

WS  
3-1-06

FY 2007 Budget Work Session

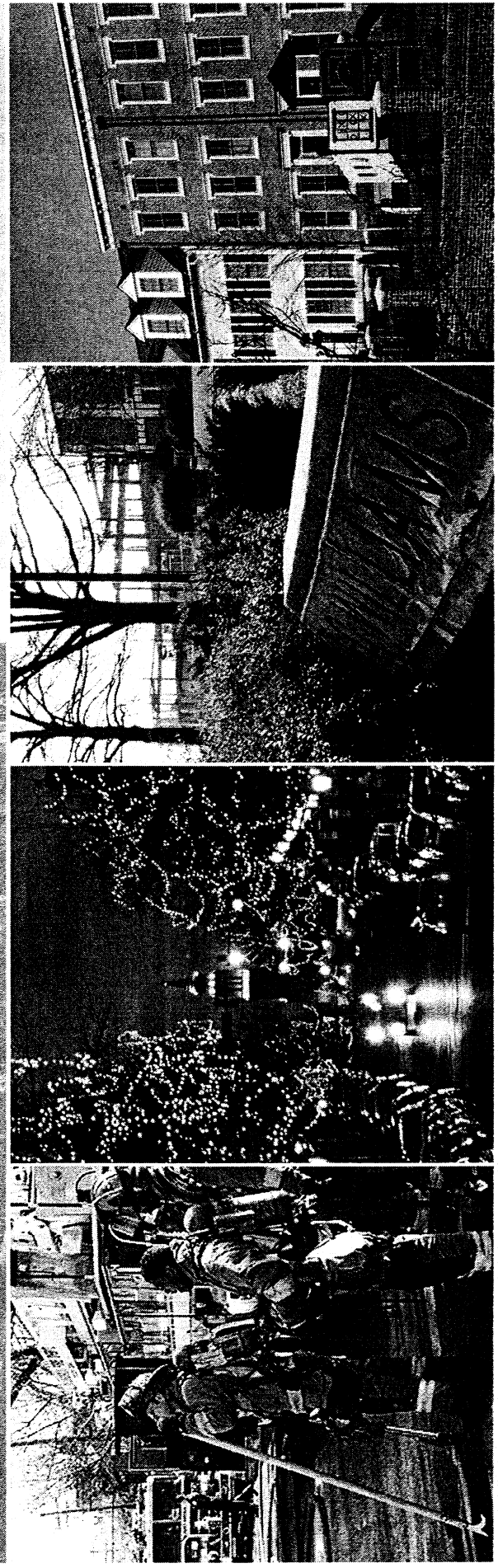
CITY OF

# Alexandria

VIRGINIA

Capital Improvement Program  
Issues

Wednesday, March 1, 2006





# **FY 2007 Budget Work Session**

## **Capital Improvement Program Issues**

**Wednesday, March 1, 2006**



# Agenda

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- Overview
- Major Capital Projects
- CIP Additions and Reductions
- Proposed FY 2007 Financing
- Budget Reductions
- Debt Policy Guidelines
- FY 2008 Budget Challenge



# CIP Overview

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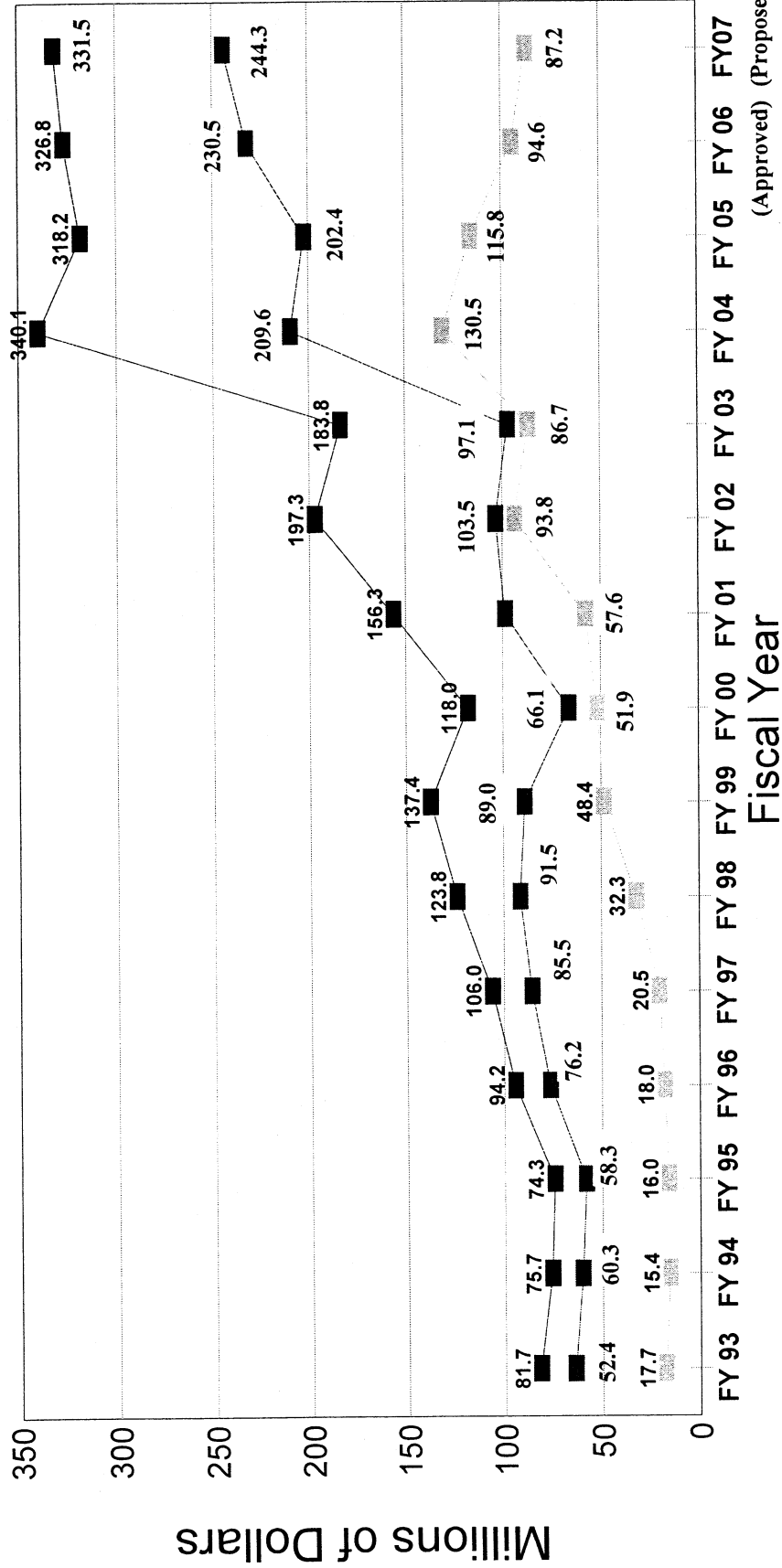
## Six-Year Totals

- \$331.5 million locally funded Six-Year CIP
- 1.4 percent increase as compared to the FY 2006 Approved CIP of \$326.8 million
- \$244.3 million for the City
- \$87.2 million for ACPS



# CIP Overview

## Total Local Funding - Approved CIPs City and Schools CIP Project Funding



■ Schools ■ City ■ Total CIP

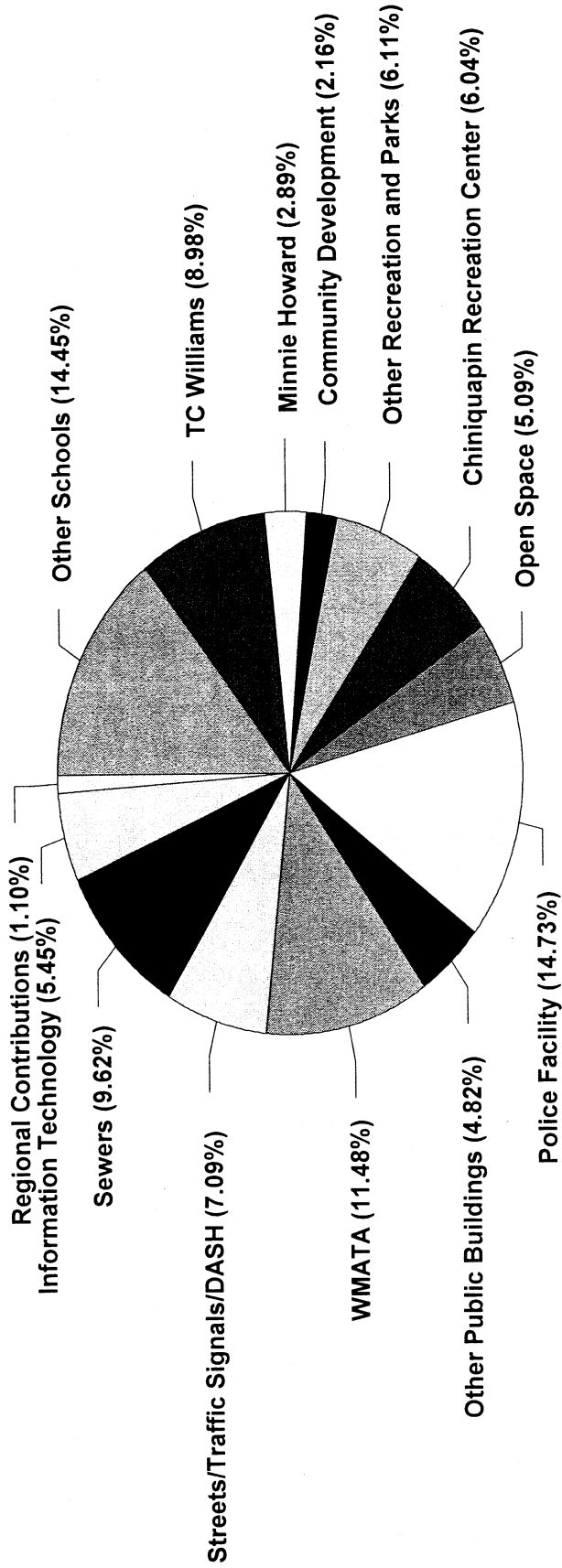
(Approved) (Proposed)



# CIP Overview

**FY 2007 - 2012**

## Capital Improvement Program Programs by Share





# CIP Overview

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## FY 2007

- \$67.6 million in FY 2007
- 1.0 % increase compared to FY 2007 estimated in last year's Approved FY 2006 – FY 2011 CIP



# Major Capital Projects in FY 2007

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## Open Space Land Acquisition

- FY 2007 Value of 1¢ = \$ 3.3M
- Debt Service Cost (on \$10.0M) = \$- 0.9M
- Est. FY 2006 EOY Balance = \$13.4M
- Est. FY 2007 Known Draw Downs = \$- 0.1M
- Est. FY 2007 New Funds Available = \$ 2.4M
- Amount Available for Land Acquisition \$15.7M





# Major Capital Projects in FY 2007

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## Charles Houston Recreation Center

- FY 2007 = \$2.2 M
- Total Project Costs = \$8.6 M\*
- Design Concept Approved By Council
- Construction to Begin Late CY 2006
- Construction Completion in Approximately One Year

\* Does not yet include TBD utility undergrounding costs



# Major Capital Projects in FY 2007

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## New Police Headquarters Facility

- FY 2007 = \$4.8M
- Council Approved Wheeler Ave. Site
- Architecture and Engineering Design Next Stage
  - Planning and Programming Through Winter 2007
  - Site Planning/SUP Process Through Mid-2007
  - Design Development – Summer 2007 through Winter 2008
  - Permitting and Bidding to Begin Spring 2008
- Construction To Begin Summer 2008
- \$44.0 million Now Planned in FY 2008, FY 2009\*
- Construction Costs Can Be Changed To Cash Flow Basis
- \$ 1.7 million In Annual Lease Costs Will Be Saved
- \* Cost estimate subject to change as scope is refined and as A/E work is completed



# Major Capital Projects in FY 2007

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## New Fire Station

- FY 2007 = \$3.0M
- Needs Assessment Underway
- \$3.0 million Estimate for Land Acquisition and Preliminary Design
- Land Acquisition Costs as a Placeholder
- Construction Costs To Be Determined



# Major Capital Projects in FY 2007

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## Preservation of Historic Buildings

- FY 2007 = \$750,000
  - Gadsby's Tavern (\$600,000) - HVAC, Restrooms, Kitchen Equipment, Office Space, Courtyard, Ice Well and Other Repairs
  - OHA Capital Facilities Maintenance Plan (CFMP) (\$150,000 per year) for all City-owned Historic facilities
- Prior Year Unallocated Funds Available:
  - Gadsby's Tavern - \$287,000
  - Lyceum - \$107,028
  - Friendship Firehouse - \$92,000
- Total Historic Building Monies Available = \$1.2 million



# Major Capital Projects in FY 2007

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## Holmes Run Trunk Sewer

- FY 2007 = \$3.0 M
- Total Cost Estimate = \$8.9M\*
- Need To Construct Relief Sewer to Increase Capacity Not Reline Existing Sewer
- Cost Estimate Increased \$1.7M
- Scheduled To Be Completed in FY 2008
- Financed By Sanitary Sewer Revenues

\*Exact costs and timing to be refined



# Major Capital Projects in

## FY 2007

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### Old Town Undergrounding

- FY 2007 = \$1.0M
- For Phase III of Old Town Undergrounding Project
  - Project in Final Design
  - Construction Scheduled For Spring/Summer 2006
  - 200/300 Block of S. Lee St.
  - 100/200 Block of Duke St.
  - 100 Block of Wolfe St.



# Major Capital Projects in FY 2007

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## WMATA Capital

- FY 2007 = \$6.4M
- City Share = \$38.1M Through FY 2012
- Maintain/Replace Metro Bus and Metrorail Infrastructure
- Additional Bus and Rail Capacity
- State/Federal Aid in Future Years



# Major Capital Projects in FY 2007

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## Information Technology (IT) Plan

- FY 2007 = \$4.6M
  - \$1.5 million for E-911 System Replacement
  - \$0.4 million for Police/Fire CAD/RMS
  - \$0.250 million to Replace Outdated WordPerfect City-Wide
  - \$0.246 million to Replace City Hall Phone Switch





# CIP Additions and Reductions In FY 2007

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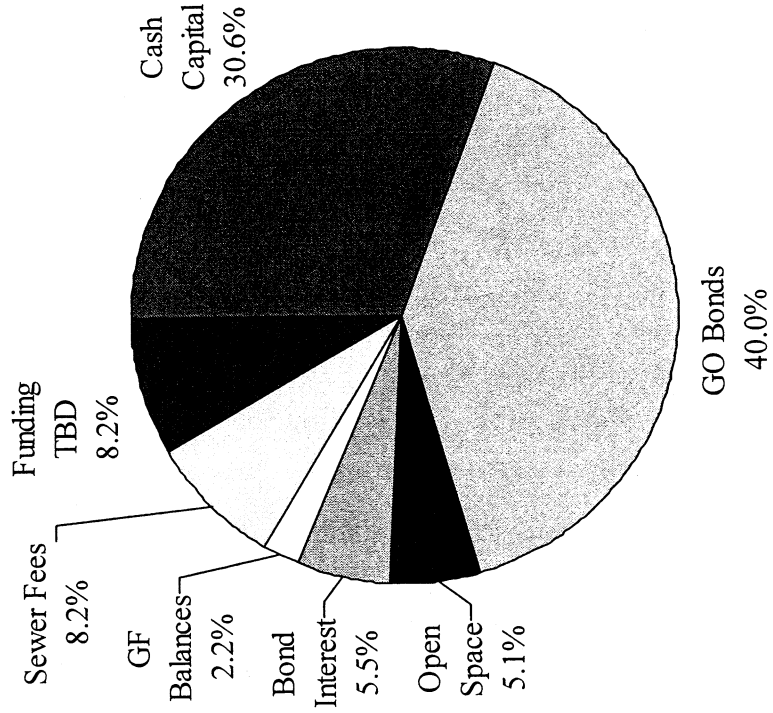
- Additions/New Projects (\$12.1M)
  - \$3.0M - Holmes Run Truck Sewer
  - \$2.4M - WMATA
  - \$1.8M – Charles Houston Recreation Center
- Reductions/Postponements (\$11.4M)
  - \$3.0M - All - Sports Facility
  - \$2.6M - IT Plan
  - \$1.8M - Market Square
  - \$1.5M - Chinquapin Recreation Center



# Proposed CIP Financing

\$331.5 Million Over Six-Years

- Funding through a mix of :
- \$132.8 million in General Obligation Bonds through FY 2011
  - \$118.5 million in Cash Capital through FY 2012 (including Open Space)
  - \$52.9 million in fund balance designated for capital projects in FY 2007
  - \$27.3 million “to be determined” in FY 2007 and FY 2008





# Budget Reductions

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- To meet the 2007 Alternative Budget Target, \$3.8 million in CIP projects could be postponed or eliminated
  - \$1.6 million in “Desirable” projects. (p. 21 in CIP)
  - \$2.2 million in “Highly Desirable” projects. (p. 22 in CIP)



# Budget Reductions

## Desirable Projects (\$1.6 M)

- Chinquapin Rec Center - \$500,000
- Space Mgmt Program - \$300,000
- CFMP - \$100,000
- Sheriff CFMP - \$100,000
- EOC - \$75,000
- Ball Court Renovations - \$125,000
- Park/Playground Renov.- \$66,000
- Alley Rehab - \$200,000
- West End Streets - \$100,000
- Misc Undergrounding - \$75,000

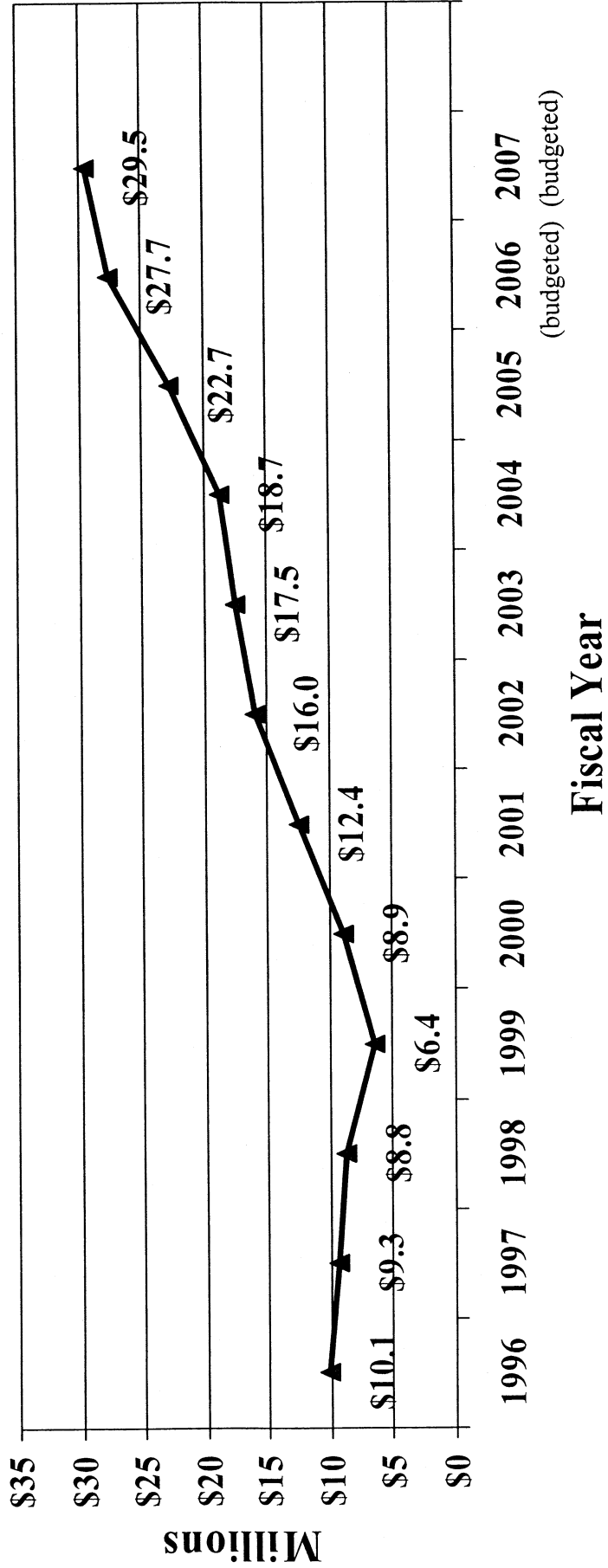
## Highly Desirable Projects (\$2.2 M)

- Emergency Generators - \$262,500
- Space Mgmt Program - \$200,000
- MH/MR/SA Group Homes - \$77,500
- Energy Conservation - \$75,000
- FS Renovations - \$80,000
- Fire Truck Lift - \$120,000
- Park Drainage Improvements - \$250,000
- Timberbranch Bridge - \$75,000
- Public Pools/Marina - \$45,000
- Park/Playground Renovations - \$16,000
- Recreation Needs Assessment - \$300,000
- Sidewalk, Curb and Gutter - \$100,000
- Street Cans - \$118,000
- Bus Shelters - \$100,000
- Mt Vernon Alley Repairs - \$350,000



# Debt Policy Guidelines

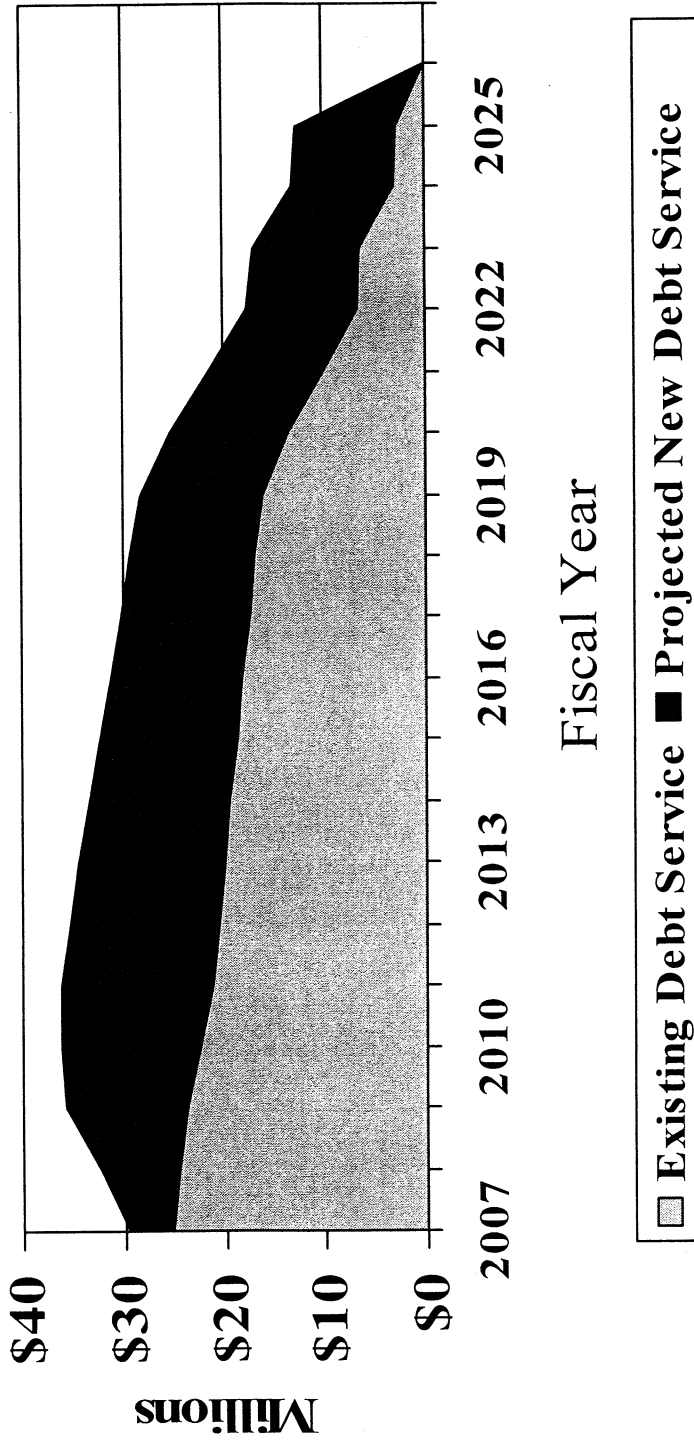
## FY 1996 to FY 2007 GF Debt Service





# Debt Policy Guidelines

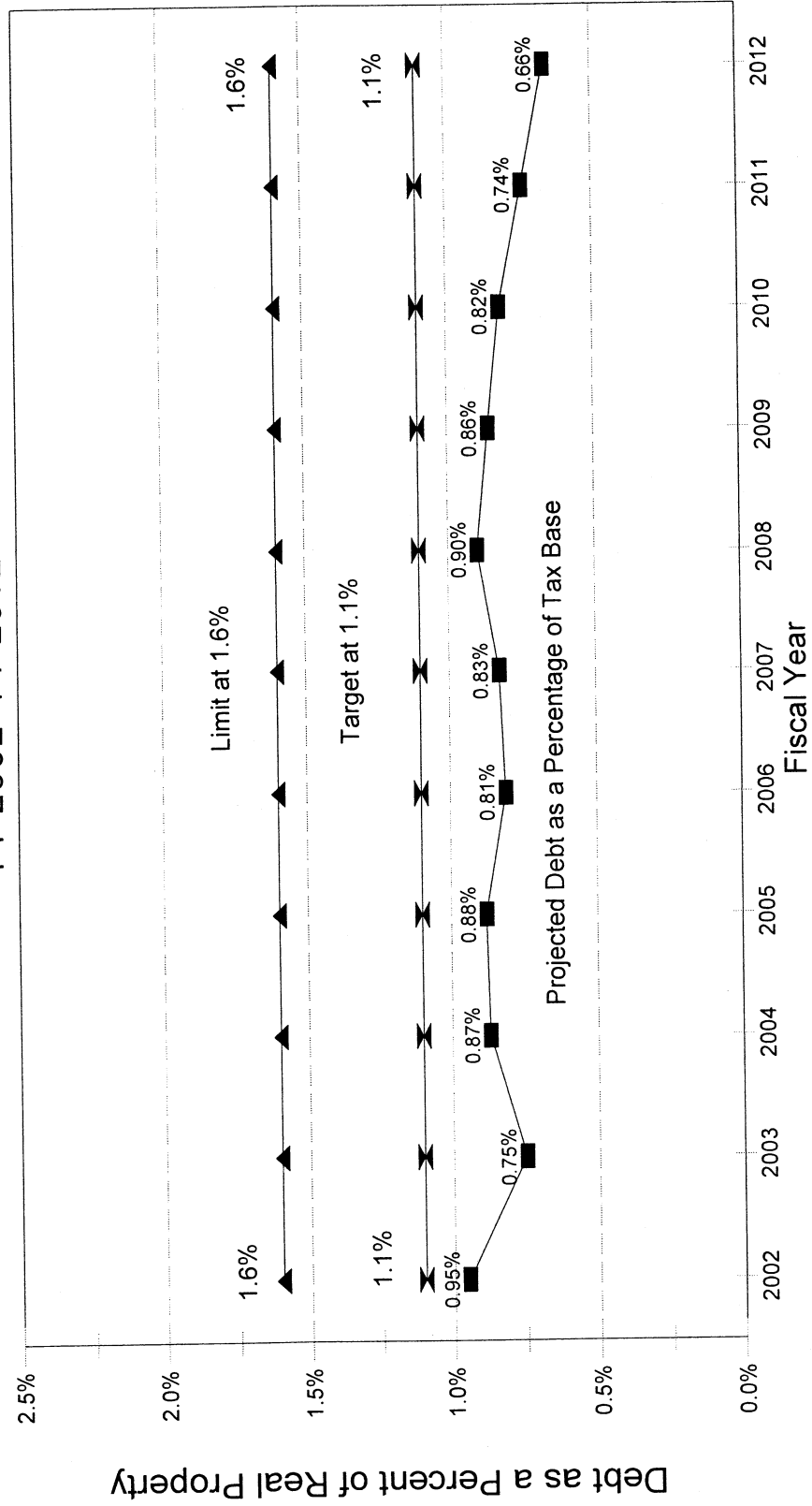
Existing and Projected Debt Service  
FY 2007 - FY 2025





# Debt Policy Guidelines

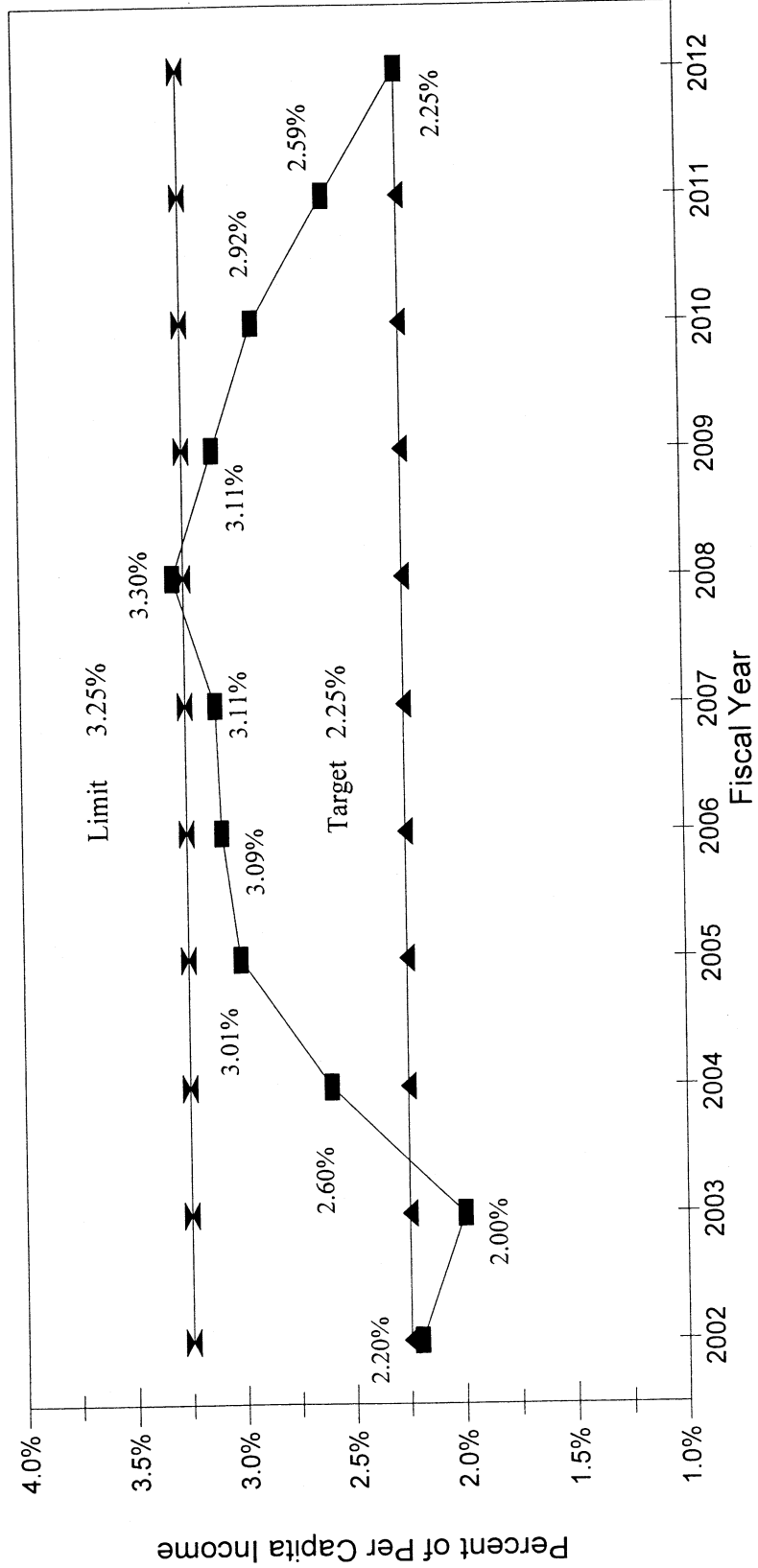
Figure 1. Debt as a Percentage of Fair Market Real Property Value  
FY 2002- FY 2012





# Debt Policy Guidelines

Figure 2. Debt per Capita as a Percent of Per Capita Income Compared to Debt Policy Target and Ceiling FY 2002-FY 2012

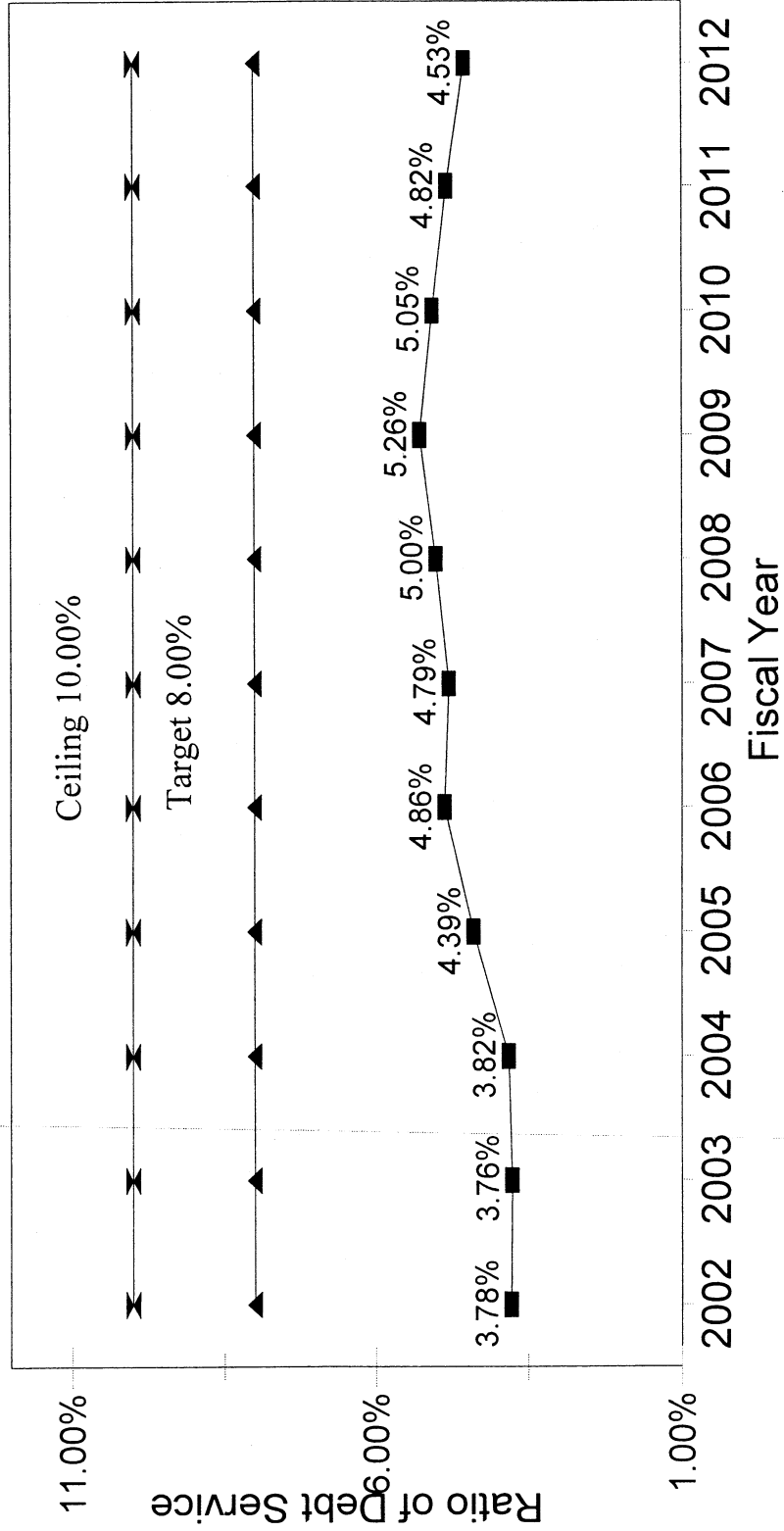






# Debt Policy Guidelines

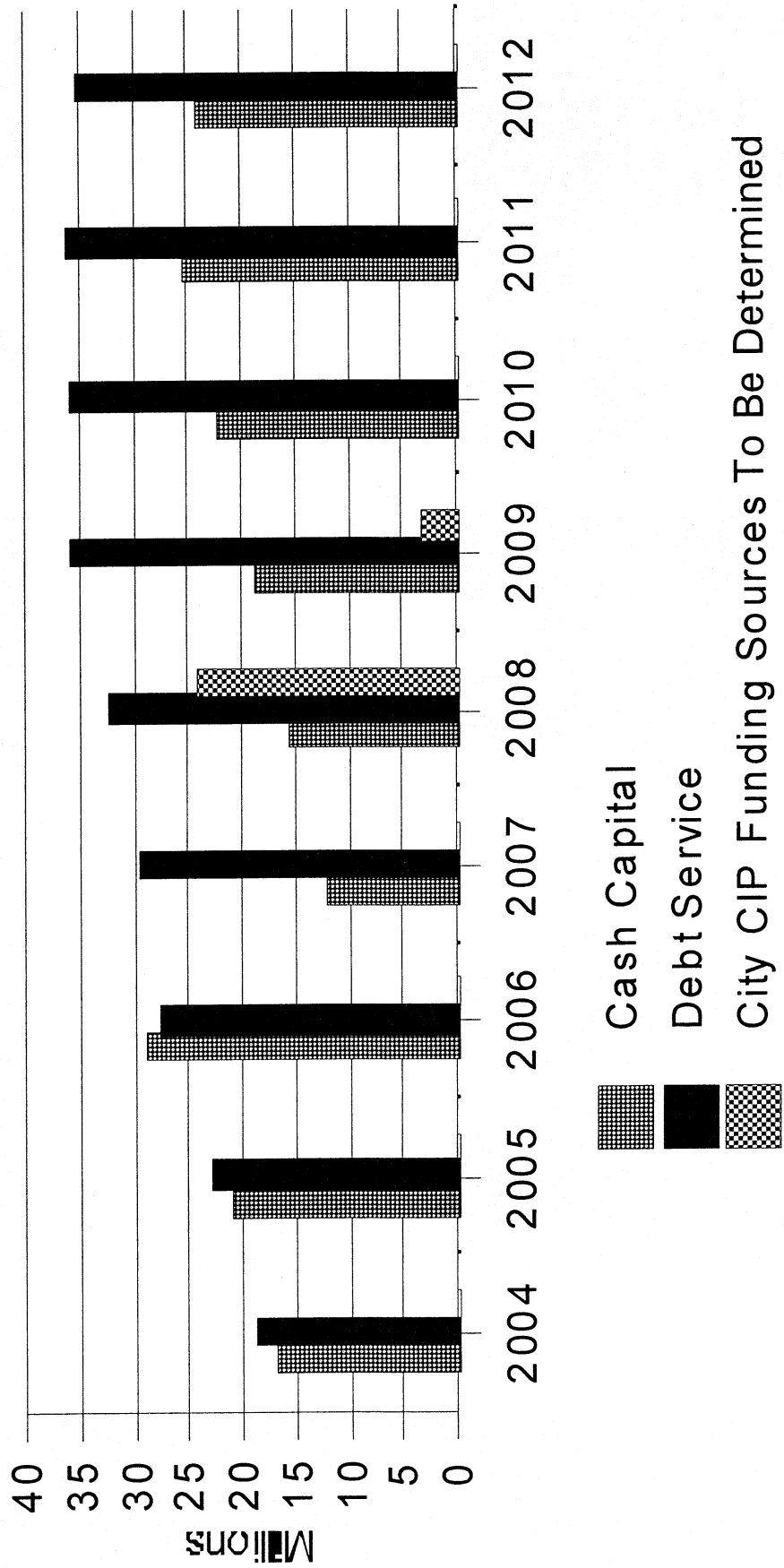
Ratio of Debt Service to General Government Expenditures





# FY 2008 Challenge

CIP FINANCING IN GENERAL FUND BUDGET





# FY 2008 Challenge

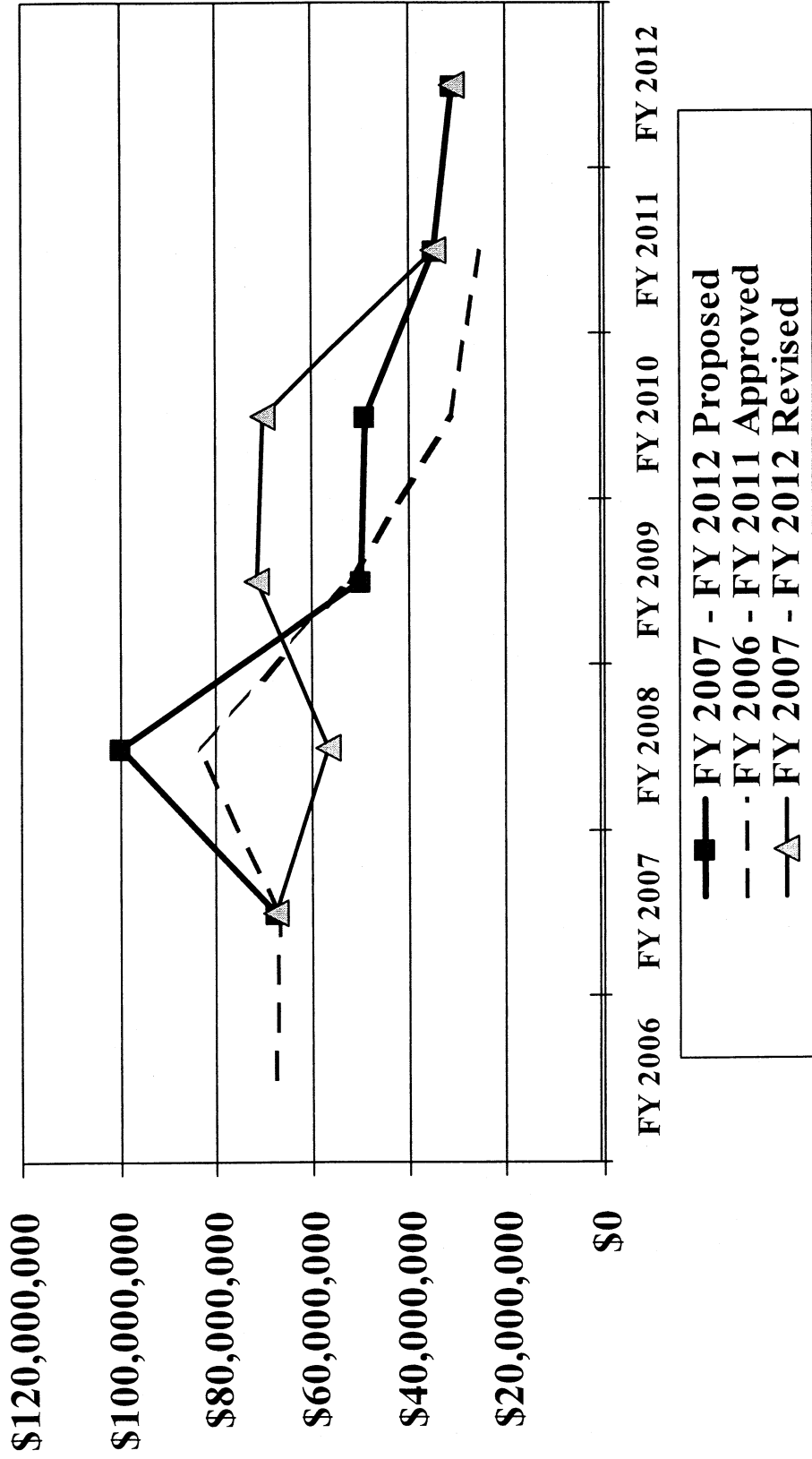
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- Since the FY2007-2012 CIP Was Developed Staff Is Re-Examining the New Police Facility Project Schedule
  - Will be Able to Smooth Out Cash Flow
  - Construction Funding Not Needed Until FY 2009/2010
  - Spread Out Construction Funding



# FY 2008 Challenge

Proposed FY 2007 CIP Compared to Approved FY 2006 and Revised FY 2007 CIP





# Conclusion

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- CIP reflects reprioritization within FY 2007 at approximately the same total
- Six-year CIP Plan at about the same level as last year's CIP
- Significant focus on CIP expenditures reductions to meet lower target(s) in FY 2007
- Significant challenges remaining in FY 2008 and beyond