Summary of CIP Oversight Committees' Recommendations

November 2011

- Apparatus funding should be adjusted to reflect requested funding for FY 13 and 14, but then leveled at $2 million per year thereafter, until such time as a more formal evaluation of replacement criteria and rotation policy is provided to the Technical Review Team as requested in previous years. The Committee stressed that this "set aside" for FY 15 - 17 is for financial planning purposes only and that all future apparatus requests must be based on revised replacement and rotation policies. This adjusted funding is reflected in the base (current tax rate) scenario. Continued discussions regarding apparatus rotation should occur within the year.

  The Committee agrees that School Bus Replacements are appropriately classified as capital expenses and may be properly included and ranked as qualifying CIP submissions; however, the Committee acknowledges that school buses have historically been considered and treated as an operational expense of the schools. The Oversight Committee recognizes that funding for the buses is assumed and not as yet specifically identified or resolved.

    - Any modification or departure from established practices with respect to bus funding must be approved by the Board of Supervisors. The Committee recommends that this matter be discussed at the next scheduled joint meeting of the Boards and that formal action by the Board of Supervisors be made in advance of the adoption of its budget in April.

- Consistent with sound financial policies and best practices, the Committee recommends that Fire/Rescue apparatus, special equipment and buses be funded all or in part with cash whenever possible. Where debt funding is required, apparatus and buses should be financed for not move than ten-year terms.

- For future CIPs, the Committee recommends there should be more clarity in the definition of "capital" as opposed to "operating" expenses. In particular, expenditures that are routine, reoccurring and below certain thresholds should be classified as operating expenses whenever possible.

- The County should consider strategically selling surplus, unneeded properties (or even to donate property) in accordance with a long-range plan for land acquisition/disposal and based on a cost/benefit analysis of the on-going maintenance costs of the property/facility or reuse options

- The Maintenance category should include the following sub-categories in future CIP submissions.

    1. Critical Maintenance/repair
    2. Energy and Environmental Improvements
    3. Infrastructure Upgrades and Improvements

- Community Development staff should be encouraged to ensure that projects with identified and associated proffers (especially any with sunset clauses) be submitted as part of the submittal process.

- The County should plan for the design of new CIP projects with a greater focus on the cost of construction.

- Next year, the Oversight Committee should hold a meeting with members of the Technical Review Committee during one of their first meetings to obtain more details regarding the TRC's rankings. They would also like to have more information provided about the ranking criteria.

In concurrence with the TRT, the Committee has identified the following large and, as yet, unfunded projects or efforts as Watch List items for future consideration:

<u>Watch List:</u>

- Window Replacements for the County Office Building – McIntire – recommend more cost/benefit analysis be conducted

- Schools submitted maintenance only requests to date–we anticipate additional submissions in the future after this year's ongoing school facilities study is completed. (TRC)

- The Stormwater-related *Total Maximum Daily Load* (TMDL) mandate may have a potentially significant impact on CIP in future years (TRC). For example, the CIP and the CNA requests included in this year's submittal to address this mandate totaled $4.4 Million.

- The potential devolution of roads by VDOT could have a serious potential impact on CIP in future years (TRC)

- Courts Plan could have a serious impact in the future. (TRC)