



To the Honorable Council  
City of Norfolk, Virginia

May 23, 2017

From: Gregory A. Patrick, Director  
Budget and Strategic Planning

**Subject:** FY 2018 Budget Ordinance -  
Capital Improvement Plan

Reviewed: *MAK* *for Michael G. Goldsmith*  
Michael G. Goldsmith, Deputy City Manager

**Ward/Superward:** Citywide

Approved: *Douglas L. Smith*  
Douglas L. Smith, Interim City Manager

**Item Number:** **R-06**

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** City of Norfolk

III. **Description:**

This agenda item includes an ordinance to approve and authorize the Fiscal Year 2018 Capital Improvement Plan ("CIP") for the city. The following Table 1 provides a breakdown of the capital improvement plan by fund source.

**Table 1 – FY 2018 CIP**

Fiscal Year 2018 Capital Improvement Plan	
Fund	Budget
General Capital	\$26,911,400
Parking Facilities	\$2,900,000
Storm Water Utility	\$7,615,200
Wastewater Utility	\$20,000,000
Water Utility	\$26,403,333
Waste Management	\$400,000
<b>Total Capital Improvement Plan</b>	<b>\$84,229,933</b>

IV. **Analysis**

This ordinance distributes Capital Improvement Plan funds in accordance with the City Manager's Proposed FY 2018 Budget presented on April 11, 2017, and subsequent amendments by City Council discussed during the budget work sessions, which include the following (see Table 2 for details):

- Budget amendment to the Proposed Capital Improvement Plan (CIP) totaling \$100,000.
  - Provides an additional \$100,000 of cash authorization to CIP in support of a feasibility study for a Norfolk sportsplex facility.
  - The authorization for this amendment will be included in the existing CIP project titled “Implement RPOS Master Plan.” The authorization for this project will increase from a Proposed \$500,000 to \$600,000.
- Budget amendment to the Proposed Capital Improvement Plan (CIP) totaling \$550,000.
  - Provides an additional \$550,000 of bond authorization to CIP in support of preliminary engineering work within the Department of Public Works for major capital projects.
  - The authorization for this amendment will be included in the existing CIP project titled “Fund Preliminary Engineering.” The funding for this project will increase from a Proposed \$1,159,000 to \$1,709,000.

**Table 2 – Project Amendments From Proposed CIP**

Project	Amendment
Implement RPOS Master Plan	\$100,000
Fund Preliminary Engineering	\$550,000
<b>Total Amendments From Proposed CIP</b>	<b>\$650,000</b>

**Technical Adjustment – Support Citywide Public Art**

Budget work sessions identified a technical adjustment to the Capital Improvement Plan (CIP) for \$250,000 annually. These funds will support the citywide public art program, totaling \$1,000,000 in planned funds over the period FY 2019 – FY 2022.

**V. Financial Impact**

The CIP budget ordinance totals \$84,229,933 from all funds and meets the Norfolk City Charter requirements for a balanced budget. See the above Analysis section for more details.

**VI. Environmental**

N/A

**VII. Community Outreach/Notification**

Pursuant to the Code of Virginia and Norfolk City Charter, this agenda item requires a public hearing. As such, a public hearing notice was published in *The Virginian-Pilot* on April 12, 2017, and the public hearing was held on April 19, 2017.

**VIII. Board/Commission Action**

N/A

**IX. Coordination/Outreach**

This letter and ordinance have been coordinated with the Office of Budget and Strategic Planning, Department of Finance, and the City Attorney's Office.

Supporting documentation from the Office of Budget and Strategic Planning:

- Ordinance

Form and Correctness Approved:

By Nathanial Seaman  
Office of the City Attorney

Pursuant to Section 72 of the City Charter, I hereby certify that the money required for this item is in the city treasury to the credit of the fund from which it is drawn and not appropriated for any other purpose.

Contents Approved:

By Angie A. Quinn  
DEPT. Budget & Strategic Planning

\$ 84,229,933<sup>00</sup> Various  
Account  
Christopher D. ... 5/17/17  
Director of Finance Date

NORFOLK, VIRGINIA

### ORDINANCE No.

AN ORDINANCE APPROVING THE CAPITAL IMPROVEMENT PLAN BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2017 AND ENDING JUNE 30, 2018; APPROPRIATING \$84,229,933 FOR CERTAIN PROJECTS APPROVED THEREIN; AUTHORIZING AN ISSUE OF BONDS IN THE AMOUNT OF \$72,427,477, OF WHICH \$748,691 IS THE REAPPROPRIATION OF PREVIOUSLY AUTHORIZED, BUT UNISSUED, BONDS; AND AUTHORIZING THE EXPENDITURE OF \$11,802,456 IN CASH.

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WHEREAS, the City Manager submitted to the City Council a Capital Improvement Plan Budget for the City for the fiscal year beginning July 1, 2017 and ending on June 30, 2018; and

WHEREAS, it is necessary to appropriate sufficient funds to cover the approved capital projects set forth in the Capital Improvement Plan Budget and to authorize said projects; now therefore,

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the capital projects set forth below in the Capital Improvement Plan for the fiscal year beginning on July 1, 2017 and ending on June 30, 2018, submitted by the City Manager under date of April 11, 2017, are hereby approved and the amounts herein set forth aggregating \$84,229,933, or so much thereof as may be necessary, as set forth in the Capital Improvement Plan Budget for the fiscal year July 1, 2017 to June 30, 2018, are hereby appropriated for the purposes hereinafter set out in the following subparagraph:

**A. Capital Improvement Projects**

<u>Number</u>	<u>Title</u>	<u>Approved Amount</u>
<b>General Capital</b>		
1	Improve Neighborhoods Citywide	2,500,000
2	Address School Major Maintenance	2,000,000
3	Transform Newton Creek	2,000,000
4	Fund Preliminary Engineering	1,709,000
5	Support Jail Improvements	1,650,000
6	Address Street Flooding Citywide	1,500,000
7	Construct or Renovate Schools	1,250,000
8	Control Beach Erosion	1,214,400
9	Maintain Fire Stations	1,000,000
10	Improve Fairmount Park Infrastructure	1,000,000
11	Repair, Replace and Maintain Bridges	1,000,000
12	Maintain Municipal Facilities	1,000,000
13	Improve Infrastructure and Acquire Property	1,000,000
14	Fund Chrysler Museum Capital Campaign Match	850,000
15	Improve Harbor Park	835,000
16	Continue Scope Arena Improvements (PA)	750,000
17	Strengthen Neighborhoods Through Affordable Housing Initiatives	700,000
18	Implement RPOS Master Plan	600,000
19	Repair Virginia Zoo Africa Exhibit Thatch Roofs	500,000
20	Maintain USS Wisconsin BB-64	500,000
21	Replace In-Ground Vehicle Lifts	380,000
22	Improve Neighborhood Streets - Major	300,000
23	Improve Roof Repair and Moisture Protection	250,000
24	Improve Community and Neighborhood Parks	250,000
25	Improve Cultural Facilities (PA)	250,000
26	Repair and Maintain Bridges - Minor	250,000
27	Repair Neighborhood Streets/Sidewalks/Walkways	250,000
28	Improve HVAC Systems Citywide	200,000
29	Acquire Blighted Properties in Willoughby	200,000
30	Improve Existing Community Centers	200,000
31	Enhance Signals and Intersections	200,000
32	Improve Citywide Dredging and Waterways	150,000
33	Fund ADA Master Plan for City Facilities	150,000
34	Replace Asphalt and Walkways in the Zoo	123,000
35	Improve Downtown Corridor Streetscaping	100,000
36	Improve Street Lights	100,000
<b>Total General Capital</b>		<b>26,911,400</b>

<b>Parking Facilities</b>		
37	Maintain Parking Facilities	2,900,000
<b>Total Parking Facilities</b>		<b>2,900,000</b>
<b>Storm Water Utility</b>		
38	Reduce Neighborhood Flooding	2,850,000
39	Improve Storm Water Quality	2,350,000
40	Create Citywide Flooding Reserve	1,315,200
41	Improve Storm Water System	600,000
42	Improve Storm Water Waterfront Facilities	500,000
<b>Total Storm Water Utility</b>		<b>7,615,200</b>
<b>Wastewater Utility</b>		
43	Improve Wastewater Collection System	20,000,000
<b>Total Wastewater Utility</b>		<b>20,000,000</b>
<b>Water Utility</b>		
44	Improve Water Pipeline Infrastructure	11,000,000
45	Upgrade Moores Bridges Water Treatment Plant	8,500,000
46	Rehabilitate Reservoirs Systemwide	3,733,333
47	Design and Construct 37th Street Plant	2,500,000
48	Implement Meter Change-Out Program	320,000
49	Comply With Safe Drinking Water Act Amendments	300,000
50	Upgrade Northstar Billing System	50,000
<b>Total Water Utility</b>		<b>26,403,333</b>
<b>Waste Management</b>		
51	Support Campostella Landfill Post Closure Requirements	400,000
<b>Total Waste Management</b>		<b>400,000</b>
<b>Grand Total</b>		<b>84,229,933</b>

Section 2:- That in order to provide the funds heretofore appropriated, cash in the aggregate principal sum of \$11,802,456 is authorized to be expended. Of such sum, \$2,587,256 is for General Capital Improvement Projects, which is comprised \$1,587,256 transferred from the General Fund, \$1,000,000 transferred from the Public Amenities Fund; \$2,900,000 is for Parking Facilities Fund Projects; \$1,315,200 is for Storm Water Utility Fund Projects, and \$5,000,000 is for Water Utility Fund Projects. Previously approved, but unissued, bonds in the aggregate principal sum of \$748,691 are reappropriated for General Capital Improvement Projects, and therefore bonds of the City of Norfolk in the aggregate principal sum of \$72,427,477 are hereby authorized to be issued

from time to time in such form and with such terms as shall be established pursuant to future ordinances, of which \$24,324,144 is for General Capital Improvement Projects, \$6,300,000 is for Storm Water Utility Fund Projects, \$20,000,000 is for Wastewater Utility Fund Projects, \$21,403,333 is for Water Utility Fund Projects, and \$400,000 is for Waste Management Projects.

Section 3:- That the Council reasonably expects to reimburse certain expenditures made from the General Capital Improvement Projects Fund, Storm Water Utility Fund, Wastewater Utility Fund, Water Utility Fund, and Waste Management Fund to interim finance the above-described capital projects with the proceeds of the above-described bonds to be issued by the City.

Section 4:- That this ordinance represents a declaration of "official intent" under Treasury Regulations Section 1.150-2(e).

Section 5:- That the expenditures to be reimbursed will be paid from the following funds, which funds have the following general functional purposes:

(a) General Capital Improvement Projects Fund. Used to account for the financial resources used to finance general capital improvement projects in the Capital Improvement Plan other than those financed by the City's enterprise funds or special revenue funds;

(b) Storm Water Utility Fund. Used to account for the City's environmental storm water operations, including accounting for the financial resources used to finance capital projects in the Capital Improvement Plan related to the storm water utility;

(c) Wastewater Utility Fund. Used to account for the City's wastewater utility operations, including accounting for the financial resources used to finance capital projects in the Capital Improvement Plan related to the wastewater utility;

(d) Water Utility Fund. Used to account for the City's water utility operations, including accounting for the financial resources used to finance capital projects in the Capital Improvement

Plan related to the water utility; and

(e) Waste Management Fund. Used to account for the City's waste management operations, including accounting for the financial resources used to comply with regulatory requirements related to its landfills.

Section 6:- That the appropriate officers or agents of the City are authorized and directed to file a certified copy of this ordinance with the Circuit Court of the City of Norfolk pursuant to Sections 15.2-2607 and 15.2-2627 of the Code of Virginia, 1950, as amended.

Section 7:- That the City Manager, unless otherwise directed by City Council, is hereby authorized to do all things necessary to implement the projects set forth in the Fiscal Year 2018 Capital Improvement Plan Budget.

Section 8:- That the City Manager or his designee is authorized to close out or reappropriate unused Capital Improvement Plan funds in projects that have been completed. These funds may be reappropriated as sources in future year Capital Improvement Plans.

Section 9:- That the City Manager or his designee is authorized to transfer from any project which has an excess of funds appropriated for its use to any other project all or any part of such excess. A record of all such transfers shall be maintained by the Director of Finance.

Section 10:- That the City Manager or his designee is authorized to transfer funds from any project authorized with Public Art funds in the Capital Improvement Plan to any other project or pool funds, as needed, to implement any portion of the Plan.

Section 11:- That this ordinance shall be in effect from and after July 1, 2017.