

Proposed Capital Improvement Program 2009-2014



November 13, 2007

Revenue Summary

(\$ in millions)

CIP Reserve Transfer	\$ 68.1
Debt Financing	169.3
Cash Proffers	10.3
State Funds (Technology)	1.9
Food Service Funds	<u>1.4</u>
Total	\$251.0

Revenue Debt Financing

- County generally follows a set of guidelines in making financial decisions on debt issuance
- Adherence allows the county to plan for financing of capital needs and maintain credit-worthiness
- All 3 major rating agencies rate the county as a triple A credit risk

Revenue

Debt Financing

The amount of debt that can be issued (debt capacity) is based upon a set of policies:

- debt as a percentage of assessed value 3.0%
- target debt per capita* \$2,163
- debt service as a percentage of general governmental expenditures 10%
- undesignated general fund balance as a percentage of general fund expenditures 7.5%

*FY2009 target increased by 3% through FY2014

Revenue Debt Financing

- These policies govern the amount of debt that can be issued and with the amount of debt service that can be paid through the operating fund, limits the number and types of projects that can be approved by the School Board
- A total of \$169.2 million of projects funded with long-term debt can be included in the CIP for the 6-year period from FY2009 to FY2014

Revenue Debt Financing

- Additional capacity has been made available:
 - Two additional years added to the Plan
 - County has updated debt projections
 - Capacity originally approved for Clover Hill in FY2008 not used is available for other needs

Revenue Proffers

- Proffers are significantly reduced from prior year estimates
 - Number of lots for which proffers were received increased steadily from FY93 to FY04
 - Numbers have decreased since FY04 from 1,556 to 685 in FY07
 - Large developments with no *cash* proffers required

Renovations/Additions

- First three years (FY2009-2011) - projects and amounts approved during the 2004 Bond Referendum
- FY2012 - projects and amounts approved by the School Board last year with an additional \$2 million for planning of a new elementary school

Renovations/Additions

- Two new years added to the Plan (FY2013 and FY2014)
- Contains funding for the Monacan, Harrowgate, and Enon renovation projects as well as additional administrative space begun in FY2012

New Construction

- Funding for one new elementary school
 - Analysis indicates that dependent upon future construction four geographic areas of the County will be in need of additional elementary capacity by the end of this Plan
 - Dale (Hopkins, Hening, Chalkley)
 - West 360 (Woolridge, Winterpock)
 - Northwestern Area (Watkins, Weaver, Swift Creek, Evergreen)
 - Southern (Harrowgate, Wells, Gates)

New Construction

- Partial funding for an additional high school
 - Analysis indicates dependent upon new construction that 2 geographic areas of the County will be in need of additional capacity by the end of this Plan
 - Central area (Thomas Dale, Bird, Meadowbrook)
 - West 360 (Cosby)
 - Funding for planning is proposed in July of 2011 to provide relief for the Central area

Major Maintenance

- Annual maintenance is required in order to increase the “life expectancy” of our current buildings
- Projects in major categories to be completed annually
 - Roof replacements, floor coverings, mechanical systems replacements and upgrades, other building renovations, and grounds improvements

Technology

- Implementation of the Technology Master Plan
 - FY2009 funding supports the last year of the current plan which focused on integration, professional development, connectivity, and evaluation
 - FY2010 – FY2014 funding will support the new Plan as adopted by the School Board
- Four-year replacement cycle for current equipment

Expenditure Summary

(\$ in millions)

New Construction	\$ 99.2
Additions/Renovations	88.3
Major Maintenance	18.5
Technology	33.3
Food Service	1.4
Future Acquisition	<u>10.3</u>
Total	\$251.0