

MEMORANDUM



To: City Council
From: Wynter C. Benda
Date: June 8, 2023
About: Response to Budget Questions

This memorandum will serve to compile and answer questions posed by City Council members throughout the Fiscal Year 2024 budget season. I will update this memo regularly and send to City Council, as well as, post it on the City's website at <https://www.lynchburgva.gov/fy-2024-budget-qa> and on the City's Facebook page.

1. **Question from Council Member Misjuns on May 27, 2023:** *A detailed explanation in writing as to why the costs soared on each of the individual highlighted projects in this document would be very helpful. I would also like to know where these decisions are being made - this is further evidence of the need for an internal auditor to keep things in check.*

Staff Response: Details regarding the highlighted projects are as follows:

Armory

- Bathroom renovation (FY 2023 \$7,500/FY 2024 \$20,000)
- Budget adjusted based on current experience with increased costs for engineering and design services with other projects.

Aviary

- Replace heating and air conditioning system including energy panels (FY 2023 \$25,000/FY 2024 \$200,000)
- Project changed from a simple replacement of heating and air conditioning to a complete redesign of the system; it was determined the current system is unable to effectively handle the size of the building.

Circuit Court

- Building maintenance and renovations (FY 2023 \$400,000/ FY 2024 \$750,000)
- Increased scope/cost to meet requirements of the U.S. Marshall security assessment
- Replace windows (FY 2023 \$225,000/FY 2024 \$475,000)
- Increased due to the U.S. Marshall security assessment as well as a request by the Clerk of the Circuit Court to replace outdated windows

City Hall

- Carpet replacement (split over multiple years) (FY 2023 \$35,000/FY 2024 \$50,000)

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- Wallpaper peeling/remove/skim and paint (split over multiple years) (FY 2023 \$20,000/FY 2024 \$40,000)
 - Budget adjusted based on current experience with increased costs of other similar projects.

City Wide

- Carpet and paint (annual allocation) (FY 2023 \$75,000/FY 2024 \$125,000)
- City Wide Emergency and unscheduled building repairs (annual allocation) (FY 2023 \$550,000/FY 2024 \$1,100,000)
 - Budget adjusted based on current experience with increased costs of other similar projects.

Fire

- Fire Station 1: Exterior enclosure and hose tower repair (FY 2023 \$80,000/FY 2024 \$300,000)
 - Based on the structural assessment, the scope of the project changed to include lowering the hose tower due to the foundation pier being overloaded.
- Fire Station 5: Kitchen cabinets and countertop replaced (FY 2023 \$30,000/FY 2024 \$80,000)
 - The scope of the project changed to include flooring replacement. A detailed explanation of the kitchen scope and cost was provided with the April 28, 2023 responses to Council Member questions and is provided below.
- Fire Station 5: Repair concrete apron at back of building (FY 2023 \$35,000/FY 2024 \$60,000)
 - Budget increased based on current bids for the same work at Fire Station 7

Old Courthouse Museum

- Accessibility improvements (additional allocation for renovation improvements) (FY 2023 \$150,000/FY 2024 \$225,000)
 - Budget adjusted based on current experience with increased costs of other similar projects.

Parks

- Replace split rail fencing with chain-link (multiyear project) (FY 2023 \$15,000/FY 2024 \$25,000)
 - Budget adjusted based on current experience with increased costs of other similar projects.

*As referenced above staff provided the following answer to the question "How are CIP projects estimated?" in the **Budget Responses dated April 28, 2023:***

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Staff uses a variety of means in order to estimate projects for Major Building Repair (MBR). In many instances, staff can use past projects of similar size and scope as a guideline for likely project costs. If a design firm is utilized, we can frequently obtain an estimate of probable cost from the design consultant. In other cases, the scope of work may not be clearly defined, or there may be unknowns in the project where we are using partial resources and then basing the remainder on staff experience to form an opinion of budgeting costs.

In recent times, the construction market has been very tight and contractors have more work than they can handle and meeting insurance requirements mandated by the City can limit the contractors willing or able to bid on City projects. We must also factor in materials shortages driven by supply chain issues which have had a significant impact on project costs. As a result, the bids we have received are frequently significantly higher than past trends support – sometimes double and even triple what similar projects were bidding at just a year ago. MBR project cost estimates are developed nearly a year in advance of when the projects are constructed; inflation, industry trends and economic factors are considered when developing these estimates.

Our contacts in the building industry have indicated that they are seeing the same cost escalations and are having difficulty hitting estimates as a result. More conservative project estimating is the result and is evident in our budget requests.

Using the Fire Station Hood retrofit projects as an example: we recognize that all of the kitchens are different but the base requirements of the fire suppression system will be present in all of the systems. Elements that will vary from station to station are: how to fit these systems into the existing stations, integrating alarm components for the hoods, and what impact the vacuum generated by the hoods will have on the HVAC systems for each building. We also had somewhat recent costing information in the hood installation done as part of the Fire Station 3 kitchen installation. This is how the proposed budgets were developed and a uniform number selected in an effort to allow for contingencies from station to station.

Looking at Fire Station #5 again, we are basing the costs off of previous projects and attempting to account for variability in pricing. One clarification is that this project will also include flooring in the kitchen/eating areas that was inadvertently left off of the project description. We agree it is a much smaller kitchen than most other stations.

Regarding Courtroom A benches, we are basing the estimate off of pricing we have from 2018 (sheet attached). Note that the benches for our zone were \$847 per linear foot in 2018 dollars. Add end caps (\$1,166 per pair), hinged gates (\$4,494 per set), etc. and the price adds up quickly. An additional consideration is the likely need to replace the flooring as the benches will not line up with the existing mounting. Based on the significant increases in cost, and taking into account

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that the online pricing is from 2018 and does not include shipping to the site (dock delivery only), options that the court may select or installation and assembly, we feel that \$500,000 is an appropriate estimate for this work.



Spectator Seating



Prices shown below are list prices, dock delivered to zone indicated. Prices subject to fuel surcharge. Installation available in some areas. See page 7.

list prices 2018

	Bench Body	Bench Body and Panel Options	Model No.	Prices shown below are for Contemporary edges				Bench End Styles	
				Zone 1	Zone 2	Zone 3	Zone 4		
<p>Bench bodies are ergonomically designed with flat plywood and solid wood caps.</p> <p>Same body is used for all styles.</p> <p>Bench End</p> <p>Bench ends come standard with hidden hardware to anchor the end to the floor.</p> <p>ARD benches are composed of wood bench bodies with solid wood caps and solid wood bench ends.</p> <p>Benches up to 6' long will ship fully assembled.</p> <p>Benches over 6' will ship KD.</p>		<p>All wood seat and back</p>	Lin. ft. RJPB solid wood	792	847	886	918	<p>Contempo</p>	
			Lin. ft. RJPB flat plywood	449	468	470	490		<p>Bullnose or similar solid wood molding on top cap</p>
		<p>Cushioned seat wood back</p>	Call factory for pricing				<p>Traditional ADD 15%</p>		
			<p>Cushioned seat and back</p>	Call factory for pricing				<p>2" thick ogee Traditional edge detail on cap. Applied picture frame molding</p>	
		<p>Full Panel</p>		Pair RJFP	1122	1166	1199		1238
			Pair RJSP	1160	1205	1232	1271	<p>Fluted columns, solid wood cap and toe kick. Picture frame molding on veneer panel</p>	
			Pair RJRP	1480	1535	1568	1595		<p>Kent ADD 45%</p>
			<p>Sloped Panel</p>					<p>Solid wood cap, toe kick, and raised panel</p>	

Arnold Reception Desks Inc.

Add edge detail desired - B, D, R, V, K, H, S, Z or T as suffix to style number. There are no base molding or picture frame moldings with edge details S, B, H, V, R or D. Edge Z has base molding only. Edge T both base molding and picture frame molding.

Example: Courtroom A Pricing

2. **Question from Council Member Helgeson on May 29, 2023:** *Secondly, this CIP is huge. I am curious as to what projects department heads recommended to you, but you didn't recommend to Council.*

Staff Response: The following is a table of approximately \$168 million in General Fund and Schools projects submitted by departments that were NOT included in the Proposed FY 2024-2028 Capital Improvement Program (CIP).

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General Fund and Schools Projects NOT INCLUDED in the Proposed FY 2024 -2028 Capital Improvement Program (CIP)

CIP Section	Project Title	Budget FY 2024	Planned FY 2025	Planned FY 2026	Planned FY 2027	Planned FY 2028	Five-Year Estimated Net cost
Buildings	Crossroads Lot - Deck Addition	550,000	2,950,000	2,000,000	0	0	5,500,000
Buildings	Downtown Parking Deck Facility	0	400,000	3,600,000	12,000,000	11,000,000	27,000,000
Buildings	Public Works Complex - Construction	0	0	0	9,300,000	0	9,300,000
Buildings	Public Safety Firing Range	150,000	1,950,000	0	0	0	2,100,000
Transportation	College Lake Overlook	0	93,750	800,000	1,387,500	1,000,000	3,281,250
Transportation	Grace Street Realignment at 12th and Madison	0	0	0	1,000,000	4,720,000	5,720,000
Transportation	Graves Mill Road at Route 501 S Ramp Modifications	1,000,000	2,875,000	2,500,000	0	0	6,375,000
Transportation	Hill Street/Moormans Road Improvements	0	0	1,112,500	3,500,000	1,245,000	5,857,500
Parks and Recreation	City Stadium Football Field Turf Replacement	0	0	0	1,650,000	0	1,650,000
Parks and Recreation	Community Park Investment Fund	0	50,000	50,000	50,000	50,000	200,000
Parks and Recreation	Lynchburg Community Market Renovations	165,000	0	3,600,000	0	0	3,765,000
Parks and Recreation	Miller Park Pool Assessment/Replacement	170,000	5,770,000	0	0	0	5,940,000
Parks and Recreation	Parks and Recreation Needs Assessment Implementation	500,000	250,000	250,000	250,000	750,000	2,000,000
Parks and Recreation	Parks Tree Replacement Program	50,000	50,000	55,000	55,000	55,000	265,000
Parks and Recreation	Sustainable Infrastructure Program	75,000	75,000	75,000	100,000	100,000	425,000
Schools	Linkhorne Elementary School Renovation and Gym Addition	0	0	1,300,000	13,550,000	13,550,000	28,400,000
Schools	Paul Munro Elementary Renovation and Gym Addition	0	0	0	1,000,000	10,250,000	11,250,000
Schools	Perrymont Elementary School Renovation	0	1,400,000	14,000,000	14,000,000	0	29,400,000
Schools	Elementary Schoolyard Modernization	550,000	500,000	450,000	0	0	1,500,000
Schools	School Gymnasium Additions	2,000,000	2,100,000	0	0	2,100,000	6,200,000
Schools	School Mechanical and Electrical Improvements	0	2,636,480	2,900,000	0	0	5,536,480
Schools	School Security Improvements	0	1,500,000	1,500,000	0	0	3,000,000
Schools	Secondary School Athletics Improvements	1,700,000	875,000	0	0	0	2,575,000
Schools	Exterior Building Envelope Repairs	798,300	0	0	0	0	798,300
		\$7,708,300	\$23,475,230	\$34,192,500	\$57,842,500	\$44,820,000	\$168,038,530

3. **Question from Council Member Helgeson on May 29, 2023:** *Council on a 5-2 vote clearly articulated the operating budget isn't going to grow as much as you proposed. This is not just a one year reset, but a course correction from a policy of tax and spend to one of fiscal responsibility and measurable results. After seeing that, don't you think you should proactively amend the capital side of the budget?*

Staff Response: Using several criteria, including projects using 100% local funding, projects that are mostly maintenance of existing city infrastructure, projects that substantially leverage non-City funding, staff has developed a list of proposed CIP projects that may be considered necessary at a later date.

Necessary Later included in the FY 2024-2028 CIP (General Fund and Schools)

CIP Section	Project Title	Appropriations Through 06/30/2023	Budget FY 2024	Planned FY 2025	Planned FY 2026	Planned FY 2027	Planned FY 2028	Five-Year	Estimated Cost	Total
								Estimated Net cost	Beyond Program Period	Accumulated Project Cost
Buildings	Mid-Town Parking Deck Replacement	0	0	0	0	0	460,000	460,000	40,000,000	40,460,000
Buildings	Public Library Renovation/Reimagination	1,092,710	0	7,500,000	0	0	0	7,500,000	0	8,592,710
Transportation	D Street and Rivermont Avenue Intersection Improvements	0	945,000	8,775,000	0	0	0	9,720,000	0	9,720,000
Transportation	Florida Avenue Sidewalk	4,517,516	0	0	1,417,391	7,200,000	0	8,617,391	0	13,134,907
Transportation	Forest Brook Road, Phase I	0	0	0	0	0	1,350,000	1,350,000	7,560,000	8,910,000
Transportation	McConville Road Realignment to Lakeside Drive	0	0	0	0	780,000	3,780,000	4,560,000	0	4,560,000
Transportation	Timberlake Road Bridge, East Bound Lanes	0	0	0	1,000,000	9,100,000	0	10,100,000	0	10,100,000
Transportation	Timberlake Road Bridge, West Bound Lanes	0	1,000,000	8,750,000	0	0	0	9,750,000	0	9,750,000
Transportation	Timberlake Road Improvements	0	0	0	0	0	472,500	472,500	29,902,500	30,375,000
Transportation	Wards Ferry Road/Simons Run Pedestrian Accommodations	0	0	312,500	0	0	0	312,500	0	312,500
Economic Development	Airport Commerce Park	0	0	1,000,000	5,000,000	5,560,000	0	11,560,000	0	11,560,000
Economic Development	Downtown Development	0	630,000	1,300,000	1,450,000	1,600,000	1,100,000	6,080,000	0	6,080,000
Economic Development	Ivy Creek Innovation Park - Sites A and B Development	0	0	2,200,000	350,000	8,140,000	0	10,690,000	0	10,690,000
Parks and Recreation	Allen-Morrison Site Assessment/Design	0	0	0	250,000	0	0	250,000	0	250,000
Parks and Recreation	City Stadium - Visitors' Side Improvements	0	0	0	75,000	500,000	0	575,000	0	575,000
Parks and Recreation	College Park Upgrade	174,155	650,845	0	0	0	0	650,845	0	825,000
Parks and Recreation	Heritage Park Improvements	325,000	200,000	0	0	0	250,000	450,000	250,000	1,025,000
Parks and Recreation	Jackson Heights Art Studio Renovation	0	0	0	0	50,000	500,000	550,000	0	550,000
Parks and Recreation	Jefferson Park: Phase 2	0	0	0	0	0	150,000	150,000	1,000,000	1,150,000
Parks and Recreation	Peaks View Park Athletic Field Lighting	0	0	0	0	0	75,000	75,000	1,500,000	1,575,000
Parks and Recreation	Riverside Park Master Plan Implementation	0	0	0	0	0	75,000	75,000	500,000	575,000
Parks and Recreation	Templeton Senior Center Renovations	0	0	0	50,000	0	400,000	450,000	0	450,000
Miscellaneous	Gateway Improvements - Tyreeanna/Pleasant Valley	0	118,000	0	0	0	0	118,000	0	118,000
Miscellaneous	Pleasant Valley, Phase 1 - Greenway Design	0	0	200,000	1,145,000	0	0	1,345,000	0	1,345,000
Total Proposed FY 2024 - 2028 CIP		\$6,109,381	\$3,543,845	\$30,037,500	\$10,737,391	\$32,930,000	\$8,612,500	\$85,861,236	\$80,712,500	\$172,683,117

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4. **Question from Council Member Helgeson on May 29, 2023:** *Please send the last five years of Adopted CIP.*

Staff Response: Below are links to the adopted CIP for FY 2019-FY 2023.

[FY 2019 Capital Improvement Program](#)

[FY 2020 Capital Improvement Program](#)

[FY 2021 Capital Improvement Program](#)

[FY 2022 Capital Improvement Program](#)

[FY 2023 Capital Improvement Program](#)

5. **Question from Council Member Taylor:** *What is the number of roundabouts in the CIP?*

Staff Response: There are three proposed roundabouts in the FY 2024 CIP.

- Wards Ferry Road at CVCC Campus Drive Roundabout ([page 72](#))
 - 100% federal funded
- Nationwide Drive Roundabout ([page 61](#))
 - An application will be submitted to VDOT for Revenue Share and/or SMARTSCALE Program funding
- D Street and Rivermont Avenue Intersection Improvements ([page 49](#))
 - Construct a roundabout at D Street and Victoria Avenue – this project was moved up in coordination with the approved new hotel on Rivermont Avenue