

COUNTY OF ALBEMARLE



CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE

MEMORANDUM

TO: County Executive's Office

FROM: Oversight Committee

DATE: December 4, 2014

SUBJECT: FY 16 Capital Improvement Program

The following memo documents the Oversight Committee's (OC) recommendation to the County Executive's Office for the FY 16-20 Capital Improvement Plan (CIP). This memo describes the process taken by the Oversight Committee, assumptions made during the process, recommendations in the form of a project list and list of unmet capital items.

The Oversight Committee is charged with evaluating the recommended CIP brought forward by the CIP Technical Review Committee (TRC) and Financial Review Committee (FRC). The Committee assures the proposed CIP projects are aligned with County policies, established priorities, guiding principles and long term vision, as defined in the County's Aspirations. The Committee assures that the recommended five-year CIP is aligned with approved financial policies and that the County's financial stability is maintained through the prudent use of its revenues.

FY 16 Recommendation

The OC met three times through the month of November into early December and analyzed multiple scenarios of the five-year CIP cycle. Through open and collaborative dialogue, the OC discussed the adopted CIP, which planned for additional dedicated revenues in FY 16 and the TRC/FRC recommendation, which defers the additional revenues from FY 16 to FY 17 due to adjustments in project timing from the adopted plan and was the 5 year plan "scenario 2.". The OC recommendation focuses on critical projects for the 5-year CIP and defers to the County Executive Office to determine the proper revenue model to present to the BOS as part of the FY16 budget process, taking into account the Operating plan requirements and decisions made during the 5 year budget planning process. During the OC phase the committee directed staff to model a financial plan maintaining the FY15 adopted plan revenues (scenario C) or delay the additional revenues in Scenario B while still meeting financial policies of the CIP. While the OC agrees it is not within its purview to recommend a specific dedicated revenue amount above the current tax rate, the OC modeled the impact of these two different levels of dedicated tax revenue for informational purposes. The scenarios modeled demonstrate a

balanced budget and meets the BOS goal of a 2 million dollar reserve at the end of five years. The base assumptions are outlined below.

Revenue Assumptions:

- Tax rate at €79.9
- Amendment year;
- Debt Service issuances
 - are scheduled every other year;
 - Debt Service associated with the FY16 issuances amortized on a 7 year basis is reflected at a projected rate of 4.0%, issuances amortized on a 10 year basis is reflected at a projected rate of 4.5%, and issuances amortized on a 20 year basis is reflected at a projected rate of 5.5%;
 - All future bond issues will be reflected at an assumed rate of 5.5%;
 - Purchases are amortized on the basis of useful life greater than 7 years; for example, technology equipment is amortized on a 7- year basis, and major equipment purchases, such as heavy fire apparatus, are amortized on a 7, 10, or 20 year basis;
- \$1 million of prior fiscal year operational surplus (or other source) is assumed to be transferred to the CIP fund balance in FY 15 and an additional \$4 million over the five-year CIP;
- Increased use of proffers based on available funds for eligible projects;
- Increased tourism revenue for fiscal years 2016 through 2017 based on revised staff estimates;
- Maintain approximately \$2M reserve for each year of the plan to meet the Board's goal;
- Special Circumstances:
 - The FY15 Adopted CIP has a tax increase dedicated to CIP in FY 16 and FY18 which was based on the timing of projects that has since changed. Both scenarios recommended by the OC require additional dedicated resources during the 5 year period as outlined below.

Projects:

- The full project list is included under addendum A.
- Funds all continuing, on-going, and new requests classified as mandate, obligation, and maintenance/replacement.
 - New requests include: Commonwealth Attorney Case Management System Replacement, Fire Rescue - Volunteer Facilities Condition Assessments. Police Tactical Truck Replacement, and Ivy Fire Station Maintenance.
 - COB McIntire Window Replacement request has been resubmitted
- Transportation Revenue Sharing Program as revised (County's share is borrowed and equivalent to previously approved 2/3 penny), ACE (as previously approved is equivalent to 1/3 penny)
- Continuing non-maint/repl projects planned in the FY 15 Adopted CIP include: Courts, ECC, Pantops Fire Rescue Station, School Security Improvements, Telecommunications Network Upgrade,

- In addition to continuing the non-maintenance/replacement projects planned in the FY 15 Adopted CIP the OC recommends funding the following critical projects which are **additions to the original TRC/FRC recommendation (5 year plan scenario 2)**:
 - Western Albemarle High School Environmental Studies Academy as revised to include only phase I for the greenhouse
 - Rescue 8 Renovation as requested
 - COB McIntire Window Replacement as requested which was submitted between the TRC cycle ending and the OC cycle beginning.
 - Red Hill Elementary School Modernization funded as requested and reclassified from maintenance/replacement to a Non-Maintenance project.
 - Learning Space Modernization (formerly Contemporary Learning Spaces) as revised; the revised CIP amount totals \$6M including \$3M in FY 16 and \$3M in FY 17; the project was reclassified from maintenance/replacement to a Non-Maintenance project.
 - Parks Greenways/Blueways as revised to include funding equivalent to available proffers
- **Defers all other non-maintenance projects.**

Additional Capital Program Funding Concerns, OC Comments and process improvement suggestions:

The Committee is concerned about not funding the future:

- Unfunded, growing infrastructure needs
 - LSM is only partially funded for the first two years of the CIP
 - Parks & Community Development
- Review the County's current process addresses future needs : planning funds and matching funds for items like future Parks, Neighborhood planning, money for studies for future projects
- The OC suggest consider future dedicated revenue to incrementally fund future needs
- Referendum: the OC discussed the mechanics of a referendum and came to a consensus that it is ultimately up to the Board of Supervisors

Suggested revisions to the Capital Planning Process:

- Review scoring criteria and determine whether adjustments to the weighting of priority from the departments, ranking, criteria would be warranted.
- Review the County's current process to addresses future needs : planning funds and matching funds for items like future Parks, Neighborhood planning, money for studies for future projects
- Review the definition of Maintenance to better define "core maintenance" needed to keep a facility "occupiable". Non-Maintenance definition will be updated to include requests for modernization and renovations.
- Recommend moving towards a capital budget model where new projects come into the CIP in year 5- except for emergencies
- The CNA should be reviewed annually, even during the amendment year to ensure the unfunded requests/needs are acknowledged.

Addendum A – FY 16 Ranked Project Modeling Summary

FY 16 PROJECTS BY SCORING CLASSIFICATION	KEY	FY 16 Ranking	FY 16-20 REQUEST	FY16-20 REVISED	FY16-20 TRC/FRC	FY16-20 OC	NET COST TO COUNTY
Key: ^New Project R-Revenue Offset W-Water Resources Revenue							

MANDATES

County E911 Road Sign Upgrade		Priority	\$ 543,165	\$ 543,165	\$ 543,165	\$ 543,165	
Hollymead Dam Spillway Improvement	W	Priority	\$ 2,759,700	\$ 2,759,700	\$ 2,759,700	\$ 2,759,700	
Voting Machine Replacement		Priority	\$ 75,345	\$ 75,345	\$ 75,345	\$ 75,345	
Water Resources TMDL	W	Priority	\$ 3,997,820	\$ 3,997,820	\$ 3,997,820	\$ 3,997,820	

OBLIGATIONS

Solid Waste Projects (Formerly Convenience Centers)		Priority	\$ 1,073,908	\$ 1,073,908	\$ 1,073,908	\$ 1,073,908	
Moore's Creek Septage Receiving		Priority	\$ 547,205	\$ 547,205	\$ 547,205	\$ 547,205	
Ivy Landfill Remediation		Priority	\$ 2,615,000	\$ 2,615,000	\$ 2,615,000	\$ 2,615,000	
Ivy Fire Station 14 Maintenance Obligation		Priority	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	
Future Project Management Services		Priority	TBD	\$ 1,927,856	\$ 2,309,228	\$ 2,175,492	
ECC Regional 800Mhz Communication System	R	Priority	\$ 18,808,000	\$ 18,808,000	\$ 18,808,000	\$ 18,808,000	\$ 9,498,041
Court Facilities Addition/Renovation		Priority	\$ 27,600,707	\$ 27,600,707	\$ 27,600,707	\$ 27,600,707	

MAINTENANCE/REPLACEMENT PROJECTS

School Maintenance/Replacement		MR01	\$ 32,530,134	\$ 32,530,134	\$ 32,530,134	\$ 32,530,134	
Police County 800Mhz Radio Replacements		MR02	\$ 2,804,136	\$ 2,804,136	\$ 2,804,136	\$ 2,804,136	
School Bus Replacement Program	R	MR03	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000	\$ 6,000,000
Fire Rescue Airpaks		MR04	\$ 2,997,780	\$ 2,997,780	\$ 2,997,780	\$ 2,997,780	
County-Owned Facilities Maintenance/Replacement	R	MR05	\$ 6,825,334	\$ 6,825,334	\$ 6,825,334	\$ 6,825,334	\$ 6,639,550
State Technology Grant	R	MR06	\$ 3,760,000	\$ 3,760,000	\$ 3,760,000	\$ 3,760,000	\$ -
Fire Rescue Apparatus Replacement-Program		MR07	\$ 9,863,482	\$ 9,863,482	\$ 9,863,482	\$ 9,863,482	
Police Patrol Video Cameras Replacement		MR08	\$ 644,451	\$ 644,451	\$ 644,451	\$ 644,451	
Commonwealth Attorney Case Management System Replacement	^ R	MR09	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ 36,500
COB McIntire Window Replacement		MR10	\$ 3,098,661	\$ -		\$ 3,098,661	
Fire Rescue Mobile Data Computers Replacement		MR11	\$ 77,660	\$ 77,660	\$ 77,660	\$ 77,660	
Time and Attendance System		MR12	\$ 846,000	\$ 846,000	\$ 846,000	\$ 846,000	
Police Mobile Data Computers Replacement		MR13	\$ 1,062,258	\$ 1,062,258	\$ 1,062,258	\$ 1,062,258	
GIS Project		MR14	\$ 81,480	\$ 81,480	\$ 81,480	\$ 81,480	
County Owned Parks Maintenance/Replacement	R	MR15	\$ 3,921,419	\$ 3,921,419	\$ 3,921,419	\$ 3,921,419	\$ 3,601,419
County Server Infrastructure Upgrade		MR16	\$ 2,387,799	\$ 2,387,799	\$ 2,387,799	\$ 2,387,799	
Instructional Technology		MR17	\$ 2,875,000	\$ 2,875,000	\$ 2,875,000	\$ 2,875,000	
Telephony Solution Replacement (Previously PBX)		MR18	\$ 560,000	\$ 560,000	\$ 560,000	\$ 560,000	
City-County Owned Parks Maintenance/Replacement	R	MR19	\$ 896,530	\$ 896,530	\$ 896,530	\$ 896,530	\$ 581,954
Administrative Technology		MR20	\$ 1,311,000	\$ 1,311,000	\$ 1,311,000	\$ 1,311,000	
City-County Owned Facilities Maintenance/Replacement	R	MR21	\$ 282,216	\$ 282,216	\$ 282,216	\$ 282,216	\$ 93,108
Crozet Park Maintenance/Replacement and Improvements		MR22	\$ 452,857	\$ 452,857	\$ 452,857	\$ 452,857	

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Key: ^New Project R-Revenue Offset W-Water Resources Revenue

CONTINUED MAINTENANCE/REPLACEMENT PROJECTS

Police Tactical Truck Replacement	^	MR23	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	
Fire Rescue Volunteer Facilities Assessments	^	MR24	\$ 81,000	\$ -	\$ 81,000	\$ 81,000	
Burley-Lane Field Poles Lighting		MR25	\$ 503,057	\$ 503,057	\$ 503,057	\$ 503,057	
Police Mobile Command Center Replacement		MR26	\$ 194,086	\$ 194,086	\$ 194,086	\$ 194,086	

NON-MAINTENANCE/REPLACEMENT PROJECTS

Red Hill Elementary School Modernization		NM01	\$ 1,237,153	\$ -	\$ 1,237,153	\$ 1,237,153	
Fire Rescue Pantops Fire Rescue Station 16	R	NM02	\$ 3,912,467	\$ 3,912,467	\$ 3,912,467	\$ 3,912,467	\$ 3,485,752
Learning Space Modernization (Contemporary Learning Spaces)	^	NM03	\$ 37,915,110	\$ 271,832	\$ 6,000,000	\$ 6,000,000	
School Security Improvements Program		NM04	\$ 2,001,701	\$ 2,001,701	\$ 2,001,701	\$ 2,001,701	
Telecommunications Network Upgrade		NM05	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	
Transportation Revenue Sharing Program		NM06	\$ 27,866,446	\$ 5,767,697	\$ 5,767,697	\$ 5,767,697	
Fire Rescue Rescue 8 Renovation	^	NM07	\$ 894,697	\$ -	\$ -	\$ 894,697	
ACE Program	R	NM08	\$ 5,362,466	\$ 3,440,806	\$ 3,440,806	\$ 3,440,806	\$ 2,840,806
Fire Rescue Public Safety Training Facility		NM09	\$ 4,134,234	\$ -	\$ -	\$ -	
PVCC Student Center Facility		NM10	\$ 542,844	\$ -	\$ -	\$ -	
Woodbrook Elementary School Addition-Modernization	^	NM11	\$ 12,358,050	\$ -	\$ -	\$ -	
Western Albemarle High School Enviromental Studies Academy	^R	NM12	\$ 3,245,415	\$ -	\$ -	\$ 642,712	\$ 528,730
Sidewalk Construction Program		NM13	\$ 11,409,100	\$ -	\$ -	\$ -	
Parks Athletic Field Improvements		NM15	\$ 2,533,052	\$ -	\$ -	\$ -	
Central Library Renovations		NM16	\$ 4,373,150	\$ -	\$ -	\$ -	
Police Public Safety Training Academy		NM17	\$ 11,605,525	\$ -	\$ -	\$ -	
Fire Rescue Station IT Infrastructure		NM18	\$ 265,000	\$ -	\$ -	\$ -	
Darden Towe Park Athletic Field Improvements	R	NM19	\$ 2,054,149	\$ -	\$ -	\$ -	\$ 1,443,589
Police District Police Station		NM20	\$ 1,937,053	\$ -	\$ -	\$ -	
PVCC Main Academic Building Renovation		NM21	\$ 101,823	\$ -	\$ -	\$ -	
Walnut Creek/Totier Creek Fishing Accessibility		NM22	\$ 524,404	\$ -	\$ -	\$ -	
Fire Rescue Mobile Data Computers-New		NM23	\$ 243,100	\$ -	\$ -	\$ -	
Parks Greenways/Blueways	R	NM24	\$ 1,352,344	\$ -	\$ -	\$ 655,134	\$ 19,082
Buck Island Creek Park		NM25	\$ 327,102	\$ -	\$ -	\$ -	
City-County Owned Parks Enhancements		NM26	\$ 674,866	\$ -	\$ -	\$ -	
Scottsville Library Renovation-Expansion		NM27	\$ 111,657	\$ -	\$ -	\$ -	
Crozet Growth Area Community Park Facilities		NM28	\$ 4,646,569	\$ -	\$ -	\$ -	
Fire Rescue Earlysville Volunteer Fire Company Extra bay	^	NM29	\$ 234,232	\$ -	\$ -	\$ -	
Northern Urban Area Community Park		NM30	\$ 2,652,210	\$ -	\$ -	\$ -	
Police Bomb Tech Robot		NM31	\$ 165,000	\$ -	\$ -	\$ -	

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CONTINUED NON-MAINTENANCE/REPLACEMENT PROJECTS

Parks Facilities Improvement		NM32	\$ 56,697	\$ -	\$ -	\$ -	
Places 29 Small Area Study		NM33	\$ 119,860	\$ -	\$ -	\$ -	
Rivanna Village Park	^	NM34	\$ 428,235	\$ -	\$ -	\$ -	
Finance Department Renovations	^	NM35	\$ 348,097	\$ -	\$ -	\$ -	
Website Enhancements		NM36	\$ 56,340	\$ -	\$ -	\$ -	
South Fork Rivanna Reservoir Boat Access		NM37	\$ 1,115,158	\$ -	\$ -	\$ -	
Southern Urban Area Library Facility		NM38	\$ 8,819,529	\$ -	\$ -	\$ -	
Mobile Workforce Innovations		NM39	\$ 172,780	\$ -	\$ -	\$ -	
Darden Towe Park Master Plan	R	NM40	\$ 395,064	\$ -	\$ -	\$ -	\$ 328,772
Rivanna River Corridor Design Plan		NM41	\$ 92,700	\$ -	\$ -	\$ -	
Park System Redesign		NM42	\$ 297,495	\$ -	\$ -	\$ -	
Police Evidence and Specialty Vehicle Storage		NM43	\$ 3,752,945	\$ -	\$ -	\$ -	
Walnut Creek Park Master Plan		NM44	\$ 57,568	\$ -	\$ -	\$ -	
Commonwealth Attorney Space Modification	^	NM45	\$ 95,802	\$ -	\$ -	\$ -	
Hedgerow Property Trail Park		NM46	\$ 450,436	\$ -	\$ -	\$ -	
Crozet Plaza Study		NM47	\$ 83,867	\$ -	\$ -	\$ -	
Police Mobile Observation Unit		NM48	\$ 69,000	\$ -	\$ -	\$ -	

Summary of Funding Status	FY 16-20 REQUEST	FY16-20 REVISED	FY16-20 TRC/FRC	FY16-20 OC
Total Requested	\$ 306,919,682			
Total Funded		\$ 159,519,888	\$ 167,397,582	\$ 172,555,049
Total Unfunded		\$ 147,399,794	\$ 139,522,100	\$ 134,364,633