

CAPITAL & SPECIAL PROJECTS HIGHLIGHTS

The City of Danville's Capital & Special Projects Plan (CSP) is a five-year presentation of proposed major capital and special projects for all municipal funds. Included are projects with provisions for blight removal, economic development, River District renovation, construction, replacement or rehabilitation of public facilities, technology infrastructure, major street improvements, equipment replacement, and utility infrastructure. Careful consideration is given annually to developing a CSP that is economically feasible and prudent, and will provide long-term benefits for the safety and well-being of the community.

The CSP is categorized into General Fund and Utility Fund projects. The proposed 2019-23 Five-Year CSP provides for total revenues and expenditures of \$144,569,387 of which FY 2019 projects total \$31,361,253.

FUNDING

Bonds

This CSP includes the issuance of \$7,396,440 in General Obligation Bonds during FY 2019 to fund projects in the Electric Fund and General Fund departments, including fire, police, parks & recreation, public works buildings and grounds, and streets. This represents approximately 23.6% of FY 2019 funding sources. Projects funded with bonds are not included in the Budget Appropriation Ordinance. These projects are appropriated by a separate Bond Appropriation Ordinance.

Pursuant to Chapter 9, Section 9.7 (A), (D), (E), and (F) of the City Charter, issuance of the following may be authorized by City Council without voter's approval:

- Up to \$6 million of bonds in any one fiscal year to finance capital expenditures excluding capital improvements related to water, sewer, gas, or electric improvements.
- Up to \$10 million of bonds in any one fiscal year to finance capital expenditures relating to the City's water, sewer, gas, electric systems, or other undertaking from which the City may derive a revenue.
- Up to \$25 million of bonds or notes in any one fiscal year for capital expenditures relating to the City's water treatment, wastewater treatment, stormwater treatment, solid waste disposal, recycling facilities, and any extraordinary maintenance improvements or expansions of transmission and/or distribution infrastructure for the electric or gas systems.
- Refunding bonds issued to refinance existing debt.

State and Federal Funding

State grants from the Virginia Department of Transportation (VDOT) Revenue Sharing program provide funding for Public Works street projects. Other State grants provide

funding for various airport projects. FY 2018 proposes funding in the amount of \$3,754,716, approximately 12.0% of FY 2019 project funding.

State Aid to Localities

Virginia Fire Service Program provides funding for qualified projects. These projects are required to fund purchases not included in the Fire Department's operating budget. With the 1987 annexation, the City used these funds in combination with General Fund current revenues to pay debt service for lease-purchases of fire apparatus equipment. In FY 2004, a Fire Apparatus Replacement Program was instituted to provide pay-as-you-go funding of new fire trucks and equipment. Fire pumper trucks have an average life of 15 years and ladder trucks 20 years. The FY 2019 CSP includes \$378,000 toward the Apparatus/Equipment Plan with estimated State funding in the amount of \$120,000.

Current Revenues

This category provides total FY 2019 funding in the amount \$7,016,485, representing 22.4% of FY 2019 funding sources. Utility revenues provide \$4,750,000 while the General Fund provides support of \$2,266,485.

Unreserved Fund Balance

Transfers from the unreserved fund balance includes \$2,059,650 from the General Fund, \$4,500,000 from the Water Fund, \$1,200,000 from the Gas Fund, and \$600,000 from the Telecommunications Fund and represents 27.2% of project funding.

Reprogrammed Funds

This funding source represents project funding appropriated prior to July 1, 2018. These funds result when a project is completed under budget and unexpended funds are transferred to the unallocated account. The funds remain in the capital fund and are available for project overruns or new project request as included in the FY 2019 capital request. This CSP has funding from this source in the amount of \$1,668,000 from the General Fund, of which \$1,368,000 are funds received from Duke Power as part of the coal ash spill settlement and proposed for funding a portion of the Riverfront Park, \$600,000 from the Gas Fund, and \$1,000,000 from the Electric Fund. The total reprogrammed funds if \$3,268,000 and is approximately 10.4% of FY 2019 project funding.

Other Funding Sources

Included in the FY 2019 CSP is the recommendation to use \$101,350 from the repayment of the Telvista Loan to fund Economic Development projects, Contribution-in-Aid (162,612) to fund Traffic Signal at S. Main and Goodyear Blvd., use of DIG funds (\$50,000) in the Special Revenue Fund for Gateway Corridor Landscaping, and Private Donation (\$1,132,000) to fund the Riverfront Park.

PROJECTS

General Fund

Community Development – The Blight Removal Project benefits the City by eliminating derelict structures and repairing owner-occupied structures. Reduction in property blight should stimulate improvement in the housing market and reduce demands on municipal services. The City's image as a great place to live, work, and raise a family will be enhanced.

Economic Development – This category includes the International Recruitment Implementation, River District Purchase and Improvement Plan and Industrial Site Development.

Fire Department – This category provides for the Fire Apparatus/Equipment Replacement Plan.

Information Technology – Technology continues to change and the City needs to stay current with the latest infrastructure, end-of-life replacements of hardware and enhancements that will make the organization more efficient and effective. Projects in this category include the Computer Plan providing for infrastructure needs, Enterprise Resource Planning providing upgrades and enhancements to the City's financial and human resource management systems, and geographic information system upgrades.

Parks and Recreation – Projects in this category include facilities and improvements, Riverwalk Trail maintenance, City auditorium improvements, the Riverfront Park, and park paving projects. Maintaining modern recreational facilities is important to maintaining Danville's favorable quality of life.

Police – Projects in the Police Dept include the continued expansion of closed-circuit television system, replacement of SWAT ballistic vests, and year two of five for the continued replacement of body-worn cameras and tasers for all police officers. The Adult Detention facility improvements includes the purchase of a new washer and dryer in FY 2019. This is a multi-faceted and comprehensive approach to renovating the facility.

Public Works – General maintenance of Buildings and Grounds provides for major repairs and maintenance of city-owned buildings. An annual appropriation for this project is included each year. Roofs, elevators and heating, ventilating, and air conditioning (HVAC) systems are aging and there is a need to establish a plan to address these areas. Other projects include River District street improvements, stormwater improvements, general street improvements, and removal of the White Mill Dam (grant funding is being sought). The VDOT revenue sharing program will provide funding for most street projects.

Public Schools – The Schools projects include improvements for several schools over the next five years. There is no funding proposed for FY 2019.

Transportation Department – Airport projects include a conceptual plan for a new terminal building, terminal apron rehab and expansion, purchase of a hangar currently owned by the Daniel Group, replacement of the terminal HVAC, Airport Layout Plan Update, and site prep for a box hangar design and

Utility Funds

Sewer/Wastewater - Public Works sewer projects include annual funding for sewer line reconstruction and new sewer lines/inflow and infiltration reduction. Other major sewer projects scheduled include Sandy Creek Sewer Collector Improvements, replacement of Apple Branch Sewer lines (FY 2020 and FY 2021), Luna Lake Sewer lines (FY 2022), and replacement of main line sanitary sewer (FY 2023). Wastewater Treatment Plant projects include continuation of the Northside Plant process modifications.

Water – Many of the City’s water mains and service lines are old, deteriorating, and have outlived their life expectancies. The Water Line Reconstruction project is a multi-year effort to address the replacement of pipelines causing continuous problems. Other projects include Water Treatment Plant improvements, and DRI reservoir.

Gas – The Cast Iron Main Replacement Project began in 1994 to replace old cast iron and steel pipelines that have deteriorated and can present a safety hazard.

Electric – Distribution, Substation, Load Management, and Administration projects are included over the next five years. The Weatherization – Energy Efficiency Program was implemented in September 2010 to provide Danville Utilities Power & Light Division with the necessary revenue to continue funding our energy efficiency incentive, education, and customer outreach programs. Other projects include street light upgrades, system reliability inspections, and substation upgrades.

Telecommunications – nDanville has gradually extended its service to residential neighborhoods on a pay-as-you-go basis. The deployment will continue to expand nDanville into residential neighborhoods while operating debt free. A portion of the FY 2019 funding is proposed from Current Revenues and Telecommunications fund balance.

PROJECT SUMMARIES

On the following pages are five-year CSP summary tables listing all capital projects by Fund/Department. Additionally, FY 2019 project funding sources for General, Water, Gas, Electric and Telecommunication Funds are included. Section 2 contains 5-year summaries for each fund. Section 3 contains project details.

The next spreadsheets present the FY 2019 projects for each fund by funding source.

