



Albemarle County

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7/5/2018	1	Board of Supervisors	approved	Pass
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AGENDA DATE: 7/5/2018

TITLE:
FY 19 - FY 23 Capital Improvement Plan and FY 19 Capital Budget

SUBJECT/PROPOSAL/REQUEST: Consideration of the School Board's request to amend the FY 19 Capital Budget, final consideration of a 2018 Bond Referendum for local government projects, and provide direction for the finalization of the FY 19 - FY 23 Capital Improvement Plan.

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Richardson, Walker, Letteri, Kamptner, and Allshouse, L.

PRESENTER (S): Lori Allshouse

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: On March 1 and March 5, 2018, as part of the regular budget development process, the Board of Supervisors held work sessions on the Capital Improvement Program.

On March 27, the Board received an overview from School Division staff on the High School Capacity and Improvement Project CIP request, including the timing and cost estimates of the phases envisioned for this project. The Board chose to include Phase 1, Center 1, of the High School Capacity and Improvement Project at \$35.1 Million in the Proposed FY 19 Capital Budget, anticipating future discussion as to whether the project would be included in a 2018 Bond Referendum.

On March 29, the Board received further details from School Division staff regarding the School Division's High School Capacity and Improvement Project. The Board also reviewed five potential FY 19 - FY 23 CIP

scenarios.

On April 10, the Board of Supervisors reviewed three additional CIP scenario models, potential local government projects and the potential impacts on future tax bills based on current assumptions included in the scenario models. The Board stated that it was comfortable pursuing a \$35.1 Million November 2018 Bond Referendum, which would fund in whole or in part the Phase 1 (Center 1) of the High School Capacity and Improvement Project. The Board further directed staff to prepare for a May 9 CIP Work Session in which it would determine what additional local government projects to include in the 2018 Bond Referendum.

On April 17, the Board approved the 2018 Tax Rate and the FY 19 Operating and Capital Budgets. The Capital Budget included funding for Center 1 of the High School Capacity and Improvement project.

On May 9, the Board of Supervisors identified a maximum amount of \$59 Million in bonds that could be included on a 2018 Bond Referendum. It further recommended that \$47 Million of this amount could support projects that would be identified by the School Board. The Board of Supervisors also discussed local government “quality of life” projects that could be included in a 2018 Referendum.

On June 6, the Board discussed the resolution requesting a bond referendum received from the School Board, considered potential local government CIP projects that may be included on a 2018 Bond Referendum, and reaffirmed the maximum dollar amount of bonds that could be issued in November 2018 as \$59 Million.

On June 14, the School Board met and determined that they would not adopt a Resolution to request 2018 Referendum funding and instead would request that the Board of Supervisors amend their FY19 CIP Budget to include planning, design and land acquisition to support future key projects. The School Board also determined that they would request funding from the Board of Supervisors in the spring of 2019 for the construction of these projects to begin in FY 20. The School Board’s request is further detailed below:

High School Capacity and Improvements Project - High School Center #1: The School Board’s request is to reduce the FY 19 Adopted Capital Budget in FY 19 to \$4.9 Million. This amount includes \$1.3 Million to complete the design development of the High School Center #1 by Fall 2019 and an additional \$3.6 Million for land acquisition.

High School Capacity and Improvements Project - Modernization of Albemarle and Western Albemarle High Schools: The School Board’s request is for \$200,000 for planning and programming study for redesign work at Albemarle and Western Albemarle High Schools. This would include the completion of a pre-planning/programming study by May 2019. The funding would support stakeholder engagement, the development of a master Plan, and a refined program and budget.

Scottsville Elementary School Project:

The School Board’s request is for \$300,000 to complete design development by Fall 2019 for the classroom addition and gym portion of their original request. The School Board’s revised schedule for their funding request for Scottsville Elementary would be for a 2021/22 school year opening.

STRATEGIC PLAN: Mission: To enhance the well-being and quality of life for all citizens through the provision of the highest level of public service consistent with the prudent use of public funds

DISCUSSION: During the July 5 meeting, the Board will be asked to:

1) consider the June 14th request from the School Board to amend the FY 19 Capital Budget. If the Board directs staff to amend the FY 19 Capital Budget at the July 5th Board meeting, staff will bring back the amendment to the Board of Supervisors for its approval on August 1, 2019.

2) determine whether to a) proceed with a November 2018 Bond Referendum just for local government

projects, b) delay this decision for a future Referendum that would potentially include School Division projects, or c) fund these quality of life projects utilizing other funding options.

3) provide final direction to staff on the FY 19 - FY 23 Capital Improvement Plan (CIP) so that staff can bring back a FY 19 - FY 23 CIP to the Board for its approval on August 1, 2019, and

4) consider staff's recommendation for an abbreviated CIP process for the next development cycle (FY 20 - FY 24 CIP.)

BUDGET IMPACT: The size and scope of the FY 19 - FY 23 CIP impacts the amount of future debt that would be issued by the County.

RECOMMENDATION:

Staff recommends the Board of Supervisors provide staff direction regarding: 1) the School Board's request for an amendment to the FY 19 Capital Budget, 2) a potential Referendum for \$12M in Local Government "quality of life" projects, 3) the finalization of the FY 19 - FY 23 CIP, and 4) the abbreviated process for the development of the next iteration of the CIP development process (FY 20 - FY 24).