Planning Commission
Work Session:
Fiscal Year 23 – 27
Capital Improvements Plan (CIP)

NOVEMBER 16, 2021
<table>
<thead>
<tr>
<th>Action</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review</td>
<td>Financial Information, past and present</td>
</tr>
<tr>
<td>Discuss</td>
<td>FY 23-27 CIP process—Approach moving forward</td>
</tr>
<tr>
<td>Share</td>
<td>Preliminary project information</td>
</tr>
<tr>
<td></td>
<td>Next steps—FY 23 Budget &amp; CIP development processes</td>
</tr>
</tbody>
</table>
Discussion Questions for Later in Work Session

1. How does your awareness of the County’s past, present, and future inform your thinking about the overall capital program?
   - Process
   - Projects

2. What additional information will you be looking for as the CIP Advisory Committee recommends and the Board of Supervisors adopts a FY 23-27 CIP?
Financial Planning:
Where we were, are now, and are going
Where We Were: Financial Results of 3-6-6 Budget Management

**FY 20 & FY 21**

• Ended with fund balances and reserves intact according to financial policies
• Strategically allocated one-time funding to support financial foundation, economic vitality, workforce stabilization
• $34 M in capital projects were unpaused in January FY 21, others to be revised in FY 23-27
• Planning and implementation of federal pandemic relief funding
• Reaffirmed AAA/AAA/aaa bond ratings in June, the related bond issuance resulted in debt service savings to be considered in FY 23-27 process

**FY 22**

• FY 22 Budget advanced strategic priorities & positioned County for resilience and future
• Revised FY 22 budget in Summer 2021 based on improved revenue outlook
Where are we now?

• We are experiencing higher project costs and supply chain volatility

• As we close FY 21, capital project budgets are $147 M for 65 capital projects
  • $91 M appropriated since January 2021
  • Remainder underway in different phases

Where are we going?

• Revisiting current project costs to consider the current market and new state code energy efficiency requirements
  • $4 M Capital Budget Stabilization Reserve to manage FY 22

• FY 23-27 planning should reflect the current effort underway when considering start dates for future projects
  • Total County government & public school capital spending averages approximately $35 M over last 8 years
Where are we now?

• During FY 23-27, the County will have an updated Strategic Plan & Comprehensive Plan
  • The School Board adopted a Strategic Plan in Summer 2021

• Beyond the CIP, long-term priorities exist in the operating budget. For example:
  • Changing service demands
  • Recruitment and retention of staff providing services
  • Operating impacts of capital projects, changing nature of technology expenses

Where are we going?

• The FY 23-27 CIP should emphasize flexibility, so that the organization’s capacity is not fully committed prior to these updated plans and better-known impacts.
  • Projects in out-years would be less defined in the FY 23 – 27 plan.
  • An update of the plan will take place next year for FY 24-28.

• Long-range planning discussions will also happen this fall with the Board of Supervisors to inform long-range financial planning
FY 23-27 CIP:
Process & Projects
FY 23 Budget Development Timeline

- **SEP**
  - School Board Work Session: Long-Range Space Planning

- **OCT**
  - BOS Work Sessions: Five-Year Financial Planning & CIP Advisory Committee

- **NOV**
  - Joint Board Work Session: CIP

- **DEC**

- **JAN**
  - County Exec. Recommended Budget

- **FEB**

- **MAR**
  - CIP & Schools Budget Work Session

- **APR**
  - Schools Draft Funding Request

- **MAY**
  - Budget & CIP Adoption

**Work Sessions & Public Hearings**
## CIP ADVISORY COMMITTEE’S CHARGE:

<table>
<thead>
<tr>
<th>Review &amp; Evaluate</th>
<th>Staff recommended FY 23-27 CIP proposal for the CIP Advisory Committee’s consideration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure</td>
<td>Proposal aligned with County policies, established priorities, guiding principles</td>
</tr>
<tr>
<td>Recommend</td>
<td>FY 23-27 CIP recommendation for the County Executive’s consideration in preparation of the Recommended FY 23 Capital Budget and FY 23-27 CIP</td>
</tr>
<tr>
<td>Report</td>
<td>Recommendations to Board of Supervisors, School Board, School Superintendent, Planning Commission, and County Executive</td>
</tr>
</tbody>
</table>
Recommended CIP Advisory Committee Process & Assumptions

1. Staff will prioritize projects in the FY 23 – 27 CIP as an initial proposal for the CIP Advisory Committee's consideration. Prioritization guided by:

   a) Obligations, maintenance & replacement programs, aligned with execution

b) For projects beyond that, the following criteria:
   • Strategic Plan and new reality due to the pandemic
   • Ability to Execute
   • Ongoing operating cost impacts
   • Equity statement for projects
Recommended CIP Advisory Committee
Process & Assumptions

2. Revenue sources to be explored in the context of the total 5-Year Financial Plan, such as:
   • Recent enabling authority provided by the state
   • Impact of Summer 2021 bond refinancing
   • American Rescue Plan Act (ARPA) funding and other leveraging opportunities
   • Strategic investment of one-time funding, such as one-time year-end positive variance
   • Capital bond market environment and existing ability to issue bonds

3. For planning purposes assume no changes to the real estate tax rate for operating or capital in FY 23 – 27 and pursue strategic funding options that balance resources available with desired outcomes
In Summary

Where We Were, FY 20 - 21
• 3-6-6 budget management approach and development of FY 22 budget

Where We Are Now, FY 22
• Maintained strong financial foundation and adjusted plans as revenue performance improves
• Implementing a capital budget of $147 M and managing uncertain project costs and supply chains

Where We Are Going, the FY 23 – 27 Process
• CIP Advisory Committee will recommend a plan for the County Executive’s consideration in the FY 23 budget process
• Board of Supervisors to adopt a plan for the first time since the FY 20 process due to pandemic
• Plan would reflect the current effort underway when considering start dates for future projects
• Plan would emphasize flexibility for the future as Comprehensive and Strategic Plans are updated
• Plan would consider capital decisions in the context of operations and the total financial picture
FY 23-27 Local Government Projects 
*from March 29 Board of Supervisors Discussion*

- Berkmar Proffer Site Master Plan -> Northern Convenience Center
- Lambs Lane Site Plan and Environmental Study (includes school capacity)
- Rio Road Corridor Plan Study (E Rio)
- Broadband Infrastructure
- Water/Sewer Connection Grant Program/Program for Elderly
- Older Neighborhood Infrastructure (sidewalks/multi-modal connectivity)
- Match Funding for High Priority Capital Projects (Smartscale projects, Eastern Avenue Bridge)
- Parks and Recreation Infrastructure Amenities
- Transit shelters/concrete pads

- Other Staff Identified Priority Projects
Strategic Plan: Learning for All

Goal 3: Equitable, transformative resources

ACPS will attract, develop and retain the highest quality staff; develop sustainable and modern facilities, infrastructure and equipment; and distribute all resources in an equitable manner to transform learning experiences and opportunities.

Objective 2

ACPS will develop modern and environmentally sustainable facilities, infrastructure and equipment.

LRPAC Project Criteria

- Safe and Secure Facilities
- Adequate Capacity
- Efficient Use of Resources
- Modern and Reliable Technology
- Infrastructure
- Outdoor Learning
- Equitable Distribution of Resources
- Sustainable Facilities
- Adaptable and Flexible Spaces
## FY 23-27 Schools Projects

<table>
<thead>
<tr>
<th>Rank</th>
<th>Project</th>
<th>Estimated 5-Year Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>High School Capacity (Center 2)</td>
<td>$32,070,000</td>
</tr>
<tr>
<td>2</td>
<td>Mountain View Capacity</td>
<td>TBD</td>
</tr>
<tr>
<td>3</td>
<td>Elementary School in Northern Feeder Pattern</td>
<td>$40,200,000</td>
</tr>
<tr>
<td>4</td>
<td>High School Renovations</td>
<td>$36,000,000</td>
</tr>
<tr>
<td>5</td>
<td>Middle School Renovations</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>6</td>
<td>Elementary School Renovations</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>7</td>
<td>Elevator Additions</td>
<td>$4,200,000</td>
</tr>
<tr>
<td>8</td>
<td>Data Center</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>9</td>
<td>Indoor Air Quality</td>
<td>$4,543,750</td>
</tr>
<tr>
<td>10</td>
<td>Elementary School Land Acquisition in Western Feeder Pattern</td>
<td>$7,500,000</td>
</tr>
<tr>
<td>11</td>
<td>Middle School Capacity</td>
<td>$250,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$196,263,750</strong></td>
</tr>
</tbody>
</table>
Planning Commission Discussion
Discussion Questions for Later in Work Session

1. How does your awareness of the County’s past, present, and future inform your thinking about the overall capital program?
   • Process
   • Projects

2. What additional information will you be looking for as the CIP Advisory Committee recommends and the Board of Supervisors adopts a FY 23-27 CIP?