

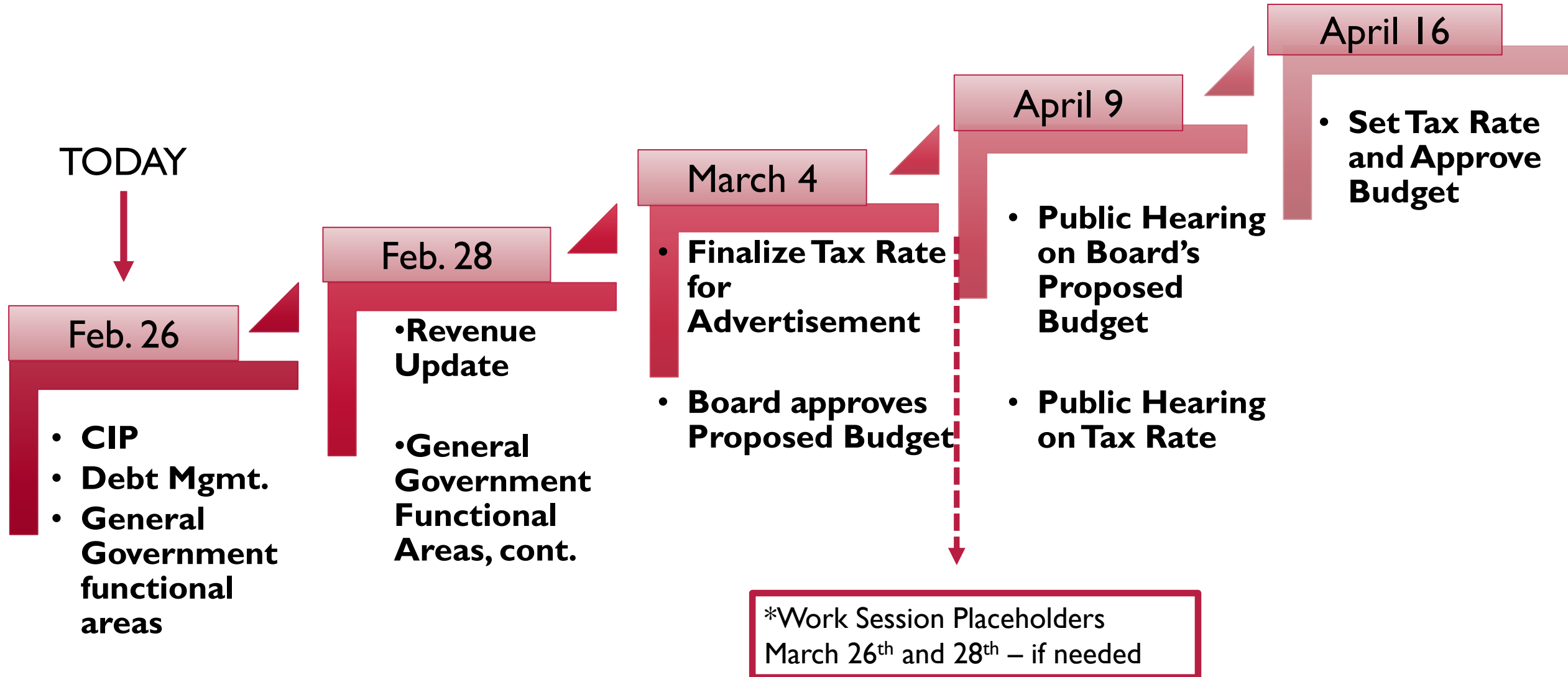
ALBEMARLE 2020

CIP, Capital and Debt Chapters

February 26, 2019



Schedule



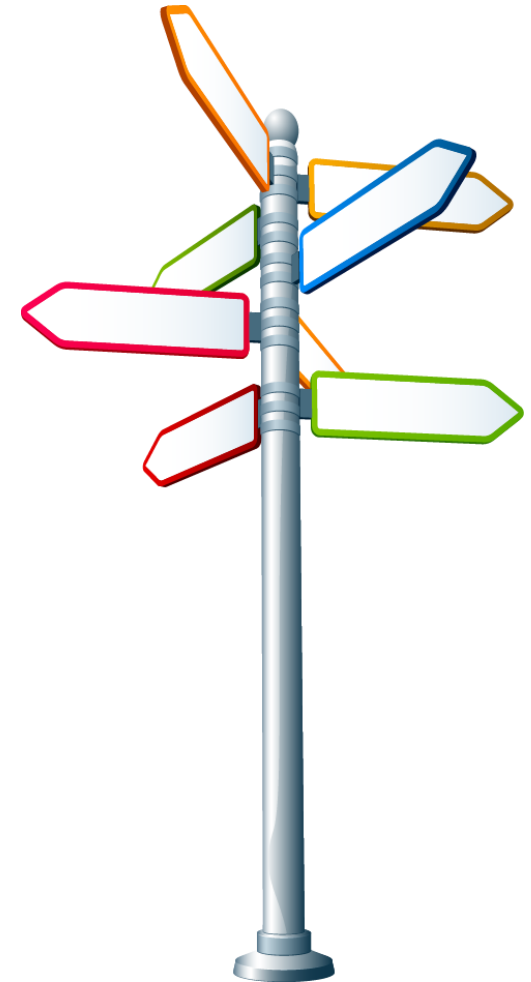
TODAY'S AGENDA

- **Discuss**
 - **FY 20 – 24 Capital Improvement Plan (CIP)**
 - **FY 20 Capital Budget**
 - Review of Recommended Capital Projects
 - Staff capacity and support
 - **Debt Management Information**
- **Begin Discussion of General Government Functional Areas**



TODAY'S CIP POLICY CONSIDERATIONS

- CY 2019 Tax Rate
- CIP Tax Rate Assumptions
- Use of \$4.7M in unobligated General Fund fund balance
(page 172)
- Confirmation of allocation of \$12 M in Quality of Life Parks
and Bike/Pedestrian Projects
- Use of \$2.0M Advancing Strategic Priorities Reserve
- Any others?



USE OF \$4.7M IN UNOBLIGATED GENERAL FUND FUND BALANCE

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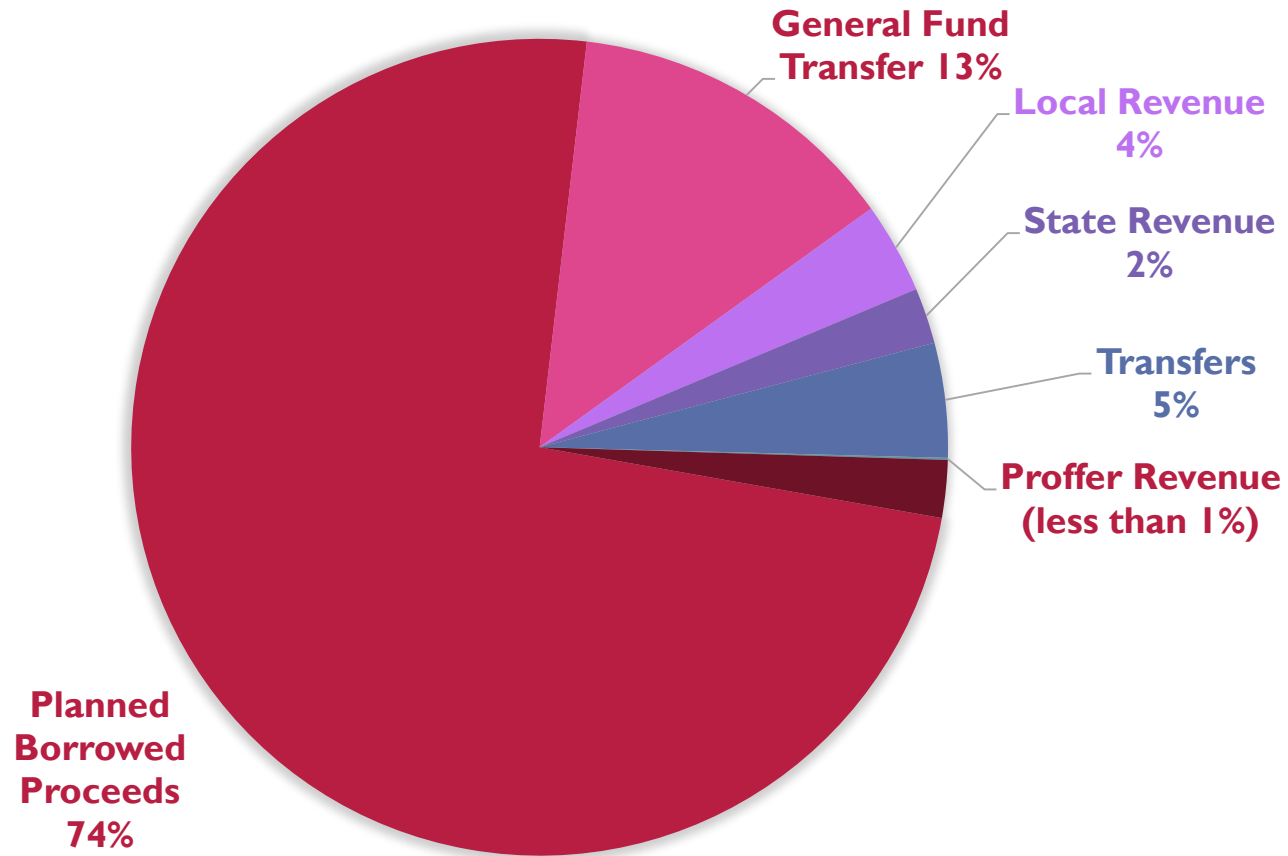
Economic Development Fund	\$	3,200,000
Housing Fund	\$	700,000
Broadband Incentives	\$	800,000
<i>total</i>	\$	4,700,000

FY 20 – 24 CAPITAL IMPROVEMENT PLAN (CIP)

PAGES 241- 279

RECOMMENDED FY 20 – 24 CIP REVENUES

\$207.6M

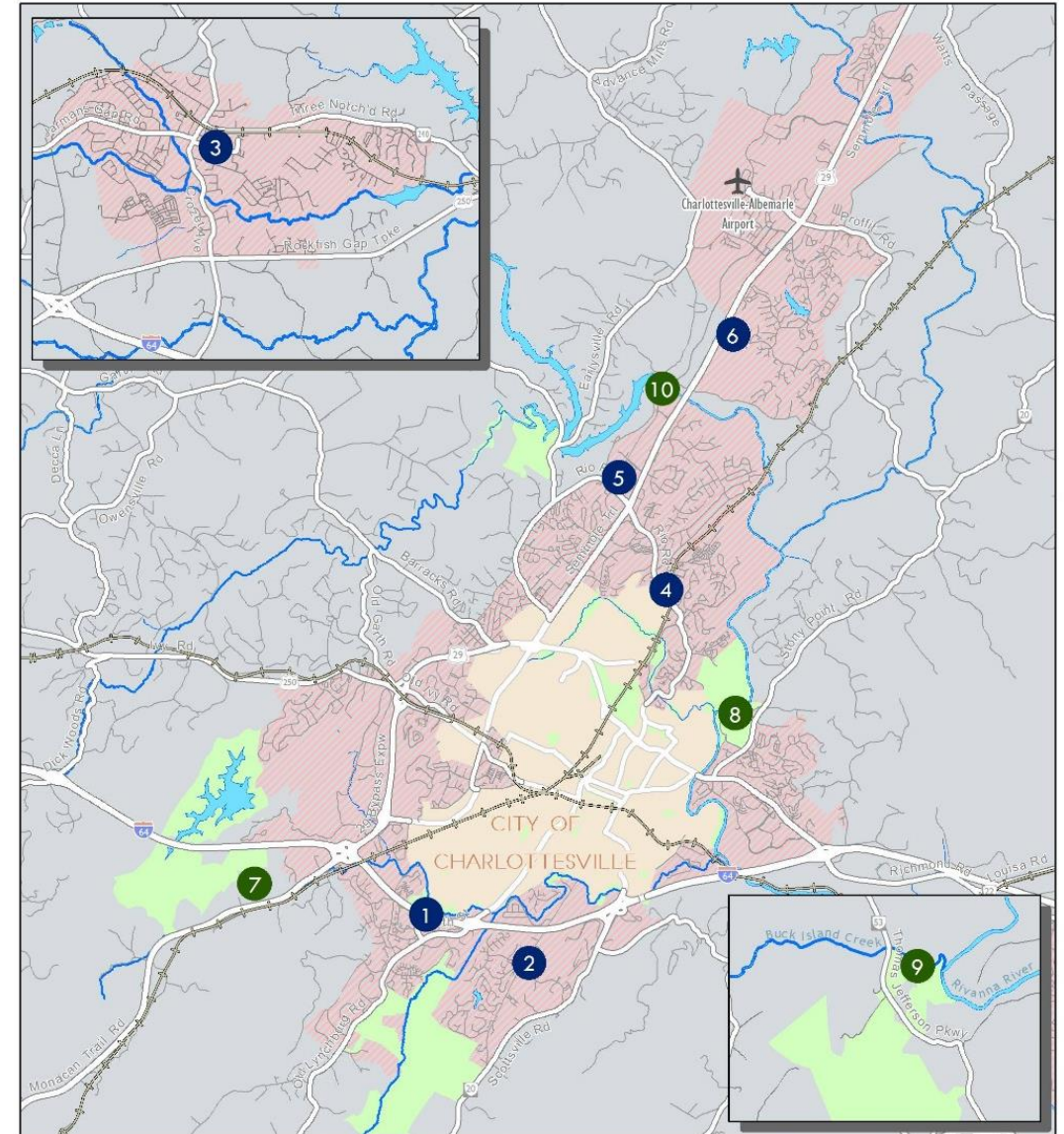
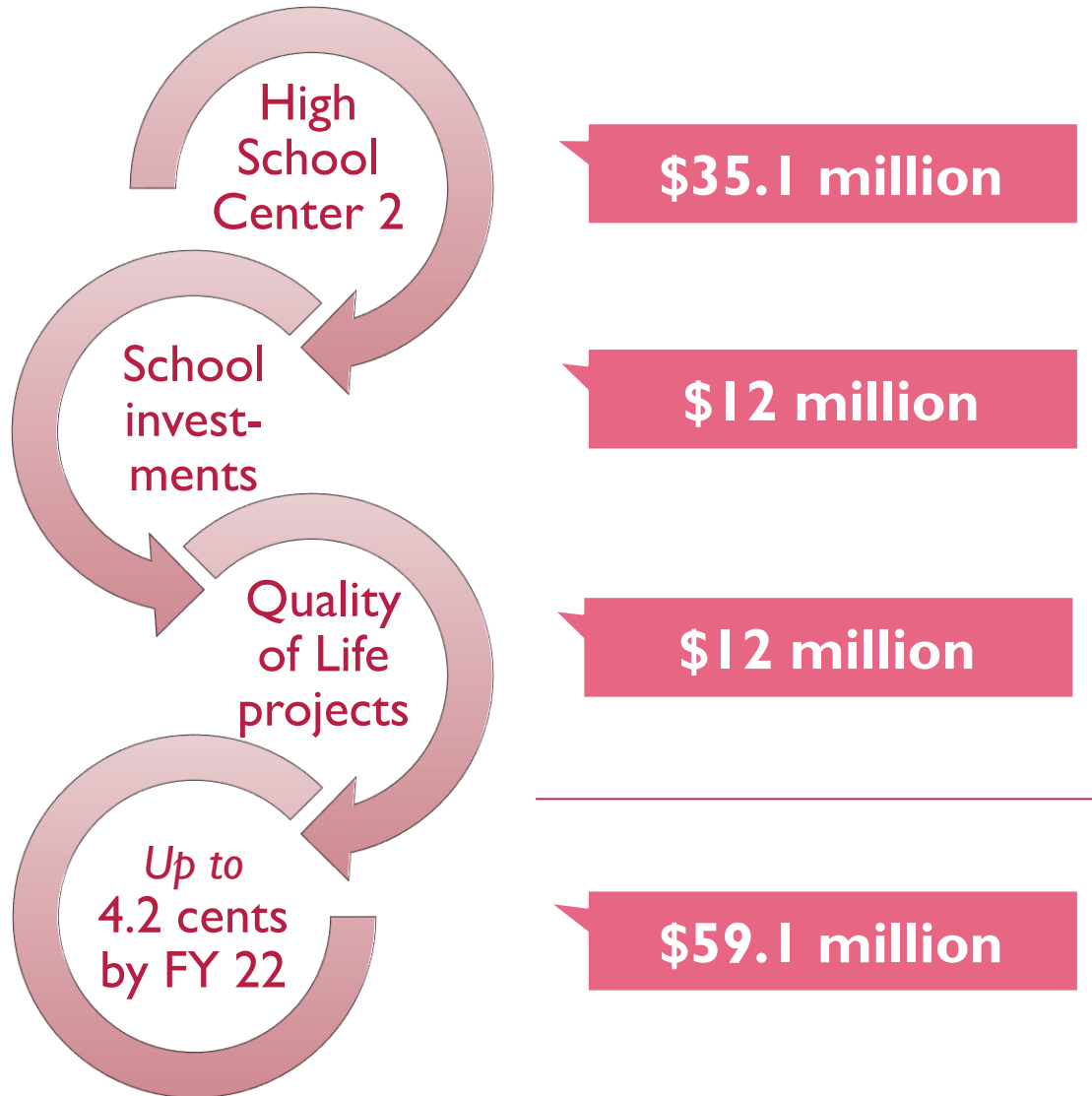


**Assumes a tax rate increase in FY 20 and FY 21 to increase general fund revenues*

In 2016, voters approved Bond Referendum for up to \$35 M in School Projects -
Expansion of Woodbrook Elementary School and modernization and security projects at schools throughout community



FY19-23 CAPITAL IMPROVEMENT PLAN

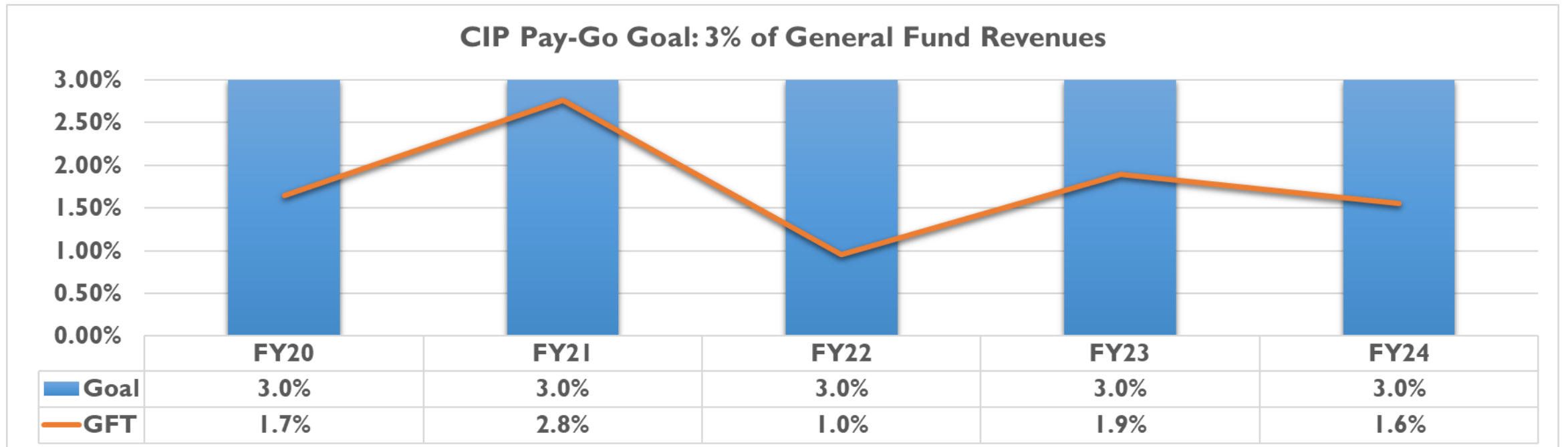


RECOMMENDED FY 20 – FY 24 CIP REVENUES

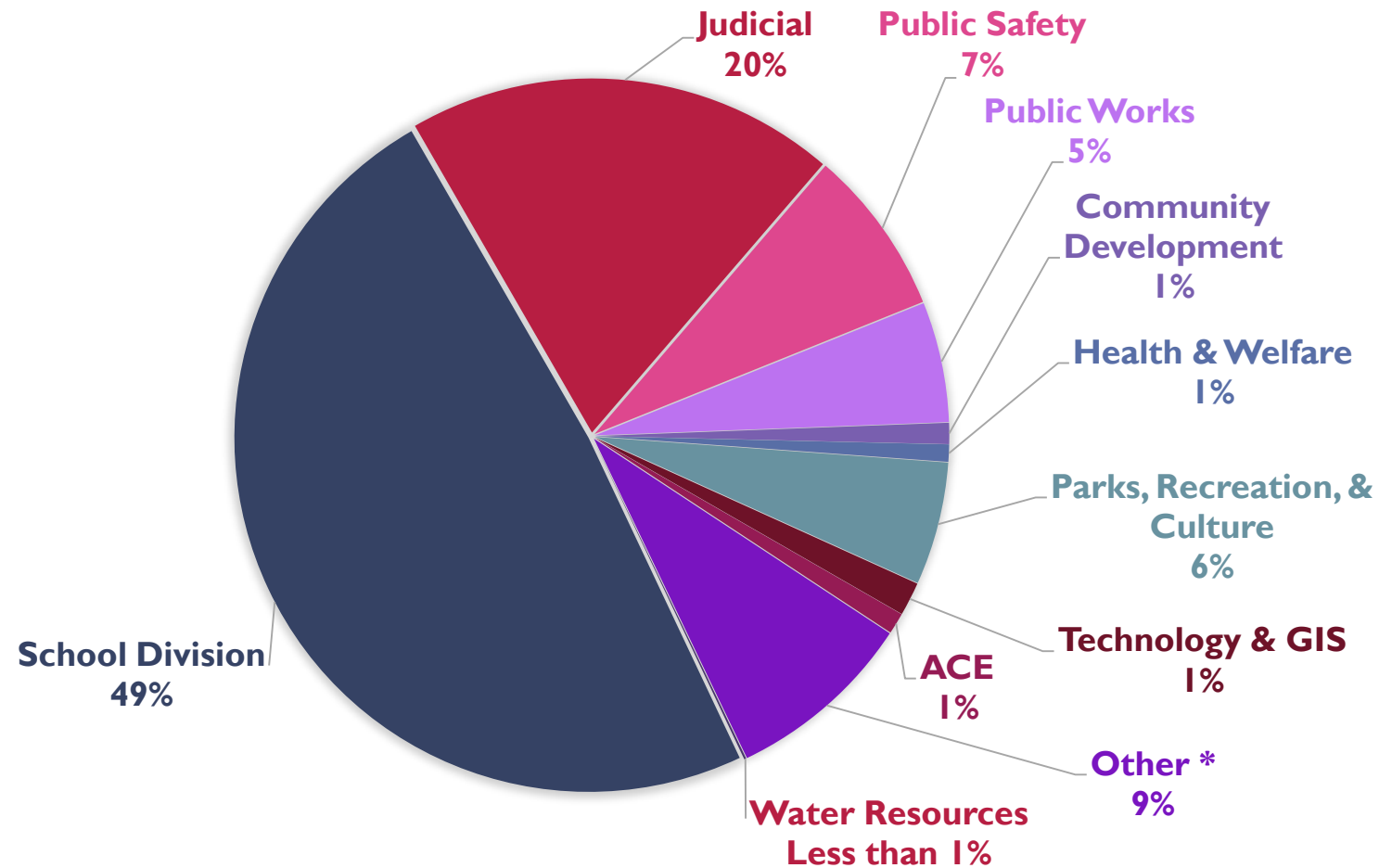
- The FY 20 – FY 24 CIP includes 1.5 cent tax rate increase in CY 19 and 1.5 cent tax rate increase in CY 20 fully dedicated to CIP Equity and Debt Service
 - This does not include the anticipated operating expenses for High School Center #2 in FY 22.
- Use of Borrowed Proceeds:
 - Debt Issuances planned in 2019, 2021 and 2023
 - *The timing of issuances may be adjusted depending on the County's cash position.*

CIP EQUITY FUNDING – “PAY AS YOU GO”

<i>(\$ in millions)</i>	FY 19 Projected	FY 20	FY 21	FY 22	FY 23	FY 24	Total FY 20 - 24
General Fund Allocation to Debt and Capital							
Debt Service Obligation	\$ 23.4	\$ 26.0	\$ 25.2	\$ 31.9	\$ 29.5	\$ 31.4	\$ 144.0
CIP Pay-Go (GFT)	\$ 3.7	\$ 5.1	\$ 8.8	\$ 3.1	\$ 6.4	\$ 5.4	\$ 28.8
	\$ 27.1	\$ 31.1	\$ 34.0	\$ 35.0	\$ 35.9	\$ 36.8	\$ 172.8



RECOMMENDED FY 20 – 24 CIP EXPENDITURES \$207.6M



RECOMMENDED FY 20 – FY 24 CIP INCLUDES:

- Mandates, Obligations, Maintenance & Replacement Projects
- Continuation of Capital Projects approved in FY 19
- One new additional project in FY 20:
 - Western Albemarle ADA Improvements and Softball Field Restroom Facility

Quick Recap

Projects included in FY 20 – FY 24 CIP

JUDICIAL

Existing Project:

- Court Facilities Addition/Renovation
 - Updated based on December 2018 MOU

FY 20 - 24 Total

- \$41M



COMMUNITY DEVELOPMENT

Transportation Leveraging Program

Bicycle/Pedestrian Quality of Life Projects



FY 20 - 24 Total

- \$2.0M

\$6M - Bicycle/Pedestrian Quality of Life Projects in FY 21:

- Old Lynchburg Road Bicycle and Pedestrian Improvement
- Avon Street Extended Shared-Use Path
- Tabor Street and Hilltop Street Sidewalks
- Rio Road Shared-Use Path
- Berkmar Drive Shared-Use Path
- Ashwood Boulevard Bicycle and Pedestrian Improvements

PARKS, RECREATION & CULTURE

Existing Projects - Highlights

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



FY 20 - 24 Total

\$11.6M

Quality of Life Projects:

- Darden Towe Park Athletic Field Improvements
- Hedgerow Property Trail Park
- Buck Island Creek Park/Boat Launch
- Rivanna Reservoir Boat Launch

SCHOOLS

Existing Projects - Highlights

- High School Center #2
- \$12M in Future School Improvement Projects

FY 20 - 24 Total

- \$101.1M

FY20 New:

- Western Albemarle ADA Improvements and Softball Field Restroom Facility



WATER RESOURCES

\$1.6M Program in FY 20 due to:

- Carrying forward approximately \$1.4M of previously appropriated funding



FY 20 - 24 Total

- \$186,575 in additional “Bridge Year” Funding

OTHER CIP PROJECTS INCLUDE:

- ACE Program - \$500k per year
- COB Window Replacement
- Fire Rescue Apparatus Replacement Program
- Police radio, video and computer Replacement Programs
- NIFI projects
- Facilities, Parks, and School Maintenance
- County Server Upgrades



RECOMMENDED FY 20 – FY 24 CIP'S OPERATING IMPACTS

PG 25 I

	FY 20	FY 21	FY 22	FY 23	FY 24	FY 20-24
Judicial						
Court Facilities						
Addition/Renovation	\$ -	\$ -	\$ -	\$ -	\$ 209,556	\$ 209,556
Public Safety						
[Fire Rescue] Station Alerting						
System Repl.	\$ -	\$ 19,176	\$ -	\$ -	\$ -	\$ 19,176
Public Works						
COB McIntire Windows						
Replacement	\$ -	\$ (15,040)	\$ (15,330)	\$ (15,619)	\$ (15,931)	\$ (61,920)
Ivy Recycling Center	\$ 80,078	\$ 264,233	\$ 270,839	\$ 277,609	\$ 284,550	\$ 1,177,309
Parks, Recreation, & Culture						
Buck Island Project	\$ -	\$ -	\$ 148,813	\$ 86,781	\$ 90,252	\$ 325,846
Hedgerow Property Trail						
Park	\$ -	\$ 146,752	\$ 83,413	\$ 86,781	\$ 90,252	\$ 407,198
Rivanna Reservoir Boat	\$ -	\$ -	\$ 147,253	\$ 85,191	\$ 88,599	\$ 321,043
Launch						
School Division						
High School Improvements						
and Capacity - Center 2	\$ -	\$ -	\$ 1,610,969	\$ 1,643,188	\$ 1,676,052	\$ 6,639,782
Western Albemarle High						
School Environmental	\$ 50,304	\$ 50,304	\$ 50,304	\$ 50,304	\$ 50,304	\$ 251,520
Academy Phase II						
Total	\$ 130,382	\$ 465,425	\$ 2,296,261	\$ 2,214,235	\$ 2,473,634	\$ 9,289,509

EXAMPLES OF HIGHLY RANKED CAPITAL REQUESTS NOT INCLUDED IN RECOMMENDED CIP

Project	TRC Ranking	Requested (in millions)
High School Capacity and Improvements *	1	\$88.9
Learning Space Modernization **	2	\$27.3
Scottsville Elementary School Additions and Improvements **	3	\$11.7
Crozet Elementary School Addition and Improvements	4	\$10.2
Route 20/US 250 Intersection Improvement	5	\$2.5
Red Hill Elementary School Phase II	6	\$4.8
[Fire Rescue] Training Facility	7	\$4.0
[Police] Satellite Training Academy	8	\$0.2
Route 20 South (Scottsville Road) Improvements	12	\$4.0
Parks Athletic Field Improvements	13	\$6.3
Central Library Renovations	14	\$6.1
[Police] Public Safety Training Academy	15	\$2.9

* Partial funding included in FY 19 and FY 20 for High School Center #2

** \$12M Included in CIP for Future School Improvement Projects

Projects ranked 9-11 were addressed with the Quality of Life projects and FY 18 Year End Funding

WATCH LIST

POTENTIAL FUTURE REQUESTS

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

OTHER

Advancing Strategic Priorities Capital Reserve

Climate Action
Planning

Outdoor
Recreational
Parks and
Amenities

Economic
Development
Program

School Space
Needs

Infrastructure
Planning

Aging Urban
Neighborhood
Revitalization

Court Complex
Expansion/
Upgrade

Rio/29 Area
Redevelopment

Broadband
Expansion

FY 20 - 24 Total

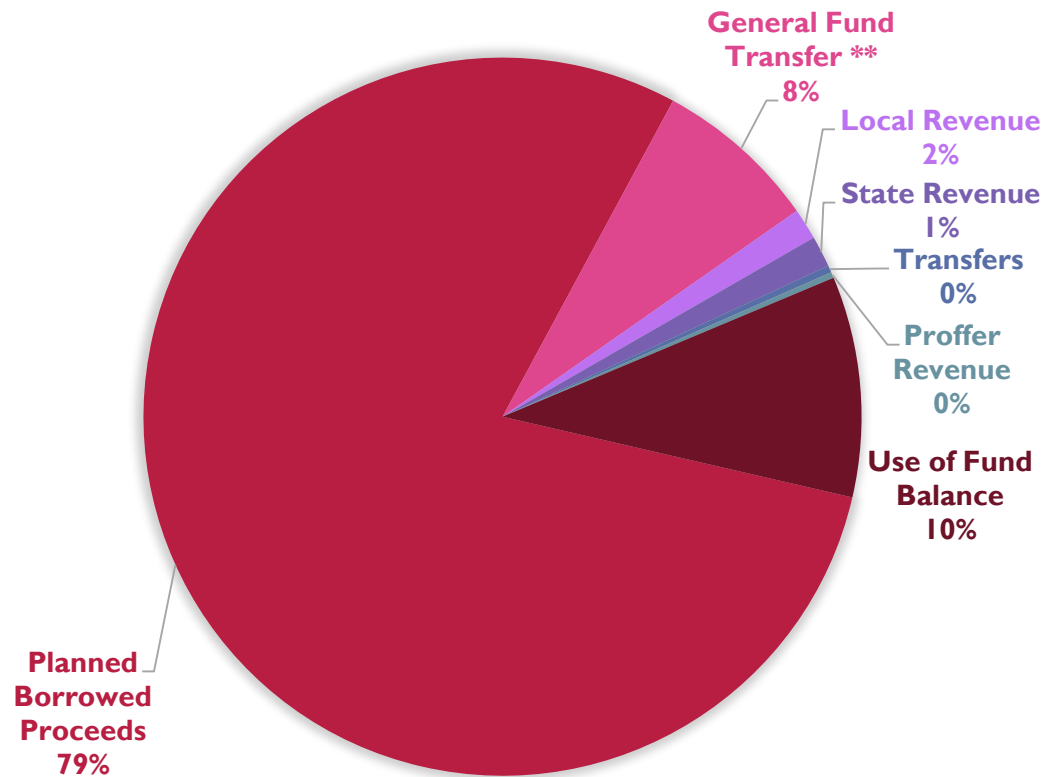
- \$2M in One-Time Money

CAPITAL BUDGET – FIRST YEAR OF CIP

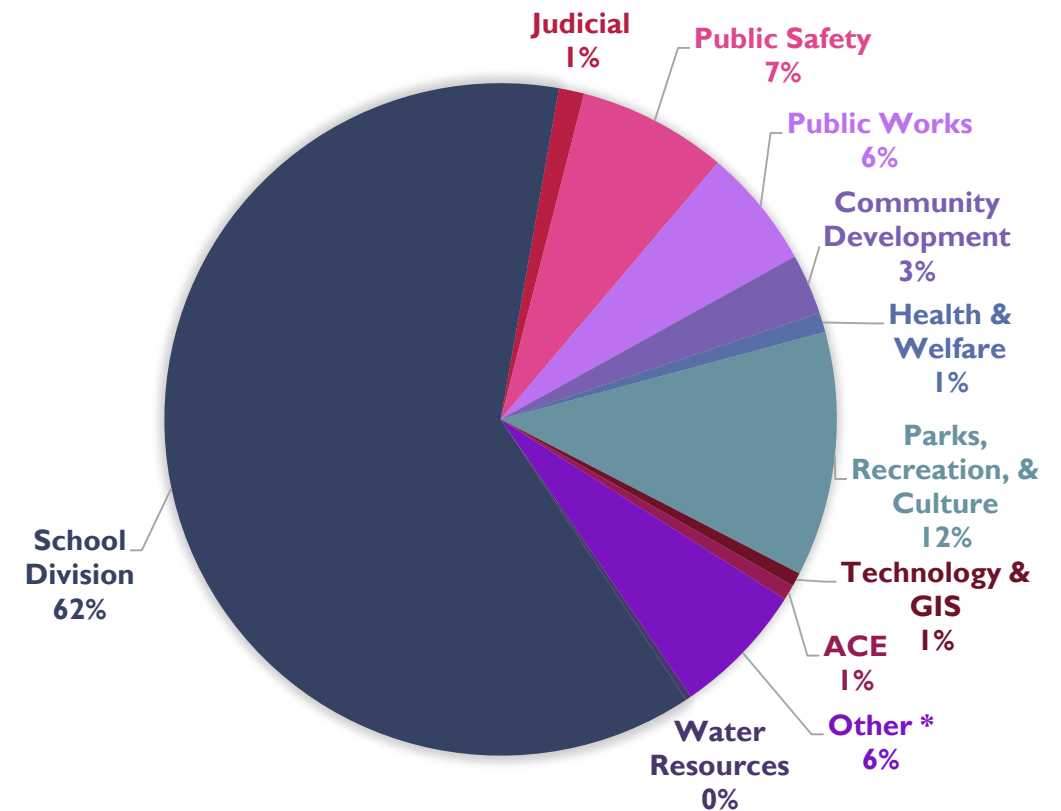
PAGE 242

RECOMMENDED CAPITAL BUDGET: FY 20 \$68.4M

Revenues



Expenditures



- * Other includes Quality of Life Bicycle/Pedestrian projects, Cost of Issuance, Project Management Services, & Strategic Priorities Reserve
- ** Assumes a tax rate increase in FY 20 to increase general fund revenues

FY 20 CAPITAL BUDGET - HIGHLIGHTS

- **High School Capacity and Improvements Center #2 – Construction Funding**
- **Parks and Recreation Quality of Life Projects**
- **Water Resources – carry forward funding and one-time money**
- **Maintenance/Replacement of County Facilities, Parks, and Schools**
- **Transportation Leveraging Program**
- **ACE Program Funding**
- **Advancing Strategic Priorities Reserve**
- **Fire Rescue Apparatus Replacement Program**
- **COB McIntire Windows Replacement – Construction Funding**
- **Western Albemarle ADA Improvements and Softball Field Restroom Facility**

OVER THE PAST FIVE YEARS,
ANNUAL CAPITAL BUDGETS AVERAGED ~\$39M A YEAR.

FY 20 CAPITAL BUDGET WILL INCREASE TO \$68.4 M

Initial Budget Amount

- FY15 - \$39.6 M
- FY16 - \$46.7 M
- FY17 - \$35.8 M
- FY18 - \$40.6 M
- FY19 - \$30.4 M (Amended)
- **FY20 - \$68.4 M**

DEBT MANAGEMENT INFORMATION

Pages 281 - 290

SUMMARY OF DEBT AND PROJECTED BORROWING ACTIVITY

PAGE 286 - 287

Existing Debt

Balance at the end of FY 18

• Schools	\$122.0M
• Gen. Government	<u>\$70.2M</u>
Total:	\$192.2M



Projected New Debt

FY 19 – FY 24

• Schools	\$101.3M
• Gen. Government	<u>\$64.3M</u>
Total:	\$165.6M

LESS

Retired Debt

FY 19 – FY 24

- Retired Debt \$117.8M



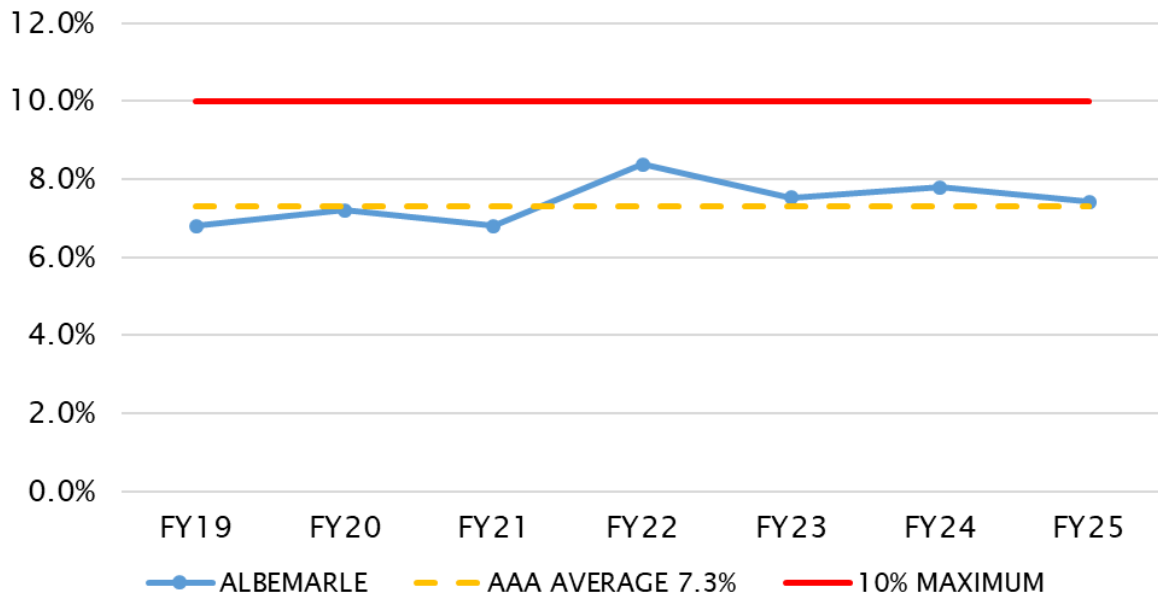
TOTAL Projected Debt

FY 19 – FY 24

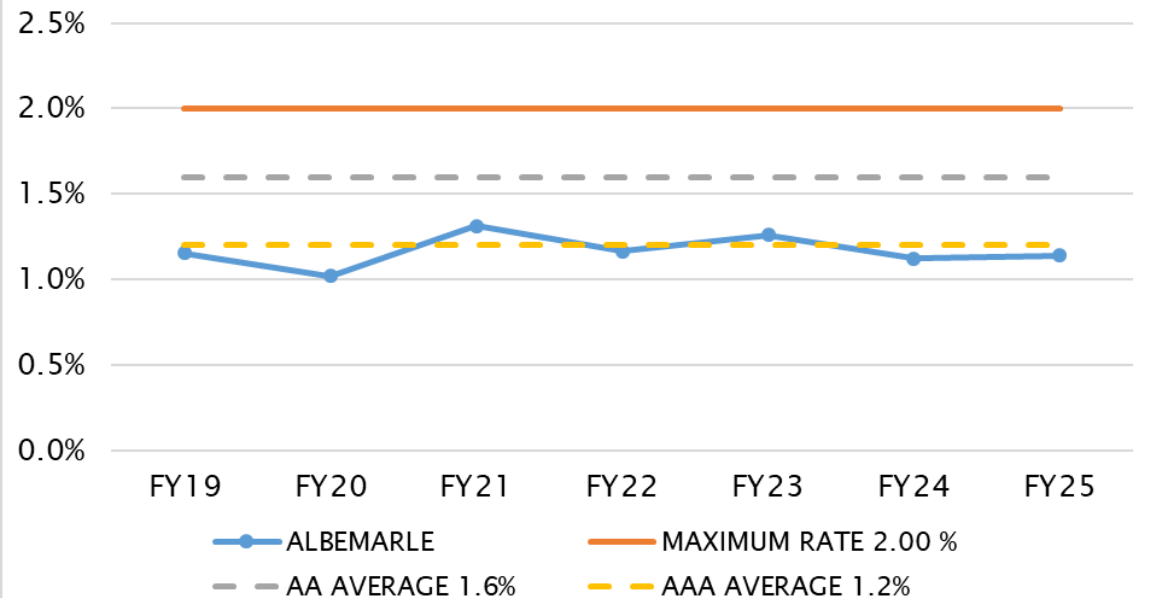
\$239.8M

DEBT CAPACITY POLICY GUIDELINES

Debt Service as Percentage of General Fund and School Fund Revenues



Outstanding Debt as a Percentage of Assessed Value of Taxable Property

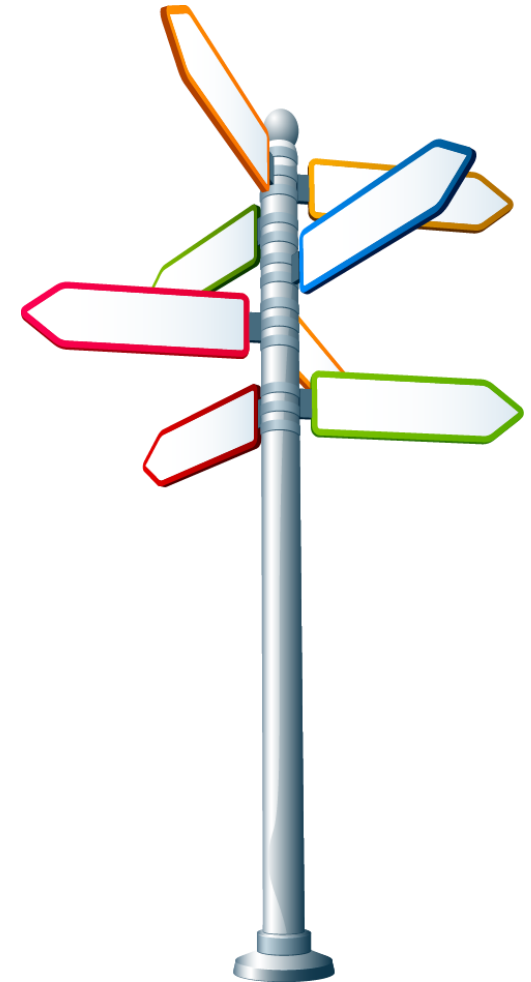


DEBT MANAGEMENT STRATEGIES

- Adhere to Board Policies and Best Practices;
- Maintain 10 Year Payout Ratios;
- Issue Debt Every Other Year;
- Establish Short Term Credit Line;
- Careful Monitoring and Leveraging of Cash;
- Continued Use of Spend Plans;
- Practice Just in Time Borrowing Practices;
- Restructure Accounting Systems Related to Projects.

TODAY'S CIP POLICY CONSIDERATIONS – SUMMARY

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- CIP Tax Rate Assumptions
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(page 172)
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Operating Budget: Policy Considerations

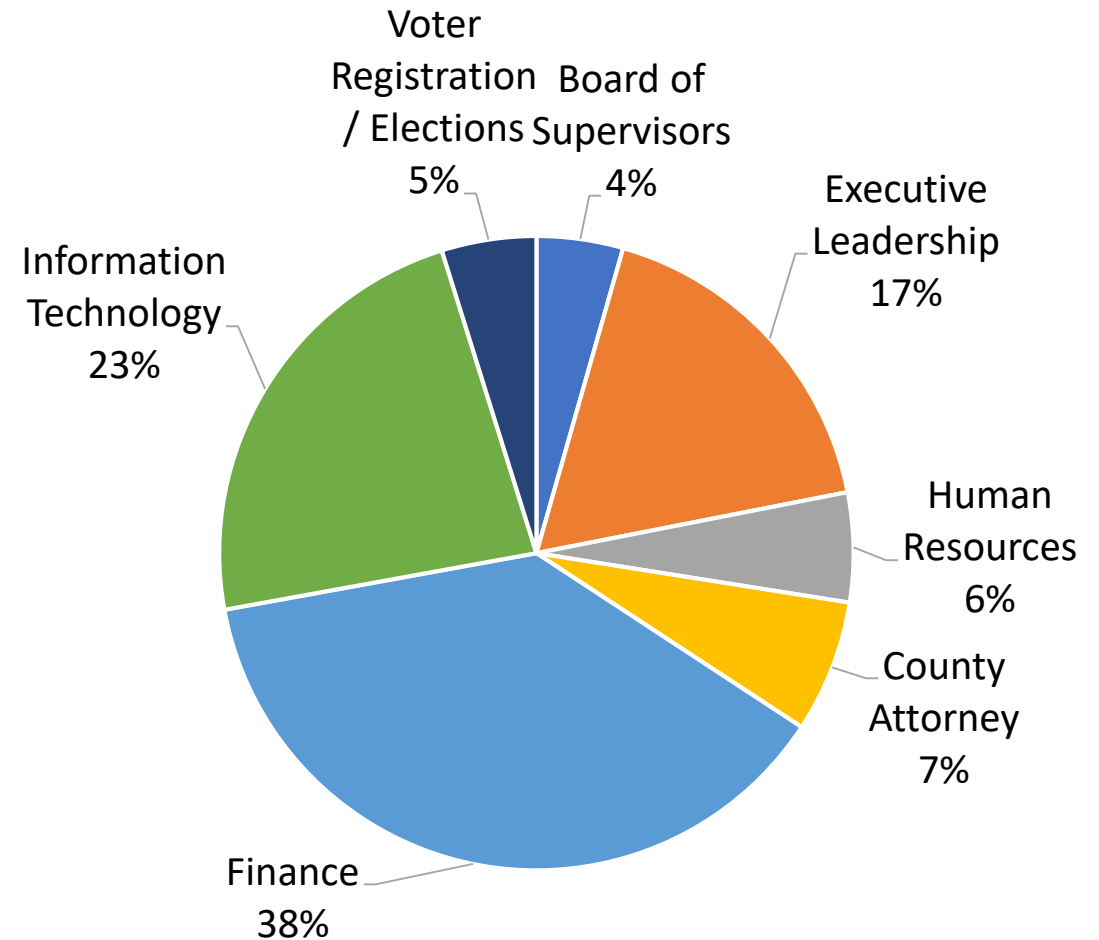
- Does the Board desire additional funding for any unfunded requests not included in the FY 20 Recommended Budget?
 - This may include departmental requests, positions, community agencies, etc.
 - If so, staff will develop options for the Board's consideration
- Does the Board desire to consider removing funding for any items included in the FY 20 Recommended Budget?



Administration

page 63

- **\$16.8 million**
- **11.1% or \$1.7 M increase**



Notable Changes: Executive Leadership

- County Executive
 - Continues Executive Assistant (0.5 FTE) added in FY 19
- Communications and Public Engagement (CAPE)
 - Reflects FY 19 reallocation of a position from the Police Department
- Office of Equity and Inclusion (OEI), established November 2018
 - Includes \$20k increase for cultural & historic initiatives (e.g. historic street markers)
- Office of Management and Budget (OMB)
 - \$30k to support the FY 21 Agency Budget Review Team Process
 - Performance and Policy Analyst position
 - \$38k, effective 1/1/20
- Project Management Office (PMO), established June 2018
 - Next slide



Business Process Optimization (BPO)

- Why BPO? 2017 Technology Needs Assessment helped identify the need for:
 - Greater integration between systems and processes
 - More standardized approach across organization
 - Comprehensive implementation of new systems and initiatives, including communication, change management, and training
- What have we done so far?
 - Created PMO and established Enterprise Architecture Council
 - Re-organized Information Technology (IT) Department
 - Earmarked funds in FY 19 to support critical needs from Tech Assessment and Strategic Plan initiatives
- Results



FY 20 Recommended Funding: BPO

Business Intelligence Manager (Information Technology)	\$114k
Project Management Support (PMO)	250k
Technology Trainer (Human Resources)	33k
Municode (County Attorney)	20k
Transformational / BPO Reserve (Non-departmental)	500k
<u>Operating Budget Reductions</u>	<u>(205k)</u>
TOTAL	\$712k



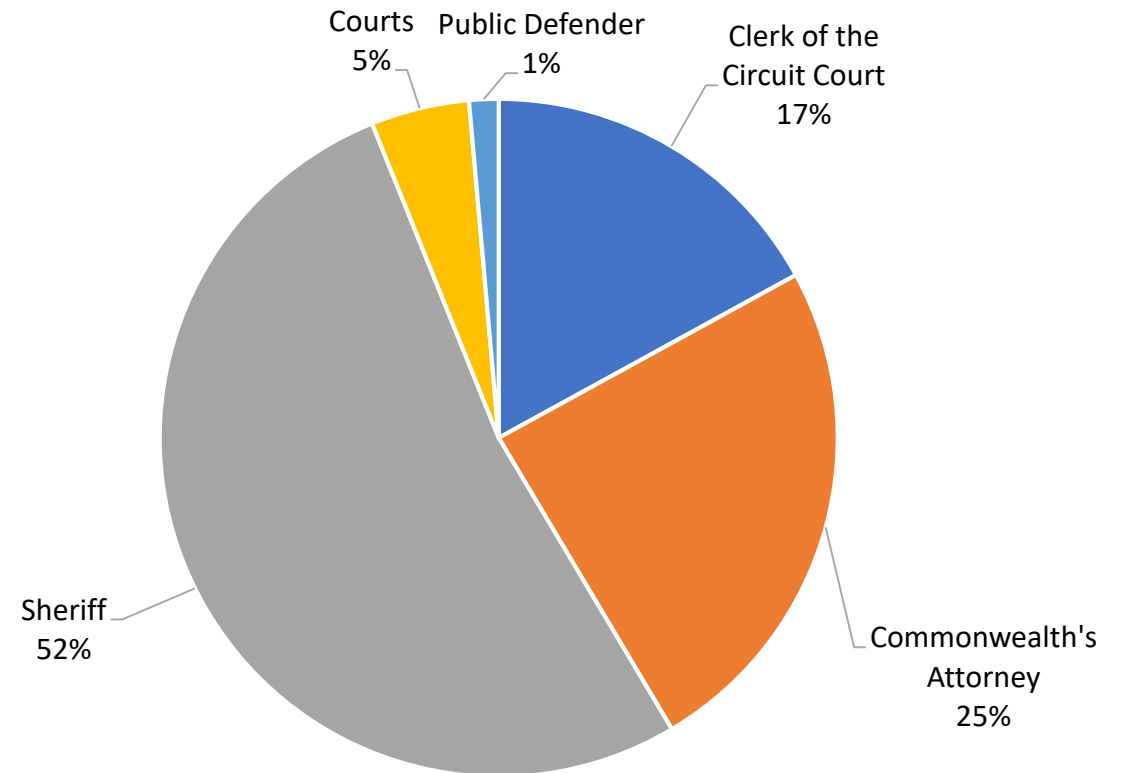
Notable Changes: Finance Department

- Purchase Card Program Administrator: \$79k
 - Jointly funded with School Division
 - P-Card Program generated \$181k in rebates in FY 18
- Land Use Administrator: \$82k
 - Provide revalidation of properties in land use on a consistent basis
 - Anticipated to generate \$200k in revenue
- Tax Accountant: \$79k
 - Support workload in Revenue Administration Division
 - Anticipated to generate \$200k in revenue
- One-time support for Purchasing related to the CIP and to establish a financial grant and compliance system: \$150k



Judicial page 85

- \$5.9 million
- 10.9% or \$581k increase



Notable Changes: Judicial

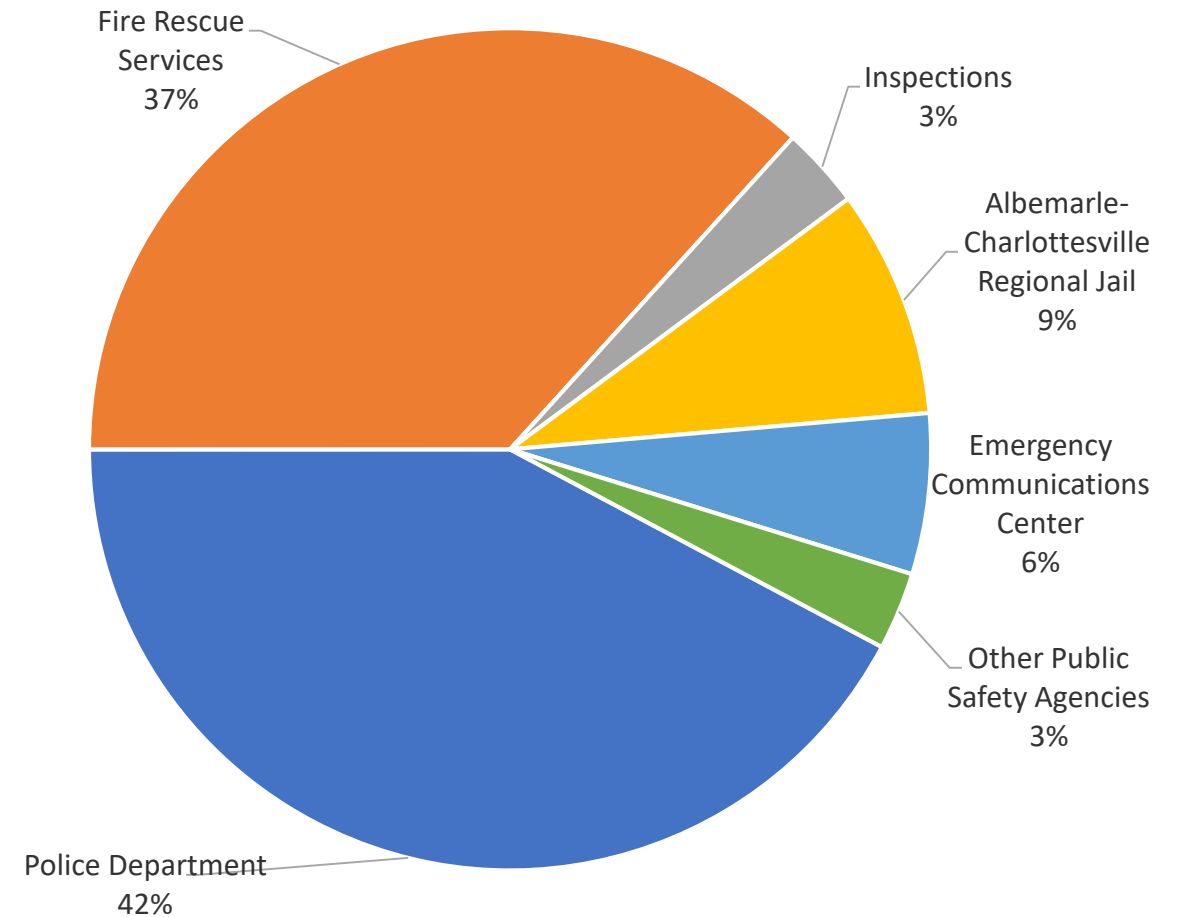
- Implementation of a full year of the Public Safety Pay Plan: \$900k across all impacted departments
- Two part-time Sheriff Deputy positions becoming full-time positions (1.0 FTE): \$81k
- One Deputy Clerk position for the Clerk of the Circuit Court: \$54k



Public Safety

page 97

- \$47.9 million
- 8.1% or \$3.6 million increase



Notable Changes: Public Safety

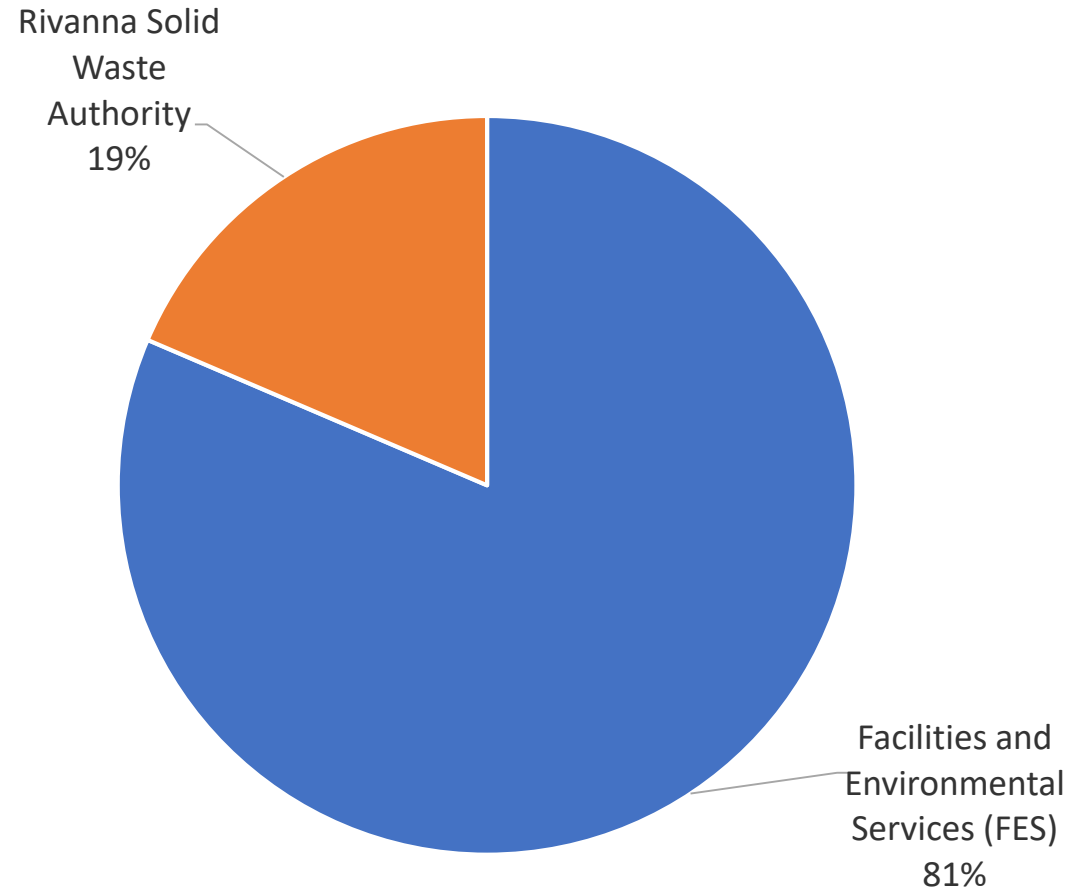
- Implementation of a full year of the Public Safety Pay Plan: \$900k across all impacted departments
- Continues Police Sergeant (25% grant funded in FY 19): \$35k
- 1 additional Police Officer: \$171k, including one-time costs
- Part-time Public Safety Freedom of Information Act (FOIA) Specialist position: \$30k
- Volunteer Fire Rescue operating support: \$244k or 14.5% increase
- Regional Jail: \$219k or 5.5% increase
 - County share of costs increasing 1.5%
- Emergency Communications Center, \$482k or 19.5% increase
 - County share of costs increasing 3.2%
 - Includes County's share of 3.25 new positions



Public Works

page 111

- \$6.5 million
- 9.2% or \$546k increase



Notable Changes: Facilities & Environmental Services

- \$150k for operational customer service and security enhancements at County Office Building (COB) McIntire
- Converts 2.5 temporary project manager positions to ongoing positions
 - Related to volume of work in Capital Improvements Program
 - Funded in capital budget
- Transfer to Stormwater Capital Fund: \$187k (Non-departmental)
 - Provides a “bridge year” until ongoing funding is identified



Rivanna Solid Waste Authority

Operating contribution totals \$1.2 million, a \$362k or 43.2% increase

- Reduction of RSWA cash reserves which had been used to offset the City's and County's contribution.
- Full-year CIP operating impacts for the new transfer station
- Operating costs to open a Recycling Convenience Center at the Ivy MUC (Spring, 2020)
- Decreased recycling net revenue due to the loss of markets
- Rising asset depreciation costs

Capital contribution totals \$322k in FY 20 for capital costs associated with on-going environmental remediation of the closed Ivy Landfill



Operating Budget: Policy Considerations

- Does the Board desire additional funding for any unfunded requests not included in the FY 20 Recommended Budget?
 - This may include departmental requests, positions, community agencies, etc.
 - If so, staff will develop options for the Board's consideration
- Does the Board desire to consider removing funding for any items included in the FY 20 Recommended Budget?



Next Steps

```
graph LR; Feb28[Feb. 28] --- Feb28Tasks[• Revenue Update  
• General Government Functional Areas, cont.]; Mar4[March 4] --- Mar4Tasks[• Finalize Tax Rate for Advertisement  
• Board approves Proposed Budget]; Apr9[April 9] --- Apr9Tasks[• Public Hearing on Board's Proposed Budget  
• Public Hearing on Tax Rate]; Apr16[April 16] --- Apr16Tasks[• Set Tax Rate and Approve Budget]; Mar4Tasks -.-> Placeholder[• Work Session Placeholders  
March 26th and 28th – if needed];
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Feb. 28

- Revenue Update
- General Government Functional Areas, cont.

March 4

- Finalize Tax Rate for Advertisement
- Board approves Proposed Budget

April 9

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

April 16

- Set Tax Rate and Approve Budget

*Work Session Placeholders
March 26th and 28th – if needed