Delivering Tangible Results in an Evolving Landscape

FY 19 RECOMMENDED BUDGET

March 29, 2018 Work Session
Schedule

Today

March 29

- Board continues discussion on CIP

April 10

- Public Hearing on Board’s Proposed Budget

April 17

- Public Hearing on Tax Rate
- Set Tax Rate and Approve Budget
TODAY’S DESIRED OUTCOMES

• Obtain Board’s guidance on FY 19 – FY 23 Capital Improvement Plan (CIP)
  • Follow up – March 27 - High School Capacity and Improvement Project Center 1
    • Connection to Pilot and other Phases of Project
  • CIP approval requirements/timeline
  • Oversight Committee recommendations
  • Review five models/scenarios and resource needs
    • Consider:
      • Timing
      • Projects not included
  • Check in - Potential 2018 Referendum Timeline
  • Identify any outstanding questions or considerations

• CIP Guidance/Consider Approval of FY 19 – FY 23 CIP

• Next Steps
The CIP provides details on projects a local government wants to undertake during the upcoming 5 years.

Each year, the CIP is updated:
- revenues and expenditure estimates are revised
- timing adjustments
- new projects can be added or removed

CIP implementation depends on availability of funding and is subject to revision in subsequent years.

While a locality must adopt the Capital Budget, it does not necessarily have to approve a CIP.

The County’s practice has been to approve the CIP as part of the annual budget development process.
- If the County desires to undertake a November 2018 Referendum, staff recommends that the County approve the CIP this spring, preferably by April 17.
TODAY’S CONSIDERATIONS

• What should be included in the CIP?
  • for School Division?
  • for General Government?

• What can the community support (afford)?
MARCH 27 FOLLOW UP ITEM

High School Capacity and Improvement Project Center 1 as it connects to the Pilot and future phases of the project
HIGH SCHOOL CENTERS

• **Pilot Center (150 students)**
  - Included in current School Board Funding Request (Operating)
  - Leased space
  - Soft opening in 2018/19 school year with 20-40 students
  - Purpose: test-fit details of the center model not the center model itself
  - Will continue to operate after larger center opens

• **Center #1 (600 students)**
  - Included in CIP
  - Open in 2021/22 School Year
  - New building or renovated building

• **Center #2 (400 students)**
  - Future/TBD
  - New, renovated, or leased building
The full request is for both the centers and the modernization of existing schools.

Does investing in Center #1 require you to do the rest?

Center #1 can operate and be successful without the subsequent phases, but...

HS2022 is a comprehensive, division-wide approach to high school.

Center #1 will not impact all 4,300 high school students.

<table>
<thead>
<tr>
<th>Phase 0</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot Center</td>
<td>Center #1</td>
<td>Albemarle &amp; Western Modernization</td>
<td>Monticello &amp; Murray Modernization</td>
<td>Center #2</td>
</tr>
</tbody>
</table>
OVERSIGHT COMMITTEE RECOMMENDATION
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

Dept/Agency
Studies

Submittals

PMD/OMB
Review

FRC
Review

TRC
Review

Executive
Office

Planning
Commission

2 Boards
Review #1

Executive
Office

OC
Report

OC
Review

Executive Office
Board of Supervisors
School Board
Planning Commission

Approved
CIP

August  September  October  November…

Nov.  December  January - February  February - April  April
Members

• Ms. Kate Acuff, Albemarle County School Board
• Mr. Jason Buyaki, Albemarle County School Board
• Mr. Norman Dill, Board of Supervisors
• Mr. Bruce Dotson, Planning Commission
• Ms. Ann Mallek, Board of Supervisors
• Mr. Cal Morris, Citizen Representative
OVERSIGHT COMMITTEE’S APPROACH

OVERSIGHT COMMITTEE’S CHARGE

PROVIDE A REPORT

RECOMMENDING A *BALANCED 5 YEAR CIP*

TO COUNTY EXECUTIVE

*DEVELOPED POTENTIAL SCENARIOS TO ADDRESS PENT UP INFRASTRUCTURE NEEDS*
Two Scenarios:

1) foundational model – mandates, obligations and maintenance/replacement projects.

2) model that included specific project recommendations and a recommendation that the County place a number of “quality of life” projects* on a Bond Referendum for residents’ consideration.

*Specific Referendum projects were illustrative in nature with the understanding that if a Bond Referendum was pursued, a final list of projects would be determined later in the process.
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 – total long-term impact
  - Resulting from projects
  - Staffing impacts associated with execution of projects
A DIFFERENT CIP

• Expanded CIP for Consideration - 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.
SCENARIOS & POTENTIAL RESOURCE NEEDS
SCENARIOS

1. Foundation
   - Mandates, Obligations, Maint./Repl. Projects
   - (Courts included)

2. Foundation Enhanced
   - ACE Program
   - Advancing Strategic Priorities
   - Ivy Recycling Center
   - Fire Rescue Volunteer Facilities Pilot
   - Police Evidence Processing and Vehicle Storage Design
   - Center #1

3. High School Phase 1
   - Albemarle High School / Western Albemarle High School Modernization
   - Monticello High School / Murray High School Modernization

4. High School Phase 1 - 3
   - $39M Quality of Life Referendum Projects

5. High School Phase 1 – 3 & Quality of Life
   - $39M Quality of Life Referendum Projects
### SCENARIOS

#### REVISED Estimated Pennies on Tax Rate

<table>
<thead>
<tr>
<th>Scenarios</th>
<th>Project Cost $ in millions</th>
<th>Additional Resources Needed $ in millions</th>
<th>Est. Pennies on Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Foundation</td>
<td>$158.5</td>
<td>$8.7</td>
<td>1.2¢</td>
</tr>
<tr>
<td>2 Enhanced Foundation</td>
<td>$163.2</td>
<td>$12.0</td>
<td>2.0¢</td>
</tr>
<tr>
<td>3 High School Phase 1</td>
<td>$198.3</td>
<td>$25.1</td>
<td>3.8¢</td>
</tr>
<tr>
<td>4 High School Phase 1 - 3</td>
<td>$249.6</td>
<td>$27.2</td>
<td>4.3¢</td>
</tr>
<tr>
<td>5 High School Phase 1 – 3 &amp; Quality of Life</td>
<td>$290.8</td>
<td>$39.3</td>
<td>6.8¢</td>
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</table>

- There may be additional resource needs in the out years related to projects budgeted in years 4 & 5
- May require additional operational resources
PROJ ECTS INCLUDED IN FY 19- 23 CIP SCENARIO 5

**General Government**
- ACE
- Transportation Leveraging Program (2 years)
- PVCC
- Senior Center at Belvedere
- Judicial (Courts)
- Advancing Strategic Priorities Reserve ($2 M)
- Public Safety Maintenance/Replacement program
- County and Parks Maintenance/Replacement Program
- County Server Infrastructure Upgrade Project
- Water Resources/Stormwater
- *Quality of Life 2018 Referendum Projects*
- Project Mgmt. Fees

**School Division**
- School Maintenance/Replacement Program
- Technology Projects
- School Bus Replacement Program
- All 2016 Referendum projects
- High School Capacity and Improvements – Phases 1 - 3
- *Quality of Life 2018 Referendum Projects*
- Project Mgmt. Fees

*The School’s Quality of Life Referendum projects as currently planned include Scottsville Elementary Project and Learning Space Modernization beginning in FY 20. Schools requested these projects to begin in FY 19 to meet important timeline considerations and needs.*
PROJECTS NOT INCLUDED IN FY 19-23 CIP SCENARIO 5

General Government
- Earlysville Volunteer Fire Station Renovation
- Fire Rescue Station IT Infrastructure
- Police Public Safety Training Academy
- Police Satellite Training Academy
- Police Tactical Robot
- Buck Island Creek Park
- Central Library Renovations
- Charlotte Y Humphris Study
- Crozet Growth Area Community Park Facilities
- Darden Towe Park Master Plan
- Downtown Crozet Public Space and Parking Study
- Eastern Avenue Roadway
- Fishing Facilities Accessibility
- Greenways/Blueways Program
- Ivy Creek Natural Area Entrance Improvements
- Milton Boat Launch Upgrades
- Northern Urban Area Community Park
- Park System Redesign
- Parks Facilities Enhancements
- Rivanna River Corridor Phase II
- Rivanna Village Park
- Route 20 South (Scottsville Road) Improvements
- Scottsville Library Renovation-Expansion
- South Fork Rivanna Reservoir Boat Access
- Southern Urban Area Library Facility
- Sunset Avenue Extended Improvements
- Walnut Creek Park Master Plan

School Division
- Red Hill Elementary School Phase 2: Renovations and Gym Addition
- Crozet Elementary School Addition and Improvements
- Learning Space Modernization – partially considered
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
REFERENDUM TIMELINE
REFERENDUM TIMING CONSIDERATIONS

April: Board provides General Direction on Referendum

May: School Board requests Referendum

June: BOS requests Referendum, County files Petition

August: Court Orders Special Election

November: Special Election held at same time as General Election

Public Engagement
### OTHER QUALITY OF LIFE REFERENDUM PROJECTS FOR CONSIDERATION ($39M)

<table>
<thead>
<tr>
<th>Category</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Schools</strong></td>
<td>$24.9M</td>
</tr>
<tr>
<td>• Learning Space Modernization</td>
<td>($12.8M)</td>
</tr>
<tr>
<td>• Scottsville Elementary School Additions &amp; Improvements</td>
<td>($12.1 M)</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td>$3.0M</td>
</tr>
<tr>
<td>• Route 20/US 250 Intersection Improvement</td>
<td>($1.1 M)</td>
</tr>
<tr>
<td>• Albemarle Bicycle Pedestrian Construction Program</td>
<td>($1.2 M)</td>
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<tr>
<td>• Norhtown Trail</td>
<td>($0.8M)</td>
</tr>
<tr>
<td><strong>Community Facilities &amp; Greenspace</strong></td>
<td>$7.2M</td>
</tr>
<tr>
<td>• Parks Athletic Field Improvements</td>
<td>($2.0 M)</td>
</tr>
<tr>
<td>• Darden Towe Park Athletic Field Improvements</td>
<td>($3.0 M)</td>
</tr>
<tr>
<td>• Hedgerow Property Trail Park</td>
<td>($2.3 M)</td>
</tr>
<tr>
<td><strong>Public Safety</strong></td>
<td>$4.1M</td>
</tr>
<tr>
<td>• Fire Rescue Training Facility</td>
<td>($4.1 M)</td>
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ADDITIONAL SLIDE SHARED AT END OF WORK SESSION
## Capital Budget to Support Water Resources Program in FY 19

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mandated TMDL</strong> (stream restoration and retrofits of old basins)</td>
<td>$720 K</td>
</tr>
<tr>
<td><strong>Green Infrastructure</strong> (comprehensive restoration in small watersheds)</td>
<td>$100 K</td>
</tr>
<tr>
<td><strong>Grey Infrastructure</strong> (includes video assessments and critical repair work)</td>
<td>$623 K</td>
</tr>
<tr>
<td><strong>Other Water Resources CIP Projects</strong></td>
<td>$104 K</td>
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<tr>
<td><strong>Water Resources - PM Fees</strong></td>
<td>$28 K</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,576 K</td>
</tr>
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Funded with one-time revenues