

# Operations Portfolio Presentation Analysis of CIP for Project Management

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# Capital Improvement Program Plan

- Capital budget in city code  
[https://library.municode.com/va/richmond/codes/code\\_of\\_ordinances?no\\_deld=PTICH\\_CH6BU\\_S6.19CABU](https://library.municode.com/va/richmond/codes/code_of_ordinances?no_deld=PTICH_CH6BU_S6.19CABU)
- 1 – 5 – 20 year timeline.
- General Fund / Governmental Activities (transportation infrastructure, facilities including courts, fleet, floodwall and levees, canals), Enterprise Funds / Business-type Activities (parking, cemeteries, water, wastewater, stormwater, natural gas)
- From the CAFR for FY2020
  - Total Capital Assets for Governmental Activities were \$1.243 billion
  - Total Capital Assets for Business-Type Activities were \$1.376 billion

# Sources of Capital Project Concept Development

- Regulation
- Comprehensive plan
- Specific master plan
- City revenue generation
- Best practice policy
- Condition assessment
- Legislative (city council) directive
- Mayoral goal
- Economic development investment
- Natural and Manmade emergency preparation
- Needs analysis based on technical criteria
- Citizen request system (CRS)
- Public safety

Projects move from concept to planning informed by the 5 year revenue forecast to city council in January of each year.

- Prioritization
  - Mayor
  - City Council
  - Richmond School Board
  - CAO, capital project taskforce
  - CRS data
  - New: city council commission to establish public participation
- Cost centers managing capital projects
  - Transportation & Engineering DPW
  - Bridge management
  - City equipment / fleet
  - Facilities
  - Special capital projects
  - Urban forestry
  - Water utility
  - Wastewater utility
  - Stormwater utility
  - Electric utility
  - Natural gas utility
  - Parks
  - Parks / cemeteries
  - Schools

# Priorities in FY 21 continuing into FY 22 from Mayor Stoney's budget letter March 2020

- Priority areas for capital investment: vibrant, inclusive and mobile communities, economic empowerment, public safety, health and wellness and education.
- Address years of deferred maintenance and disinvestment.
- City facility maintenance and improvement including security
- Culture and Recreation
  - City auditor July 10 2020 APA Comparative Cost Report: Of 7 benchmarked localities, Richmond ranked 2<sup>nd</sup> lowest investing \$132 per capita and well below the average of \$196.
- Economic and Community Development
- Richmond Public Schools
- Public Safety
- Transportation
- Fleet; fire and police equipment, trash collector compactor fleet

# Current facilities deferred maintenance summary data for the FY22 CIP preparation

Committed Funding: Source ADOPTED  
CAPITAL IMPROVEMENT PLAN FOR FISCAL  
YEARS 2020-2024

Category	City Facilities
FY19-23	\$ 10,616,044
FY24-29	\$ 9,890,722
FY30-34	\$ 11,000,000
FY35-38	\$ 11,926,101
Total Funded	\$43,432,867 (A)

Number of facilities in this summary:	73
Total square footage under management:	2,478,796
Building replacement value (construction cost only):	\$977,400,000.00
Direct and indirect cost as a % of construction cost:	46%

Based on current data (February 2020) the following summarizes deferred maintenance cost:

Timeframe	Timeframe corresponds to:	Construction Cost	Total (with direct and indirect cost)
Immediate	FY 19 - 23	\$ 192,242,000.00	\$ 280,673,320.00
5 Years	FY 24 - 29	\$ 9,928,000.00	\$ 14,494,880.00
10 Years	FY 30 - 34	\$ 20,822,000.00	\$ 30,400,120.00
15 Years	FY 35 - 38	\$ 37,790,000.00	\$ 55,173,400.00
Total (B):			\$ 380,741,720.00

Difference funded versus current need (A – B) = \$(337,308,853.00)

# The majority of the CIP in FY22 will be capital maintenance:

From the CAFR, capital asset depreciation has been provided over the estimated useful lives using the straight-line method as follows:

- **Governmental:**
  - Infrastructure 20 to 50 years
  - Buildings and structures 20 to 50 years
  - Fleet / Equipment and other assets 2 to 20 years
- **Enterprise Funds:**
  - Gas production, distribution, equipment 17 to 34 years
  - Water pumping, treatment, distribution, equipment 20 to 50 years
  - Sewage gathering and treatment equipment 20 to 50 years
  - Cemeteries 2 to 20 years
  - Buildings and structures 20 to 60 years
  - Equipment and other assets 2 to 20 years

# Priority for CIP starting in FY22

- Heritage center campus: Over a five-year period the city will invest between \$25 million and \$50 million to commemorate the complete story of slavery in Shockoe Bottom.
  - A pavilion and museum at the Devil's Half Acre Site
  - Planning requirements for the proposed Heritage Center
  - Design of and improvements to the Richmond Slave Trail and Trail Head
  - The acquisition of 1305 North 5th Street and the extension of the Slave Trail to that property.
- Commonwealth of Virginia investment of \$9 million for the development of a Slavery Heritage Site and improvements to the Slave Trail in Richmond's Shockoe Bottom neighborhood. This funding will support efforts to preserve the area known as the Devil's Half-Acre, or Lumpkin's Jail, as a historical site.



# Also starting in FY22

- In October Mayor Stoney announced George Wythe High School will be the next major school facility project to benefit Richmond's students. The Dreams4RPS Strategic Plan, supported by the School Board and funded in full by the Stoney administration, identified Wythe as the next facility in need of reinvention and rebuilding.
- Central Virginia Transportation Authority provides new funding opportunities for priority transportation investments. Transportation funding generated through the imposition of an additional regional 0.7 percent sales and use tax and a wholesale gas tax of 7.6 cents per gallon of gasoline and 7.7 cents per gallon of diesel fuel. This funding can be used for locally for paving, sidewalk and multimodal capital projects. Funding will also be used regionally for transportation and public transportation projects.

# Current Funding Source Plan for Transportation FY22 - 26

"Bucket"	Project	2022	2023	2024	2025	2026
CMAQ (Federal)	Richmond Signal System Phase III	\$ 1,027,650				
	Funding Source Subtotal	\$ 1,027,650	\$ -	\$ -	\$ -	\$ -
GO Bonds (matching \$ for Transportation Alt Federal \$) 25%	Green ES Sidwalk Phase II	\$ 135,000				
	State Route 161 Bike Infra Structure Phase I & II	\$ 210,000				
	2nd/3rd St Bike Phase II	\$ 60,000				
	Brown's Island Connector Phase III	\$ 50,000				
	Maymont Sidewalk Phase II	\$ 86,000				
	Tredegar Street Sidewalk	\$ 76,000				
	Funding Source Subtotal	\$ 617,000	\$ -	\$ -	\$ -	\$ -
Transportation Alt (Federal)	Green ES Sidwalk Phase II	\$ 540,000				
	State Route 161 Bike Infra Structure Phase I & II	\$ 840,000				
	2nd/3rd St Bike Phase II	\$ 240,000				
	Brown's Island Connector Phase III	\$ 200,000				
	Maymont Sidewalk Phase II	\$ 344,000				
	Tredegar Street Sidewalk	\$ 304,000				
	Funding Source Subtotal	\$ 2,468,000	\$ -	\$ -	\$ -	\$ -
Smart Scale(Federal)	Shockoe Valley Street Improvements/I-95 Broad Street Area Improvements	\$ 3,546,000	\$5,277,000			
	Hull Street Streetscape	\$ 1,387,000	\$1,561,000			
	Hull Street Road Improvement (Phase I)	\$ 5,125,000				
	Kanawaha Plaza Pedestrian Improvements	\$ 810,000	\$1,536,000			
	Lombardy St. Bridge			\$2,348,000	\$ 765,000	
	Leigh Street Streetscape			\$3,304,000	\$3,304,000	
	Funding Source Subtotal	\$ 10,868,000	\$8,374,000	\$5,652,000	\$4,069,000	\$ -
Highway Safety Improvement Program (HSIP Federal)	Central Transit Signal Priority and Emergency Vehicle Preemption	\$ 1,701,000				
	Hull Street at Belt Blvd - Pedestrian Safety	\$ 460,000				
	New Traffic Control Signals	\$ 394,000	\$ 895,000			
	Pedestrian Safety Improvements at Signalized Intersections Phase II	\$ 1,330,000				
	Systematic Sight Distance Imp at Signalized Intersections	\$ 844,000				
	Bike Lane/Bike Blvd Street Conversion		\$ 753,000	\$ 747,000		
	Funding Source Subtotal	\$ 4,729,000	\$ 895,000	\$ 747,000	\$ -	\$ -
MPO RSTP (Federal)	Hull Street Road Improvement Phase III	\$ -	\$ -	\$ 727,000	\$1,213,000	\$3,500,000
	Funding Source Subtotal	\$ -	\$ -	\$ 727,000	\$1,213,000	\$3,500,000
State of Good Repair		\$ -	\$ -	\$ -	\$ -	\$ -
	Funding Source Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
	Total:	\$ 19,709,650				

# And finally in FY 22, 2019-09 Richmond Fire Department Fire Apparatus and Equipment Audit City Auditor's Office March 1, 2019

- The City does not have defined capital funding sources to address the aging fleet.
- Also, the replacement decision for purchasing a new fleet apparatus lies within the Department of Public Works (Fleet Services).
- The City is facing an aging RFD fleet, and in five years 46% of their apparatuses will be 25 years old. Depending on age, mileage, engine hours, preventive maintenance and other factors, some apparatuses may need replacement before 25 years.
- As each piece of equipment can cost 500K or more, this will require significant capital funding in five years, costing approximately \$10 million.
- Recommendation 4. We recommend that RFD work with Fleet Services to identify the aging fleet and to identify actions which need to occur in the Capital Improvement Program to replace apparatuses as they approach the retirement age.

# Dashboard presentation

- Still beta version
- Data is from facilities, sustainability, parking management, fleet and the component unit Richmond Ambulance Authority
- This data does not currently include the following assets:
  - Richmond Coliseum
  - DPU assets for the water, wastewater, electric, natural gas and stormwater utilities
  - Haxall and lower Kanawaha Canals
  - Northside and Southside Floodwalls, Levees, associated buildings
  - Cemetery facilities
  - Parks and Recreation non-building assets
- Does not include the component units of:
  - School Board
  - Richmond Economic Development Authority
  - Richmond Behavioral Health Authority
  - Richmond Redevelopment and Housing Authority

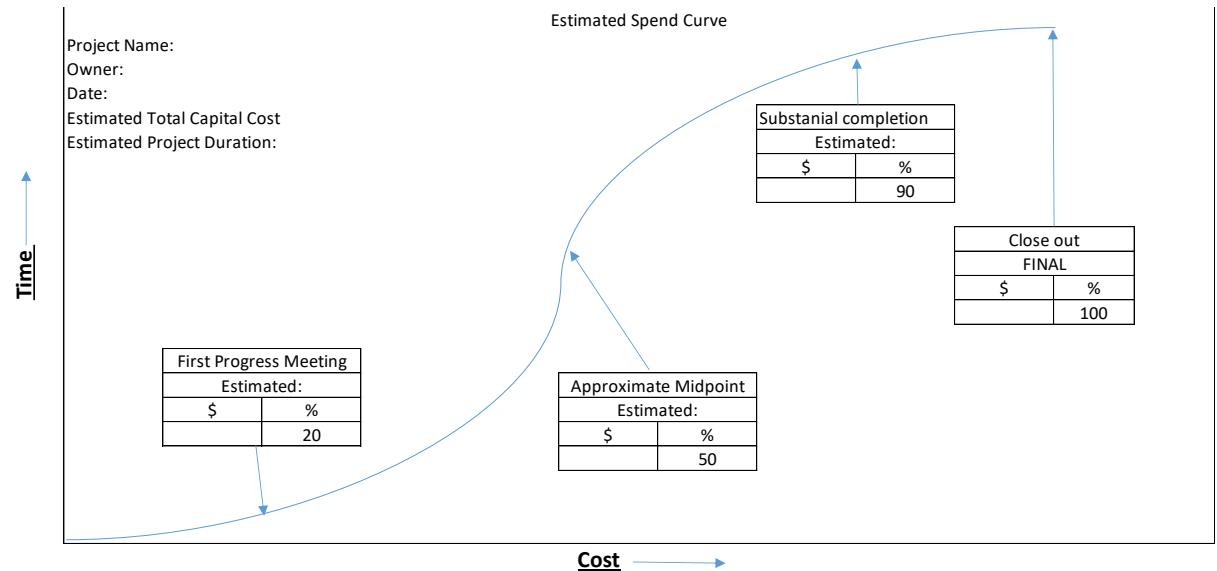
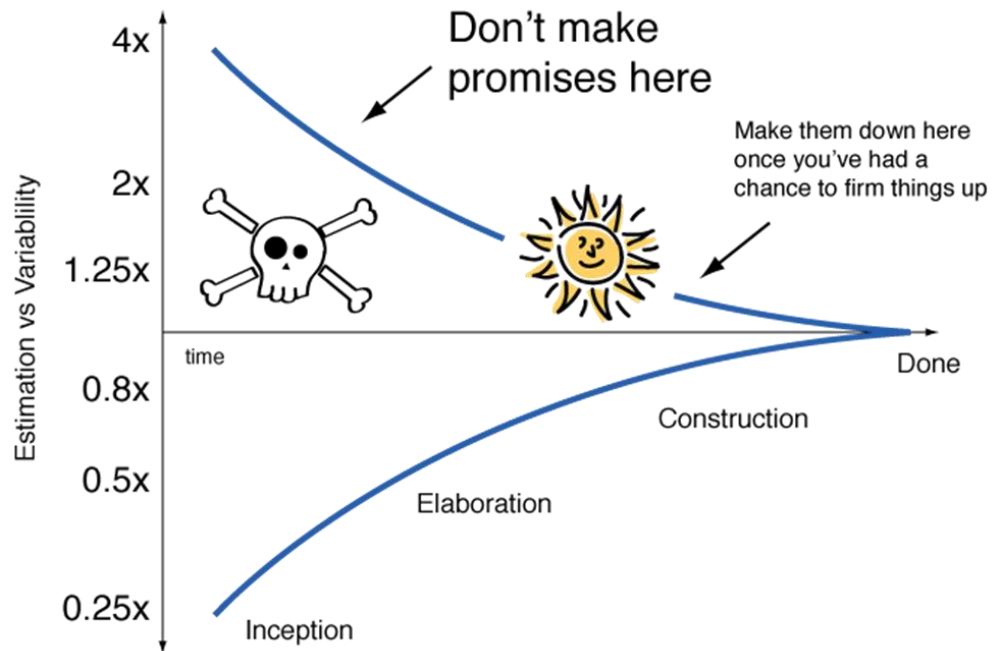
# Discussion and Questions



Background slides follow

# Capital project development by PMs

- 1 – 5 – 20 year timelines
- Develop information from clients January – February
- Project planning March - August



# Capital project development by PMs

- Late August and early September PMs need to have certainty in the priorities of their clients, CAO and the mayor.
- Also, late August and early September, working with the city council chief of staff, the priorities of the city council members are transmitted in writing.
- PMs work to get information ready for hand-off to their clients and the budget department to begin the finance and administration portfolio work from September through early November.
- Adoption of the CIP budget in advance of the 5 and 20 year plan needs as much attention as the final authorizations for the upcoming year.



# Continuous improvement of city PMs

- Project manager training and certification to formalize training and qualification of project managers in the city of Richmond.
  - Project Management Institute (PMI) instruction through Virginia State University and training on the Commonwealth of Virginia Construction and Professional Services Manual (aka, "the CPSM" or "the Manual")
  - Standards, policies, terms, conditions, and procedures to be followed in procuring professional design and construction services.
- Government Finance Officers Association (GFOA)  
<https://www.gfoa.org/materials/capital-budget-presentation>

# Finance Department Reports

- FY2020 Comprehensive Annual Financial Report  
<http://www.richmondgov.com/Finance/documents/AnnualReports/2020cafr.pdf>
- Popular Annual Financial Report  
<http://www.richmondgov.com/Finance/documents/AnnualReports/2019pafr.pdf>
- Monthly Financial Report  
<http://www.richmondgov.com/Finance/MonthlyFinancialReports.asp>  
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# Budget Department Reports

- Capital Improvement Plan (CIP) 2021 – 2025  
[http://www.richmondgov.com/Budget/documents/CapitalImprovementPlans/2021-2025\\_AdoptedCapitolImprovementPlan.pdf](http://www.richmondgov.com/Budget/documents/CapitalImprovementPlans/2021-2025_AdoptedCapitolImprovementPlan.pdf)
- 20-Year CIP Plan & Inventory starting on page 227 in the Capital Improvement Plan (CIP) 2020 - 2024  
[http://www.richmondgov.com/Budget/documents/CapitalImprovementPlans/2020-2024\\_AdoptedCapitolImprovementPlan.pdf](http://www.richmondgov.com/Budget/documents/CapitalImprovementPlans/2020-2024_AdoptedCapitolImprovementPlan.pdf)
- FY 2020 4<sup>th</sup> Quarter CIP Report  
[http://www.richmondgov.com/Budget/documents/quarterlyreports/FY2020\\_Quarter4\\_CIP\\_CouncilReport.pdf](http://www.richmondgov.com/Budget/documents/quarterlyreports/FY2020_Quarter4_CIP_CouncilReport.pdf)
- FY 2020 4<sup>th</sup> Quarter CIP Report – Completed Projects  
[http://www.richmondgov.com/Budget/documents/quarterlyreports/FY2020\\_Quarter4\\_CIP\\_CompletedProjects.pdf](http://www.richmondgov.com/Budget/documents/quarterlyreports/FY2020_Quarter4_CIP_CompletedProjects.pdf)
- FY 2021 1<sup>st</sup> Quarter CIP Report  
[http://www.richmondgov.com/Budget/documents/quarterlyreports/FY2021\\_Quarter1\\_CIP\\_CouncilReport.pdf](http://www.richmondgov.com/Budget/documents/quarterlyreports/FY2021_Quarter1_CIP_CouncilReport.pdf)
- FY 2021 1<sup>st</sup> Quarter CIP Report – Completed Projects  
[http://www.richmondgov.com/Budget/documents/quarterlyreports/FY2021\\_Quarter1\\_CIP\\_CompletedProjects.pdf](http://www.richmondgov.com/Budget/documents/quarterlyreports/FY2021_Quarter1_CIP_CompletedProjects.pdf)

# Other Reports

- CIP webpage per City Code Sections 2-1351 and 1352 <http://www2.richmondgov.com/cip/>
- City Auditor Audit Reports and Recommendations
  - [http://www.richmondgov.com/Auditor/documents/2021/2021-05\\_CitywideCapitalImprovementProjects.pdf](http://www.richmondgov.com/Auditor/documents/2021/2021-05_CitywideCapitalImprovementProjects.pdf)
  - [http://www.richmondgov.com/Auditor/documents/2021/2021-03\\_CitywideVehicleUtilization.pdf](http://www.richmondgov.com/Auditor/documents/2021/2021-03_CitywideVehicleUtilization.pdf)
  - [http://www.richmondgov.com/Auditor/documents/2020/2020-03\\_ParkingAndSharedMobility.pdf](http://www.richmondgov.com/Auditor/documents/2020/2020-03_ParkingAndSharedMobility.pdf)
  - [http://www.richmondgov.com/Auditor/documents/2019/2019-10\\_CapitalImprovementPlanAudit.pdf](http://www.richmondgov.com/Auditor/documents/2019/2019-10_CapitalImprovementPlanAudit.pdf)
  - [http://www.richmondgov.com/Auditor/documents/2019/2019-09\\_RFDFireApparatusAndEquipmentAudit.pdf](http://www.richmondgov.com/Auditor/documents/2019/2019-09_RFDFireApparatusAndEquipmentAudit.pdf)
  - [http://www.richmondgov.com/Auditor/documents/2018/2018-06\\_FacilitiesMaintenance.pdf](http://www.richmondgov.com/Auditor/documents/2018/2018-06_FacilitiesMaintenance.pdf)
  - [http://www.richmondgov.com/Auditor/documents/2017/2017-05\\_ConstructionWorkInProgressAudit.pdf](http://www.richmondgov.com/Auditor/documents/2017/2017-05_ConstructionWorkInProgressAudit.pdf)
  - [http://www.richmondgov.com/Auditor/documents/2015/2015-10\\_FinalStormwaterAuditReport.pdf](http://www.richmondgov.com/Auditor/documents/2015/2015-10_FinalStormwaterAuditReport.pdf)
- Examples of departmental project webpages
- DPW <http://shockoevalleystreets.com/>
- DPU <http://www.richmondgov.com/PublicUtilities/FultonGasWorks.aspx>

# Planning reports

- City of Richmond Strategic Action Plans 2021  
[http://www.richmondgov.com/Budget/documents/StrategicActionPlan\\_2021.pdf](http://www.richmondgov.com/Budget/documents/StrategicActionPlan_2021.pdf)
- Master planning <http://www.richmondgov.com/planninganddevelopmentreview/PlansAndDocuments.aspx>
- Bicycle master plan <http://www.richmondgov.com/BikePed/documents/RichmondBicycleMasterPlan.pdf>
- RVA Clean Water plan <https://rvah2o.org/rva-clean-water-plan/>
- James River Park System master plan [https://jamesriverpark.org/wp-content/uploads/2020/10/JRPS\\_Master\\_Plan-2019\\_10\\_16-final.pdf](https://jamesriverpark.org/wp-content/uploads/2020/10/JRPS_Master_Plan-2019_10_16-final.pdf)
- Richmond Public Library strategic plan <https://rvalibrary.org/about/strategic-plan/>
- Richmond Public Schools <https://www.rvaschools.net/dreams-4-rps>
- Vision Zero <http://www.richmondgov.com/PublicWorks/documents/VisionZero-RichmondActionPlan.pdf>
- Richmond Strategic Multimodal Transportation Plan [http://media.rvanews.com/wp-content/uploads/2015/08/2013-RichmondConnects-Strategic\\_Multimodal\\_Transportation\\_Plan.pdf](http://media.rvanews.com/wp-content/uploads/2015/08/2013-RichmondConnects-Strategic_Multimodal_Transportation_Plan.pdf)
- Pulse Corridor Plan  
<http://www.richmondgov.com/PlanningAndDevelopmentReview/documents/PulseCorridorPlan/PulseCorridorPlan-July2017.pdf>

# Rating Agency Reports

- Rating Agency Reports – Revenue  
[https://www.moodys.com/research/Moodys-upgrades-Richmond-VA-Combined-Utility-Ents-revenue-bonds-to--PR\\_906359426](https://www.moodys.com/research/Moodys-upgrades-Richmond-VA-Combined-Utility-Ents-revenue-bonds-to--PR_906359426)  
<https://www.fitchratings.com/research/us-public-finance/fitch-rates-richmond-va-public-utility-revs-aa-outlook-stable-18-03-2020>
- Rating Agency Reports – General Obligation  
[http://www.richmondgov.com/Finance/documents/AnnualReports/CreditReport\\_Fitch.pdf](http://www.richmondgov.com/Finance/documents/AnnualReports/CreditReport_Fitch.pdf)  
[http://www.richmondgov.com/Finance/documents/AnnualReports/CreditReport\\_Moodys.pdf](http://www.richmondgov.com/Finance/documents/AnnualReports/CreditReport_Moodys.pdf)  
[http://www.richmondgov.com/Finance/documents/AnnualReports/CreditReport\\_StandardPoor.pdf](http://www.richmondgov.com/Finance/documents/AnnualReports/CreditReport_StandardPoor.pdf)