

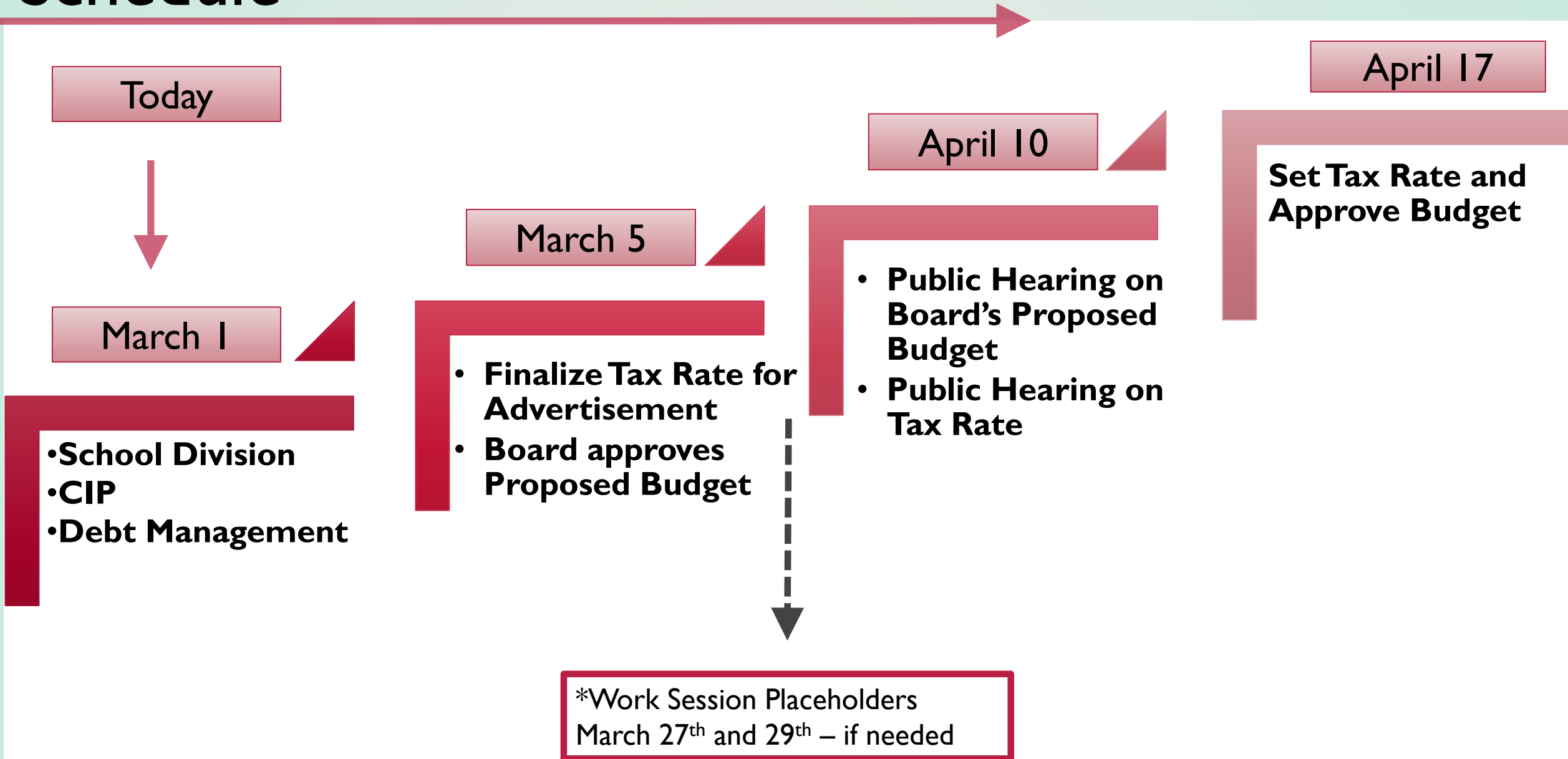
Delivering Tangible Results in an Evolving Landscape

FY 19 RECOMMENDED BUDGET

March 1, 2018
Work Session
III



Schedule



OVERVIEW OF FY 19 – 23 CIP & FY 19 CAPITAL BUDGET

INTRODUCTION & BACKGROUND

A Different CIP

- Expanded CIP - A Response to Oversight Committee Recommendation
- Proposed 2018 Referendum
 - High School Capacity and Improvements Project
 - Other Quality of Life Referendum Projects
- Includes Water Resources Projects
 - FY 19 – Utilizes one-time cash funding
 - FY 20 and forward - Would require implementation of the Stormwater Utility, or other additional resources, or adjustments to reduce the program.

INTRODUCTION & BACKGROUND

A Different CIP

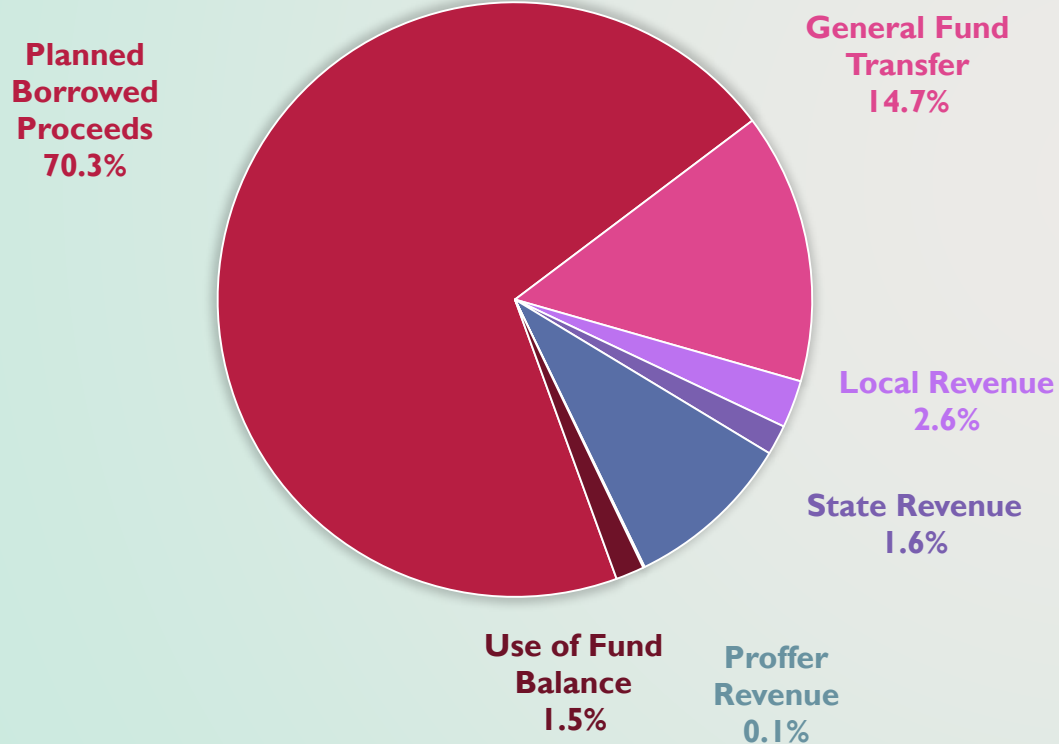
- Would Require Additional Resources beginning in FY 20 Based on Current Projections
 - 2016 Referendum tax rate increase deferred
 - Infusion of one-time undesignated end-of-year funds
- Financial Management Strategies
 - Increasing percentage of “Pay-Go” over five years
 - Use of spend plans to fine tune debt issuances
 - Use of Short Term Borrowing to bridge between debt issuances
- Operating Impacts – Still identifying total long-term impact
 - Resulting from projects
 - Staffing impacts associated with execution of projects

CIP OVERVIEW

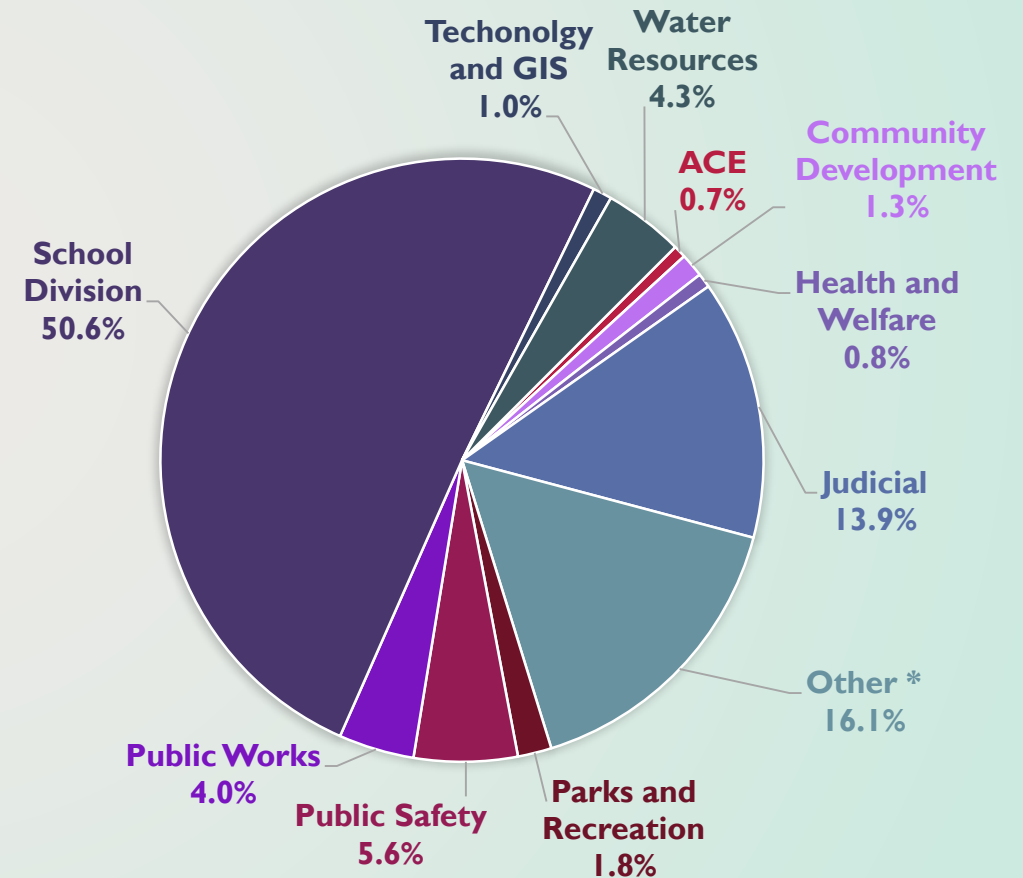
RECOMMENDED CIP: FY 19 – 23

\$294.7 M **

Revenues



Expenditures



* Other Quality of Life Referendum projects, Cost of Issuance & Project Management Services

** CIP – Projects & Associated Costs

RECOMMENDED CIP :

REVENUES

- Managing Debt to Equity Ratios for FY 19-23
 - Increases CIP Pay-Go towards goal of transferring 3% of annual General Fund operating revenues to CIP
- Use of Borrowed Proceeds:
 - Debt Issuances planned in 2019, 2021 and 2023
 - Short-term Borrowing planned \$16M in 2020 and \$23M in 2022
- Assumes a potential 2018 Referendum
 - High School Capacity and Improvements (\$90 M)
 - Other Quality of Life Projects (\$39 M)
- FY 18 Appropriation will improve CIP Position:
 - \$7.7M in FY 17 Undesignated Year-End Funds and \$0.5M in unexpected additional revenues received in FY 18

RECOMMENDED CIP:

EXPENDITURES

- Includes Mandates, Obligations, Maintenance & Replacement Projects
- Incorporates Oversight Committee's recommendations with following adjustments:
 - Adds Ivy Recycling Convenience Center Project
 - Adjusts timing of the Other Quality of Life Referendum Projects would begin in FY 20, instead of FY 19
 - Assumes additional on-going funding for ACE beginning in FY 20, instead of FY 19 (assumes carry-forward funding will be available for expenditure in FY 19)

RECOMMENDED CIP BUDGET MODEL: FY 19 - 23

Line	Net of Transfers (\$ in millions)	FY 18 Projected	FY 19	FY 20	FY 21	FY 22	FY 23
A	Capital Improvement Plan (CIP) Budget Model						
B	Capital Revenues						
C	CIP Pay-Go (GFT)	\$ 1.3	\$ 3.0	\$ 7.1	\$ 13.0	\$ 7.8	\$ 12.5
D	Other CIP Revenues	\$ 25.6	\$ 2.4	\$ 14.5	\$ 13.0	\$ 4.8	\$ 4.9
E	Planned Borrowed Proceeds	\$ 22.0	\$ 43.0	\$ 70.3	\$ 38.5	\$ 44.4	\$ 10.9
F	Short-Term Borrowing	\$ -	\$ -	\$ 16.0	\$ -	\$ 23.0	\$ -
G	Use of Fund Balance	\$ 62.9	\$ 9.2	\$ (15.3)	\$ 9.9	\$ (18.8)	\$ 19.6
H	Total Capital Revenues	\$ 111.8	\$ 57.7	\$ 92.6	\$ 74.5	\$ 61.2	\$ 47.8
I	Total Capital Expenditures	\$ 111.8	\$ 57.7	\$ 92.6	\$ 74.5	\$ 61.2	\$ 47.8

* Total FY 19-23 CIP accounts for planned Short-term Borrowing in 2020 (\$16M) and in 2023 (\$23M) that is repaid using Borrowed Proceeds from 2021 and 2023 issuances respectively

RECOMMENDED FINANCIAL CIP MODEL: FY 19 - 23

Line	Net of Transfers (\$ in millions)	FY 18 Projected	FY 19	FY 20	FY 21	FY 22	FY 23	Total FY 19-23
J	Financial Resources & Projected Debt Obligations							
K	General Fund Allocation to Debt and Capital							
	Debt Service Obligation							
L	(Existing and Projected)	\$ 23.7	\$ 23.4	\$ 26.5	\$ 25.1	\$ 35.5	\$ 32.2	\$ 142.8
M	Recommended CIP Pay-Go (GFT)	\$ 1.3	\$ 3.0	\$ 7.1	\$ 13.0	\$ 7.8	\$ 12.5	\$ 43.4
N		\$ 25.0	\$ 26.4	\$ 33.6	\$ 38.1	\$ 43.3	\$ 44.7	\$ 186.1
O	Estimated Additional Revenue Needed*							
P	General Government & School CIP							
Q	Beginning in FY 20			\$ 5.7	\$ 5.8	\$ 6.0	\$ 6.2	\$ 23.8
R	Beginning in FY 21				\$ 3.9	\$ 4.0	\$ 4.2	\$ 12.1
S	Beginning in FY 22					\$ 4.0	\$ 4.2	\$ 8.2
T	Total Additional Revenue for General Government & School CIP			\$ 5.7	\$ 9.7	\$ 14.1	\$ 14.6	\$ 44.0
W	Water Resources Program			\$ 2.9	\$ 2.5	\$ 2.8	\$ 2.9	\$ 11.0
X	Total Additional Revenue		\$ -	\$ 8.6	\$ 12.2	\$ 16.9	\$ 17.4	\$ 55.1

RECOMMENDED CIP: FY 19 – 23 POTENTIAL IMPACTS

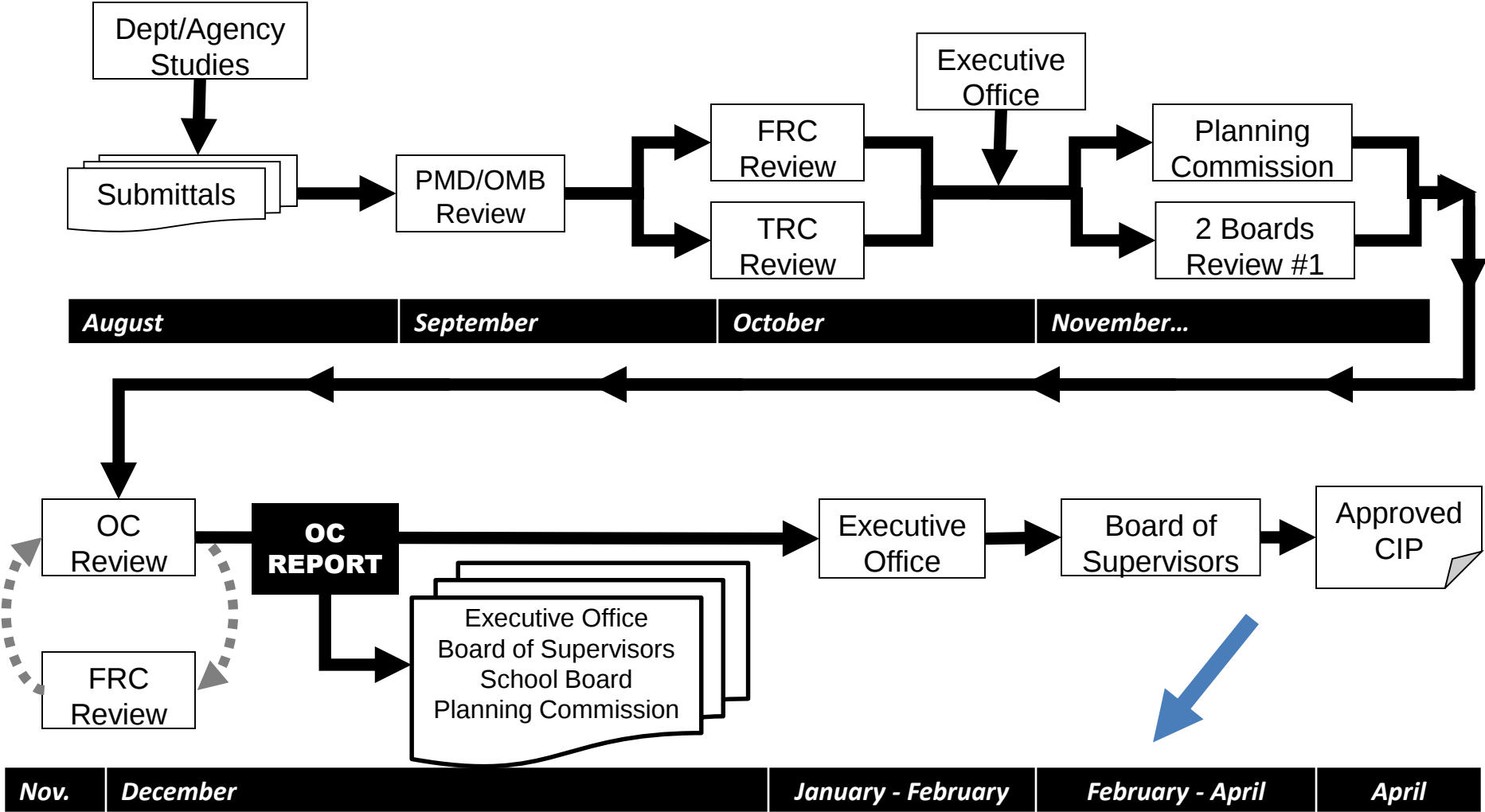
Line						
aa	Estimated Additional Dedicated Pennies on the Real Estate Tax Rate that may be needed to generate additional revenue					
		FY 19	FY 20	FY 21	FY 22	FY 23
ab	General Government & School CIP		3.0			
ac	General Government & School CIP			2.0		
ad	General Government & School CIP				2.0	
ae	Water Resources Capital Program, if funded by tax rate increase		1.5			
af	Total Est. Additional Dedicated Pennies		4.5	2.0	2.0	
ag	Estimated Value of a Penny on the Tax Rate	FY 19	FY 20	FY 21	FY 22	FY 23
ah	(\$ in millions)	\$ 1.8	\$ 1.9	\$ 1.9	\$ 2.0	\$ 2.1

REVIEW OF RECOMMENDED CIP PROJECTS

FY 19 CIP

Development Flowchart

CIP - Capital Improvement Plan (Five-Year Period)
FRC-Financial Review Committee
LRPC-Long Range Planning Committee
OC-Oversight Committee
PMD-Project Management Division
OMB-Office of Management & Budget
TRC-Technical Review Committee



JUDICIAL

FY19 - 23 Total

- \$41M

Existing Project:

- Court Facilities Addition/Renovation
 - Updated cost estimate - reduced by \$2.5 million



PUBLIC SAFETY – FIRE RESCUE

Existing Projects - Highlights

- Apparatus Replacement
- Mobile Data Computer Replacement



FY19 - 23 Total

- \$16.4M (All Public Safety)
- \$11M (Fire Rescue)

New - Fire Rescue

- Station Alerting System Replacement
- Volunteer Facilities Maintenance Pilot
- Fire Rescue Training Facility*

* Included as a Potential Referendum Project

PUBLIC SAFETY - POLICE

Existing Projects - Highlights

- Police Mobile Data Computer Replacement
- Police Patrol Video Cameras Replacement



FY19 - 23 Total

- \$16.4M (All Public Safety)
- \$5.4M (Police)

New - Police

- Community Response Truck Replacement
- Evidence Processing & Specialty Vehicle Storage Design (FY 19)



PUBLIC WORKS

Existing Projects - Highlights

- County-Owned Facilities Maintenance
- City-County Owned Facilities Maintenance
- COB Window Replacement (FY20)

FY19 - 23 Total

- \$11.9M

New

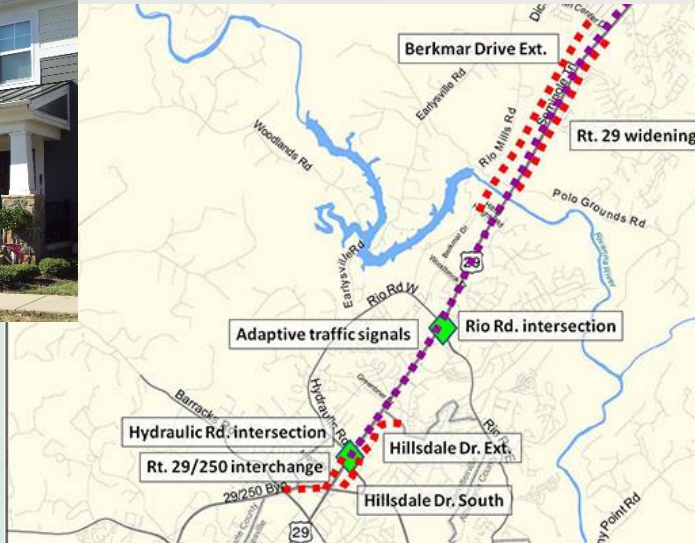
- Ivy Recycling Convenience Center at Ivy Materials Utilization Center



COMMUNITY DEVELOPMENT

Existing Projects - Highlights

- Places 29 Small Area Study
- Transportation Leveraging Program
- NIFI projects



FY19 - 23 Total

- \$3.7M

New

- Route 20/US 250 Intersection Improvements*
- Albemarle Bicycle Pedestrian Construction Program*
- Northtown Trail*

** Included as a Potential Referendum Project*

HEALTH AND WELFARE

Existing Projects - Highlights

- PVCC Advance Technology Center Sitework
- Senior Center at Belvedere

FY19 - 23 Total

- \$2.3M



PARKS, RECREATION & CULTURE

Existing Projects - Highlights

- City-county Owned Parks Maintenance
- County-Owned Parks Maintenance
- Crozet Park Maintenance



FY19 - 23 Total

- \$5.3M

New

- Moore's Creek Trail and Trailhead Park Project
- Parks Athletic Field Improvements*
- Darden Towe Park Athletic Field Improvements*
- Hedgerow Property Trail Park*

** Included as a Potential Referendum Project*

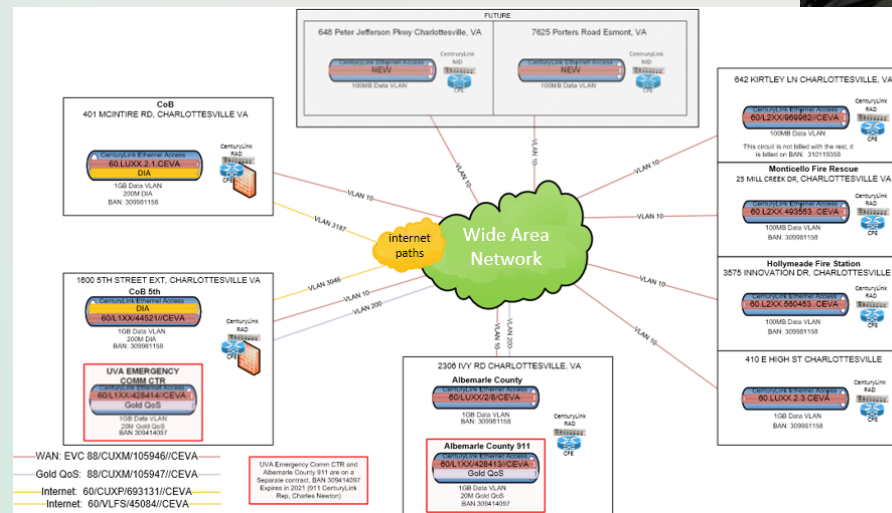
TECHNOLOGY & GIS

Existing Projects - Highlights

- County Server Infrastructure Upgrade
- Increased Redundant Internet Services

FY19 - 23 Total

• \$3M



ACQUISITION OF CONSERVATION EASEMENTS (ACE)

Existing program:

- \$500k per year starting in FY 20
- Carry-forward funding to support program costs in FY 19

FY19 - 23 Total

- \$2M



WATER RESOURCES

Existing Projects - Highlights

- Hollymead Dam Spillway
- Water Quality Mandated TMDL Program (stream restoration/other enhancements)



FY19 - 23 Total

- \$12.6M

New in FY 19 -23

- Drainage Infrastructure maintenance/repair program
- Water Quality Non-Mandated TMDL Program (includes stream restoration in rural areas)
- Mint Spring Dam-Spillway Improvement

SCHOOLS

Existing Projects - Highlights

- Administrative/Instructional Technology
- School Bus Replacement Program
- School Maintenance/Replacement



FY19 - 23 Total

- \$149M

FY 19 New

- High School Capacity and Improvements*
- Learning Space Modernization*
- Scottsville Elementary School Additions & Improvements*



** Included as Potential Referendum Project*

EXAMPLES OF HIGHLY RANKED CAPITAL REQUESTS NOT INCLUDED IN RECOMMENDED CIP

- Crozet Elementary School Additions/Improvements
- Red Hill Elementary School Phase 2: Renovations and Gym Addition
- Police Satellite Training Academy
- Route 20 South (Scottsville Road) Improvements
- Police Evidence Processing and Specialty Vehicle Storage (Design funded in FY 19)
- Central Library Renovations
- Public Safety Training Academy

** Ranked in Top 15 by TRC*

WATCH LIST

POTENTIAL FUTURE REQUESTS

- Volunteer Fire Rescue Facilities Maintenance Program
- Full implementation of the Community Recreation Needs Assessment
- Future Master Plan implementations
- Potential future transportation-related items

DISCUSSION OF POTENTIAL REFERENDUM(S)

- High School Capacity and Improvement Project
- Other Quality of Life projects:
 - Schools
 - Transportation
 - Community Facilities and Greenspace
 - Public Safety



REFERENDUM: HIGH SCHOOL CAPACITY & IMPROVEMENT PROJECT

- Current Cost Estimate: \$90 M
- New Educational Model
 - Includes two new centers:
 - Design for Center 1 begins in FY 19
 - Design for Center 2 begins in FY 22
 - Modernizes Existing High Schools
- Operating Impacts start in FY 22
- Current Timeline Scheduled for Completion in FY 24



- Geographic Diversity
- Quality of Life
- Non-Mandated Projects
- High scoring projects in TRC, per category
- Timeliness
- Importance to Citizens
- Conditions of Facilities
- Project Diversity
- Strategic Initiatives

OTHER QUALITY OF LIFE REFERENDUM PROJECTS FOR CONSIDERATION (\$39M)

Schools \$24.9M

- Learning Space Modernization (\$12.8M)
- Scottsville Elementary School Additions & Improvements (\$12.1 M)

Transportation \$3.0M

- Route 20/US 250 Intersection Improvement (\$1.1 M)
- Albemarle Bicycle Pedestrian Construction Program (\$1.2 M)
- Northtown Trail (\$0.8M)

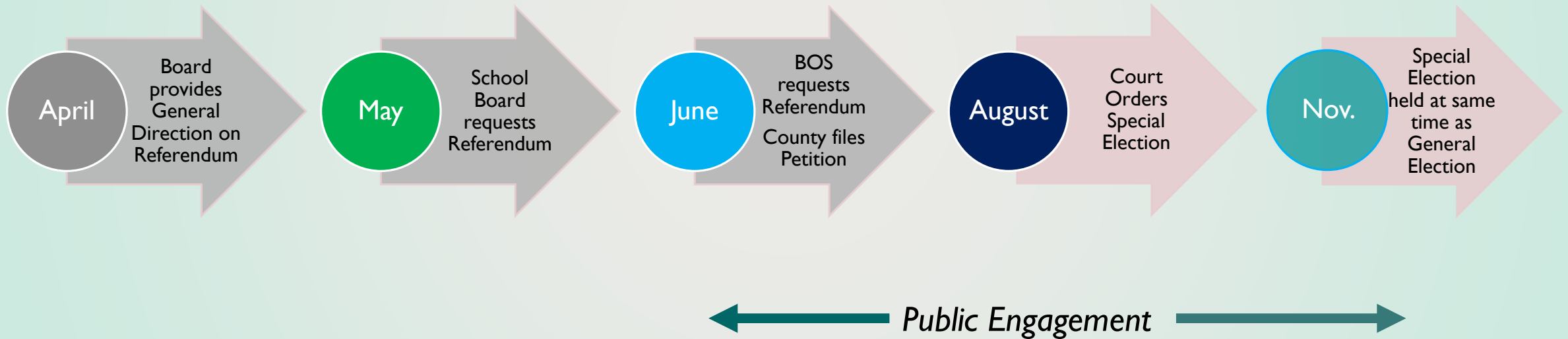
Community Facilities & Greenspace \$7.2M

- Parks Athletic Field Improvements (\$2.0 M)
- Darden Towe Park Athletic Field Improvements (\$3.0 M)
- Hedgerow Property Trail Park (\$2.3 M)

Public Safety \$4.1M

- Fire Rescue Training Facility (\$4.1 M)

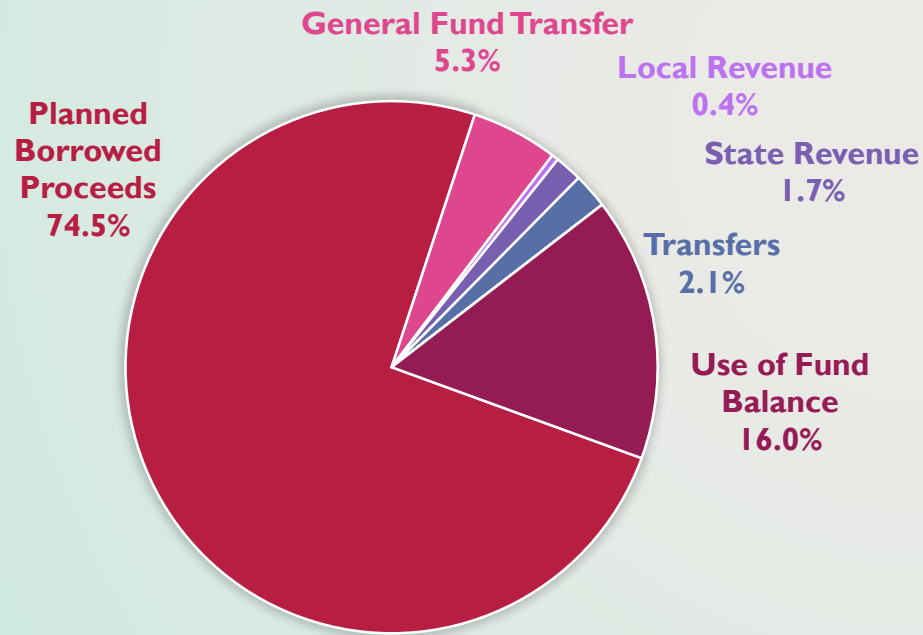
REFERENDUM TIMING CONSIDERATIONS



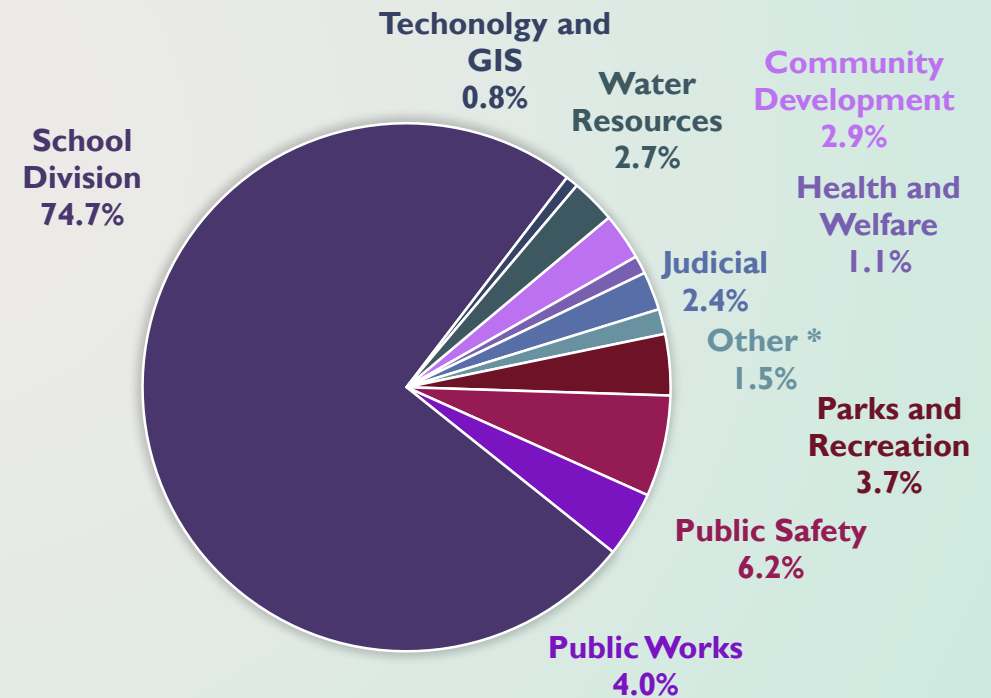
CAPITAL BUDGET – FIRST YEAR OF CIP

RECOMMENDED CAPITAL BUDGET: FY 19 \$57.7M

Revenues



Expenditures



* Cost of Issuance & Project Management Services

FY 19 CAPITAL BUDGET - HIGHLIGHTS

- High School Improvement Project funding begins in FY 19
 - Other potential Referendum Quality of Life projects funding included after FY 19, if approved
- Water Resources – funded with one-time money
- Volunteer Fire Rescue Facilities Maintenance Pilot
- Maintenance/Replacement of County Facilities and Parks
- Transportation Leveraging Program *(formerly Transportation Revenue Sharing)*
- Recommends two items be funded in FY 18:
 - Public Safety Tactical Robot
 - Public Safety Mobile Burn Building Training Center

DEBT MANAGEMENT INFORMATION

DEBT MANAGEMENT CHAPTER – PAGE 297

Chapter includes: Existing Debt, Debt Service Schedules, Policies, and Amortization Schedule

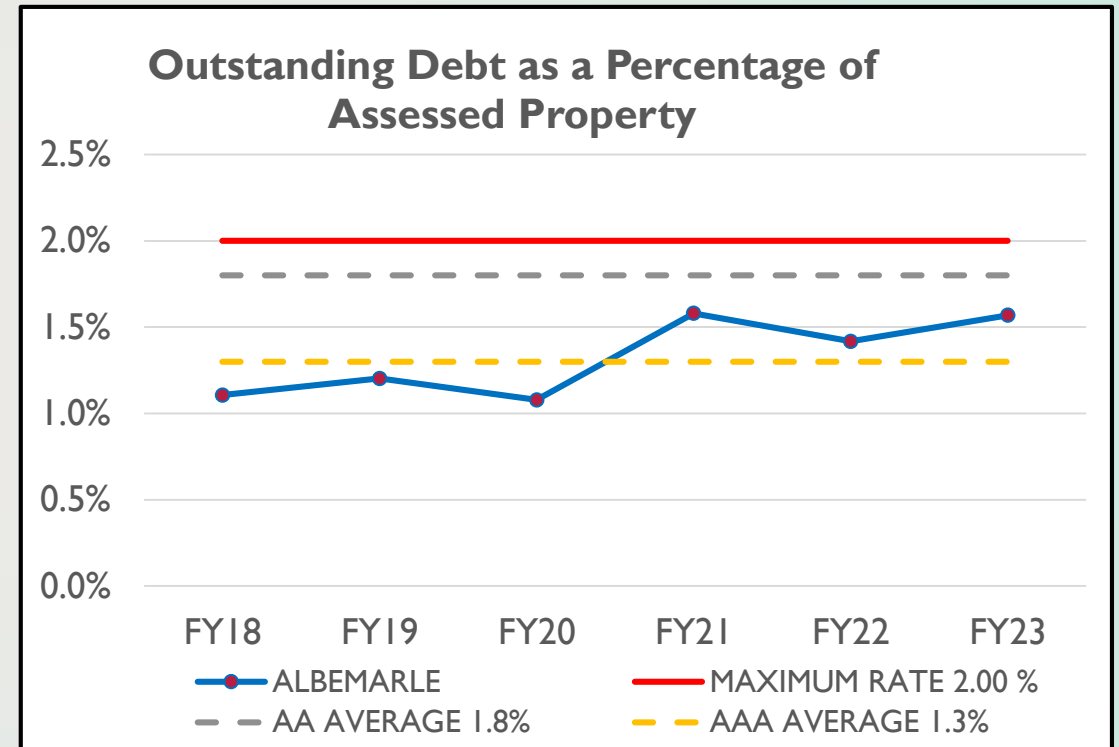
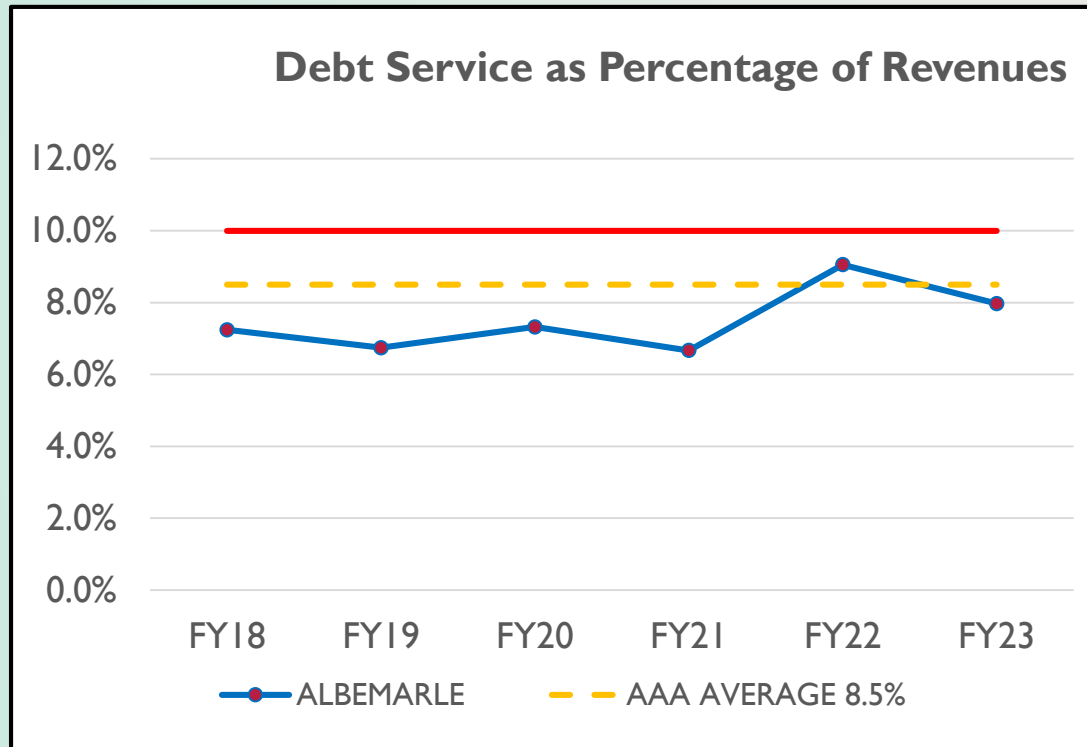
Existing Debt

Balance at the end of FY 17

• Schools	\$132.1M
• Gen Government	<u>\$74.9M</u>
Total:	\$207.0M

The County intends to maintain a 10 year payout ratio at or above 60% at end of each adopted five-year CIP

DEBT CAPACITY POLICY GUIDELINES



Schedule

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graph LR; A[March 5: Finalize Tax Rate for Advertisement, Board approves Proposed Budget] --> B[April 10: Public Hearing on Board's Proposed Budget, Public Hearing on Tax Rate]; B --> C[April 17: Set Tax Rate and Approve Budget];
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March 5

- **Finalize Tax Rate for Advertisement**
- **Board approves Proposed Budget**

April 10

- **Public Hearing on Board's Proposed Budget**
- **Public Hearing on Tax Rate**

April 17

Set Tax Rate and Approve Budget

*Work Session Placeholders
March 27th and 29th – if needed

CURRENT ITEMS ON LIST FOR BOARD DISCUSSION

MARCH 5

- **Unfunded position requests:**

- Finance (5.0 full-time equivalents - FTE)
- Information Technology (1.5 FTE)
- Sheriff's Office (2.0 FTE)
- Police (4.0 FTE)
- Fire Rescue (11.0 FTE)
- FES – Maintenance Mechanic (1.0 FTE)
- Social Services (4.0 FTE)

- **Agency Budget Review Team (ABRT)
Reviewed Agencies**

- Legal Aid Justice Center (3 programs)
- MACAA (2 programs)
- Sin Barreras – Without Borders (1 program)
- Consider reallocating Charlottesville Opera funding to Paramount Theater
- Virginia Cooperative Extension Service 4-H program: increasing part-time hours
- \$63,945 in savings from agencies on the City's health plan (e.g. JMRL & CAT)