

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

NOVEMBER 16, 2021

FISCAL YEAR 2023 - 2027 CAPITAL IMPROVEMENT PLAN (CIP) DEVELOPMENT

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DESIRED OUTCOMES & AGENDA

Review	Financial Information, past and present
Discuss	FY 23- 27 CIP process– Approach moving forward
Share	Preliminary project information Next steps – FY 23 Budget & CIP development processes

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?

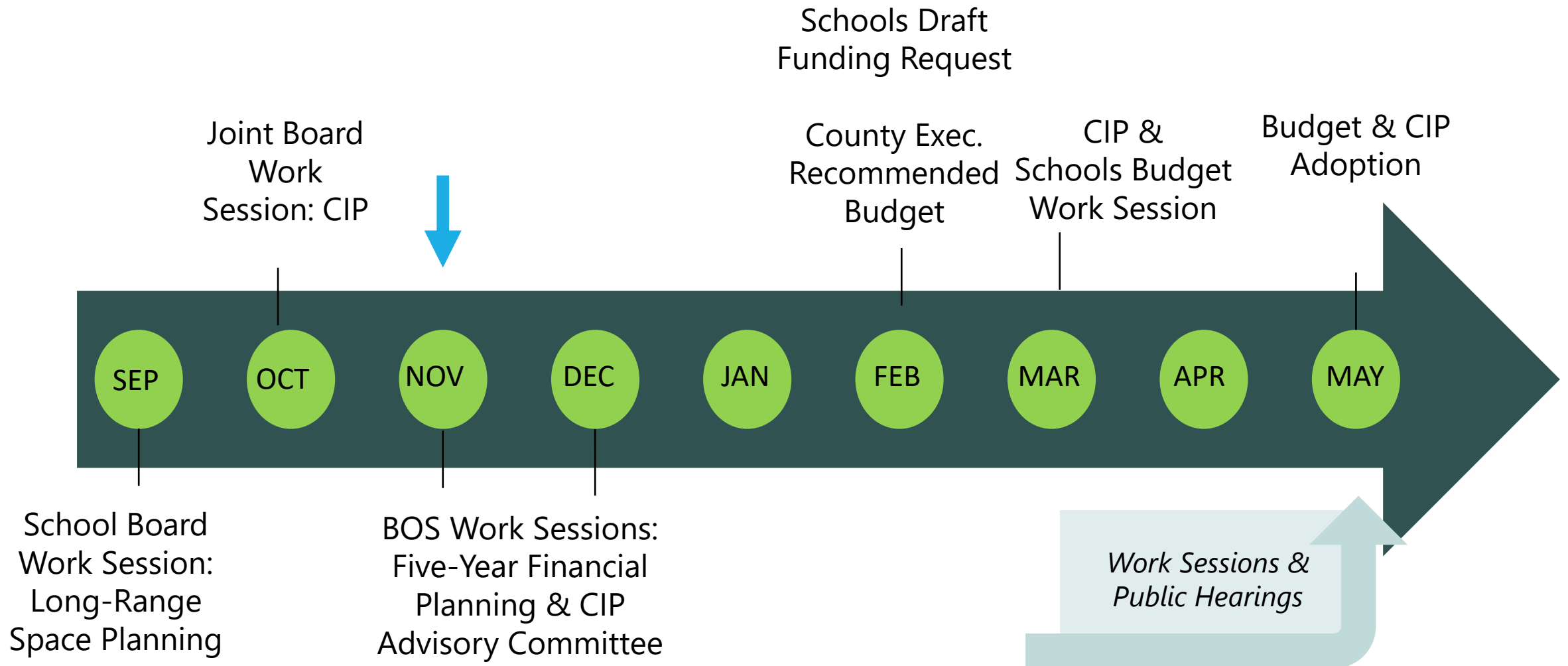
- During FY 23-27, the County will have an updated Strategic Plan & Comprehensive Plan
 - The School Board adopted a Strategic Plan in Summer 2021
- Beyond the CIP, long-term priorities exist in the operating budget. For example:
 - Changing service demands
 - Recruitment and retention of staff providing 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



CIP ADVISORY COMMITTEE'S CHARGE:

Review & Evaluate	Staff recommended FY 23-27 CIP proposal for the CIP Advisory Committee's consideration
Ensure	Proposal aligned with County policies, established priorities, guiding principles
Recommend	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
Report	Recommendations to Board of Supervisors, School Board, School Superintendent, Planning Commission, and County Executive

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

Rank	Project	Estimated 5-Year Cost
1	High School Capacity (Center 2)	\$32,070,000
2	Mountain View Capacity	TBD
3	Elementary School in Northern Feeder Pattern	\$40,200,000
4	High School Renovations	\$36,000,000
5	Middle School Renovations	\$20,000,000
6	Elementary School Renovations	\$50,000,000

Rank	Project	Estimated 5-Year Cost
7	Elevator Additions	\$4,200,000
8	Data Center	\$1,500,000
9	Indoor Air Quality	\$4,543,750
10	Elementary School Land Acquisition in Western Feeder Pattern	\$7,500,000
11	Middle School Capacity	\$250,000
Total		\$196,263,750



Planning Commission Discussion

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