,104,796 for FY 2022 be made from the SOCIAL SERVICES FUND (Fund 201) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council and the City of Fredericksburg Board of Social Services.

The City Council further resolves that the annual appropriation in the sum of \$3,897,930 for FY 2022 be made from the CHILDREN’S SERVICES ACT FUND (Fund 0204) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council and the City of Fredericksburg Community Policy Management Team.

The City Council further resolves that the annual appropriation in the sum of \$1,091,656 for FY 2022 be made from the CITY GRANTS FUND (Fund 0210) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$150,000 for FY 2022 be made from the ECONOMIC DEVELOPMENT AUTHORITY FUND (Fund 0215) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council and the City Economic Development Authority.

The City Council further resolves that the annual appropriation in the sum of \$250,000 for FY 2022 be made from the FREDERICKSBURG OPPORTUNITY FUND (Fund 0226) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$95,000 for FY 2022 be made from the BLIGHT ABATEMENT FUND (Fund 0228) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$895,000 for FY 2022 be made from the STORMWATER MANAGEMENT FUND (Fund 0229) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$3,124,322 for FY 2022 be made from the GENERAL OBLIGATION BOND FUND (Fund 0401) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$4,199,103 for FY 2022 be made from the EDUCATION BOND FUND (Fund 0403) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$5,954,034 for FY 2022 be made from the WATER ENTERPRISE FUND (Fund 501) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$8,622,271 for FY 2022 be made from the WASTEWATER ENTERPRISE FUND (Fund 0502) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$9,526,015 for FY 2022 be made from the PUBLIC TRANSPORTATION FUND (Fund 0503) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$666,415 for FY 2022 be made from the PARKING FUND (Fund 0504) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$110,971 for FY 2022 be made from the RIPARIAN LAND STEWARDSHIP FUND (Fund 0801) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$5,000 for FY 2022 be made from the OPEB TRUST FUND (Fund 0805) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the annual appropriation in the sum of \$1,320,677 for FY 2022 be made from the RAPPAHANNOCK REGIONAL CRIMINAL JUSTICE ACADEMY FUND (Fund 0736) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council and the Rappahannock Regional Criminal Justice Academy Board.

The City Council further resolves that the annual appropriation in the sum of \$1,497,449 for FY 2022 be made from the RAPPAHANNOCK AREA OFFICE ON YOUTH FUND (Fund 738) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council and the Rappahannock Area Office on Youth and Chaplin Group Home Commission.

The City Council further resolves that the annual appropriation in the sum of \$35,000 for FY 2022 be made from the SPECIAL WELFARE REVENUE FUND (Fund 0739) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council and the City of Fredericksburg Social Services Board.

The City Council further resolves that the annual appropriation in the sum of \$266,984 for FY 2022 be made from the COURT SERVICES UNIT FUND (Fund 747) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council and the 15th District Juvenile and Domestic Relations Court Services Unit.

The City Council further resolves that the annual appropriation in the sum of \$1,746,150 for FY 2022 be made from the CELEBRATE VIRGINIA SOUTH COMMUNITY DEVELOPMENT AUTHORITY FUND (Fund 0753) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council and the Celebrate Virginia South Community Development Authority.

The City Council further resolves that the annual appropriation in the sum of \$1,055,000 for FY 2022 be made from the MULTI-PURPOSE STADIUM FUND (Fund 0217) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council.

The City Council further resolves that the City Manager is authorized to make line-item changes within budget program totals and such changes shall be reported to the City Council by way of periodic financial reports. The City Manager is also authorized to utilize up to \$250,000 of the General Fund Contingency during FY 2022 to amend the budget for additional salary or benefit expenditures throughout the General Fund, and shall report to the City Council after such action is taken.

The City Council further resolves that at the close of the fiscal year the City Manager is authorized to maintain appropriations for encumbrances and grants.

The City Council further resolves that the City Manager is authorized to increase budgets and appropriations for the following items of non-budgeted restricted revenue that may occur during FY 2022:

1. Insurance recoveries received for damages to City properties for which City funds have been expended to make repairs.
2. Defaulted builder and developer securities to be used for uncompleted projects.
3. Asset forfeiture funds.
4. Donations under \$10,000 given for a specific purpose.

The City Council further resolves that the appropriations made herein shall become available for expenditures July 1, 2021 and shall expire June 30, 2022.

Section 2. Operating Fund Revenues.

It is estimated that revenues and other sources will be available during the FY beginning on July 1, 2021 and ending on June 30, 2022 to meet the foregoing budget according to the following sources:

General Fund

Local Sources	\$ 91,026,900
The Commonwealth and Federal Government.....	6,624,648
Transfers from Other Funds	1,933,993
Fund Balance Committed/Assigned	4,330,847
Fund Balance (Unassigned)	0
Total	\$ 103,916,388

Social Services Fund – Operating

City Appropriation	\$ 880,000
Other Local Sources	64,179
Revenue from the Commonwealth	2,319,436
Revenue from the Federal Government.....	3,445,852
Fund Balance	395,329
Total	\$ 7,104,796

Children’s Services Act Fund

General Fund Transfer.....	\$ 1,000,000
The Commonwealth and Federal Government.....	2,479,807
Fund Balance	418,123
Total	\$ 3,897,930

City Grants – Other Miscellaneous

Other Local Sources	\$ 158,500
Revenue from the Commonwealth	251,203
Revenue from the Federal Government.....	475,345
Transfer from the General Fund	196,595
Fund Balance	10,013
Total	\$ 1,091,656

Economic Development Authority Fund

Transfer from General Fund	\$ 150,000
Total	\$ 150,000

Fredericksburg Opportunity Fund

Fund Balance	\$ 250,000
Total	\$ 250,000

Blight Abatement Fund

Other Local Sources	\$20,000
Fund Balance	75,000
Total	\$95,000

Storm Water Management Fund

Real Estate Property Tax	\$875,000
Other Local Sources	20,000
Total	\$895,000

Debt Service Funds

General Fund Transfer (General)	\$2,845,625
General Fund Transfer (Education)	4,045,219
R-Board Revenue	278,697
Fund Balance	153,884
Total	\$7,323,425

Water Fund

Local Sources	\$ 4,877,700
Fund Balance	1,076,334
Total	\$ 5,954,034

Wastewater Fund

Local Sources	\$ 7,142,075
Fund Balance	1,480,196
Total	\$ 8,622,271

Public Transportation Fund

Local Sources	\$ 1,506,164
Revenue from the Commonwealth	671,209
Revenue from the Federal Government.....	6,648,642
Fund Balance	700,000
Total	\$ 9,526,015

Parking Fund

Local Sources	\$ 508,000
Fund Balance	158,415
Total	\$ 666,415

Multi-Purpose Stadium Fund

Local Sources	\$ 1,055,000
Total	\$ 1,055,000

Rappahannock Regional Criminal Justice Academy Fund

Academy Revenue.....	\$ 1,270,677
Surplus Fund Balance	50,000
Total	\$ 1,320,677

Rappahannock Area Office on Youth and Chaplin Group Home Fund

Office on Youth Revenues	\$ 1,497,449
Total	\$ 1,497,449

Special Welfare Fund

Local Sources	\$ 35,000
Total	\$ 35,000

Court Services Unit Fund

CSU Revenues	\$ 266,984
Total	\$ 266,984

Celebrate Virginia South CDA Fund

CDA Assessments.....	\$1,746,150
Total	\$1,746,150

Riparian Lands Fund

Local Sources	\$ 52,971
General Fund Transfer.....	55,000
Fund Balance	3,000
Total	\$ 110,971

OPEB Trust Fund

Fund Balance	\$ 5,000
Total	\$ 5,000

Section 3. FY 2022 Capital Budget

The City Manager has submitted to the City Council a FY 2022 capital budget for the City's various capital funds.

Therefore, the City Council resolves that the annual appropriation in the sum of \$9,513,800 for FY 2022 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. The budgeted projects are as follows:

Rolling Stock

Leaf Vacuum Truck	204,000
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Stormwater Management

Canal Improvements.....	50,000
Culvert Replacements	218,800

Pond D Improvements.....	2,350,000
<u>Other Public Works Projects</u>	
Historic Assets	36,000
Historic District Improvements – Colonial Lights.....	1,800,000
Neighborhood Enhancements	50,000
Pedestrian Bridge Replacements	1,000,000
<u>Transportation</u>	
Annual Asphalt & Concrete Repair Program.....	950,000
Downtown Pedestrian Enhancement	2,550,000
VCR Bridge over Hazel Run	305,000
Total Public Works Capital Fund	\$9,513,800

The City Council further resolves that the annual appropriation in the sum of \$5,650,000 for FY 2022 be made from the WATER SYSTEM IMPROVEMENT FUND (Fund 0303) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council. The budgeted projects are as follows:

Water Meter Replacement.....	4,000,000
Motts Run Water Plant Expansion	1,000,000
Internal System Improvements	350,000
Telegraph Hill Loop.....	200,000
Pressure Release Valve Replacement / Rehab.....	100,000
Total Water System Improvement Fund	\$5,650,000

The City Council further resolves that the annual appropriation in the sum of \$16,185,000 for FY 2022 be made from the WASTEWATER SYSTEM IMPROVEMENT FUND (Fund 0304) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council. The budgeted projects are as follows:

WWTP Upgrade	\$15,000,000
WWTP Capital Maintenance	660,000
Sewer Systems Improvements.....	400,000
NPS Farrell Lane Sewer Line Work	125,000
Total Wastewater System Improvement Fund	\$16,185,000

The City Council further resolves that the annual appropriation in the sum of \$1,025,437 for FY 2022 be made from the PUBLIC FACILITIES CAPITAL FUND (Fund 0305) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council. The budgeted projects are as follows:

<u>Information Technology</u>	
Cybersecurity	91,000
ERP – Additional Modules	63,250
Fiber Network Expansion.....	47,500
IT Disaster Plan Implementation.....	67,095
Technology Replacements.....	231,592

Parks, Recreation & Events

Downman House 50,000

Community Planning & Building

CP&B Planning Area Updates..... 150,000

Public Facilities

Energy Retrofit Initiatives 200,000

Executive Plaza – Electrical Upgrades 125,000

Total Public Facilities Capital Fund..... \$1,025,437

The City Council further resolves that the annual appropriation in the sum of \$1,605,871 for FY 2022 be made from the PUBLIC SAFETY CAPITAL FUND (Fund 0306) which monies are to be expended in accordance with law for purposes authorized and approved by the City Council. The budgeted projects are as follows:

Ambulance, Dive Vehicle & Fire Apparatus.....\$325,000

Animal Shelter Renovation.....95,000

Fire Station 1 Renovation150,000

New Fire Station675,000

Police Body Cameras92,953

OEMS Grant130,589

Public Safety Radio Replacements.....137,329

Total Public Safety Capital Fund..... \$1,605,871

The City Council further resolves that the appropriations made herein shall become available for expenditures July 1, 2021 and shall expire June 30, 2022.

Section 4. Capital Fund Revenues

It is estimated that revenues and other sources will be available during the FY beginning on July 1, 2021 and ending on June 30, 2022 to meet the foregoing budget according to the following sources:

Public Works Capital Fund

Local Revenue..... \$ 218,800

General Fund Transfer..... 1,073,700

Stormwater Management Fund Transfer.....100,000

Debt Issuance3,811,300

Revenue from the Commonwealth (Grants) 1,175,000

Revenue from the Commonwealth (VDOT).....3,135,000

Total Public Works Capital Fund..... \$ 9,513,800

Water Capital Improvement Fund

Transfer from Operating..... \$ 1,000,000

Debt Issuance 4,650,000

Total Water Capital Improvement Fund..... \$ 5,650,000

Wastewater System Improvement Fund

Transfer from Operating Fund	\$ 1,185,000
Debt Issuance	15,000,000
Total Wastewater Capital Improvement Fund	\$ 16,185,000

Public Facilities Capital Fund

Transfer from the General Fund	\$ 825,437
Prior Year Capital Fund Balance.....	150,000
Proffer	35,000
Revenue from the Commonwealth (Grants)	15,000
Total Public Facilities Capital Improvement Fund	\$ 1,025,437

Public Safety Capital Fund

General Fund Transfer.....	\$ 800,282
Revenue from the Commonwealth (OEMS Grant)	130,589
Debt Issuance	675,000
Total Public Safety Capital Improvement Fund	\$ 1,605,871

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. 21-35, adopted at a meeting of the City Council held May 25, 2021, at which a quorum was present and voted.

Tonya B. Lacey, MMC
Clerk of Council