


City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 30, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CITY COUNCIL RETREAT – REPORT ON FY 2011 – FY 2020 CAPITAL IMPROVEMENT PROGRAM

APPROVED FY 2010 – FY 2015 CIP OVERVIEW

The FY 2010 – FY 2015 CIP was approved by City Council in May 2009. This capital plan was constructed placing a heavy emphasis on providing the necessary funding to maintain the City's existing public infrastructure. The six-year funding total for this plan is \$398.4 million, including \$80.0 million in FY 2010 and \$85.9 million in FY 2011. The single biggest shortcoming of the FY 2010 – FY 2015 CIP is that it is not a balanced plan over the six years. Fiscal Years 2012 – 2014 include \$72.6 million of unfunded projects. These unfunded projects are not specifically identified, but rather the plan is balanced assuming expenditure reductions to be determined at a future date. Furthermore, this year Departments have identified another \$51.5 million worth of capital projects that are specifically not funded in the six-year plan. Altogether, this represents a funding shortfall of \$124.1 million.

Despite these major funding issues that continue to loom on the horizon, the FY 2010 – FY 2015 CIP does manage to provide funding for many critical projects. The single largest project in the plan is the new Police Facility scheduled to open in late calendar year 2011. Although the project is an expensive undertaking at over \$78 million, by moving APD from leased space to City-owned space the City can anticipate saving more than \$100 million over the life of this facility. The FY 2010 CIP also included funding for four major fire station projects over the next six years, including expansion of Station 203 (Cameron Mills Road), renovation or replacement of Station 206 (Seminary Road), and construction of new Stations 209 (Potomac Yard) and 210 (Eisenhower Valley). One other major capital expenditure is the City's contribution to the WMATA capital expenditure program, which totals \$63.3 million over six years.

CITY MANAGER'S PROPOSED FY 2011 – FY 2020 CIP

As has been the case in the last two budget processes, the City Manager's FY 2011 CIP will place a heavy emphasis on maintenance of existing public infrastructure. This means the process and plan will focus on properly measuring the results of and fully funding ongoing capital maintenance programs. Secondly, this CIP will strategically plan and prioritize major renovation projects. Finally, the proposed plan will include new capital initiatives only where they support Strategic Plan goals and objectives as they are developed, and when the City can afford the investment. Priority will be given to any project specifically included in the City Council Strategic Plan.

CHANGES TO THE FY 2011 CIP PROCESS

In response to the funding shortfalls in the FY 2010 CIP, as well as the comments by City Council during the FY 2010 budget process, City staff has started developing the FY 2011 plan using some different prioritization and planning mechanisms. The first major change is the extension of the capital improvement program from a six- to a ten-year plan. The sheer number of current projects and requests for additional projects greatly exceed what could be realistically implemented over the next six years. In order to plan more accurately for project start dates, ten program years will be planned. These ten years will likely include six years of "hard programmed" projects and the final four years of softer, less certain project totals. These final four years may appear in a separate, long range capital planning chapter of the CIP, rather than within the project sections themselves so as not to overstate the level of certainty about specific project implementation and final cost.

Another change City staff has implemented is the manner with which Departments categorize and prioritize projects. This year, Departments have categorized their project requests into three distinct groupings. Group 1 includes ongoing, regular capital maintenance programs that are required on an annual basis in order to take care of the City's existing public infrastructure. This group of projects is considered the highest priority and should not be regularly competing for funding with other, non-Group 1 projects. Discussion of these projects by the staff-level CIP Steering Committee, the City Manager and City Council will ideally focus on the quantifiable data that justifies these annual funding levels and the specific types of maintenance activities that are covered through these programs. Some examples of Group 1 projects are the Capital Facilities Maintenance Program, Playground Renovations, and Bridge Repairs.

The second group of projects also provides for capital maintenance, but Group 2 projects are large, stand-alone maintenance or renovation efforts with a definite start and stop date. The beginning assumption of the CIP Steering Committee is that projects in this group are the second highest priority. Some examples of Group 2 projects are the Public Safety Center Slab Project, Madison/Montgomery Streets Reconstruction, and City Marina Dredging.

The third and final project group is comprised of capital projects that provide a new or greatly expanded level of service. Because these projects would be adding to the baseline of existing public infrastructure, they will begin the process as the lowest priority. While these projects are often strongly supported by the community, the CIP Steering Committee expects to recommend to the City Manager including them in the proposed CIP only when funding allows and where the projects support the Strategic Plan goals and objectives, or are specifically included as a Strategic Plan initiative. Examples of Group 3 projects are the Eisenhower Avenue Fire Station (#210) and the DASH Bus Fleet Expansion project.

For the FY 2011 – FY 2020 CIP, the CIP Steering Committee will prioritize individual projects over the entire ten program years and recommend a plan to the City Manager that balances expected available revenues with expenditures in each fiscal year. All projects that are requested but which cannot be funded within that ten year window will be listed in an appendix to the CIP with a short project description and approximate cost estimates when available.

SUMMARY OF INITIAL FY 2011 – FY 2020 PROJECT REQUESTS

City Staff is currently assembling the initial CIP requests by the managing departments. At this time, updated Alexandria City Public Schools, Other Regional Contributions, and IT Plan requests have not been included in the totals because they are not yet available. For that reason, the following figures include the Approved FY 2010 CIP plus an assumed extension of similar funding levels through FY 2020.

The ten-year total request for City funding in FY 2011 – FY 2020 is \$667.3 million, including \$92.7 million in FY 2011 and \$83.3 million in FY 2012 (see Attachment 1). The total requests for the first six years of the CIP are \$485.7 million. Compared to the six year approved funding levels in the FY 2010 – FY 2015 CIP of \$383.9 million, the CIP Steering Committee is starting with requests that are likely in excess of funding levels by approximately \$124 million. The CIP Steering Committee thus will need to reprogram more than \$100 million worth of projects into the final four years (Long Range Capital Plan) of the CIP, or not include them in the actual plan. Any projects not appearing in the ten program years would be listed in an appendix to the CIP with a short description.

Managing departments have also categorized the project requests for all ten CIP years into the new project Groups (see Attachment 2). Because the submissions for ACPS, Other Regional Contributions, and the IT Plan have not yet been finalized, those figures have not yet been classified. Of the other submissions, \$276.7 million, or 40.8%, are included in Group 1 (ongoing maintenance programs). The Group 2 total is \$49.7 million, or 7.3%, and the Group 3 total is \$223.5 million, or 32.9%. As a part of the CIP Steering Committee prioritization process, projects may be moved from one Group to another if the Committee determines that such a move is merited.

City Staff has also completed an initial categorization of the ten-year project requests by City Council Strategic Plan Goal (see Attachment 3). Over the ten years, Goal 3 – Integrated, Multimodal Transportation System has the largest project requests at \$246.9 million, or 35.8% of total all-funds requests. It is important to note that Goal 3 also contains the projects that typically leverage the most non-City funds, and that the \$12.4 million in outside revenues displayed in Attachment 3 all belong to Goal 3. Goal 6 – Public Safety has the second largest share of the requests at \$99.2 million, or 14.4%. Goal 2 – Public Health and Environment is the third largest goal area with \$98.2 million (14.2%). The CIP Steering Committee will also look at this categorization of project requests and will likely have some changes prior to publication of the City Manager’s Proposed FY 2011 – FY 2020 CIP.

The fourth attachment to this document is a list of most of the major, standalone project requests that were submitted for the FY 2011 – FY 2020 plan. These major projects account for \$294.1 million of the total \$667.3 million in requests for City funding (44.1%). Most of these project requests ask for funding in the first six years of the ten-year plan. However, with the substantial funding shortfalls in those first six years (totaling \$123.8 million), a major undertaking of the CIP Steering Committee, City Manager, and then City Council will be to decide which of these projects can and should be planned for the last four CIP years, and which should be removed from the ten-year plan altogether. While this will not be an easy undertaking, ultimately the City cannot afford to fund all of these requests.

FY 2011 – FY 2020 CIP FUNDING AVAILABILITY

The total funding planned in the FY 2010 – FY 2015 Capital Improvement Program was \$398.4 million. Approximately 74.5% of that funding came from the planned issuance of general obligation bonds, while 24.5% was from City and other outside cash sources. The FY 2011 plan included \$85.9 million in funding, of which \$84.0 million were City funds. That \$84.0 million included a planned \$4.0 million in cash capital contributions from current FY 2011 General Fund revenues and \$73.3 million in General Obligation Bonds. City staff does not anticipate at this time any increases to the \$84.0 million in City funds, but decreases may be more likely than increases with the declining General Fund revenue situation.

A consistent goal of the City is to increase the annual cash capital contribution to the CIP in order to limit the amount of borrowing needed. The FY 2010 – FY 2015 CIP assumed a steady increase in this contribution over the six years to top out at \$12.0 million in FY 2015. While this will continue to be the goal in FY 2011, declining revenue estimates may determine that a less aggressive growth pattern in cash capital contributions is necessary.

Another key revenue item in the CIP is sanitary sewer fee revenue. The FY 2010 – FY 2015 CIP included a total of \$28.1 million in sewer fee revenue over the six years, with the highest single year being FY 2012 at \$5.3 million. The Transportation and Environmental Services department submissions for FY 2011 – FY 2020 include \$70.1 million in projects over the ten years, with the highest single year being FY 2013 at \$16.5 million. With such a substantial increase in investment identified for the sanitary sewer system, potential increases to the current sanitary

sewer fees are likely to be considered.

The FY 2011 – FY 2020 requests also include a total of \$12.6 million in requests for various storm sewer system projects. The City continues to study the possibilities of a stormwater utility fee being implemented in the near future. If such a fee structure is in place, some or all of this \$12.6 million in project funding could be freed up for other capital projects.

When facing a shortage of revenues in the CIP, one potential solution is to issue more general obligation bonds. However, there are several reasons to be careful about additional debt issuance. The first and foremost reason is that if the City increases the issuance of General Obligation Bonds, the General Fund operating budget will need to provide for additional debt service payments. In order to address this, the City would likely need to reduce expenditures and service levels or increase the real estate tax rate. Even without an increase in planned borrowing levels, the City faces a very difficult task in FY 2012 and FY 2013. The planned CIP spending levels (assuming the funding shortfalls are eliminated) will result in a debt service increase of \$4.5 million in FY 2012 and \$3.9 million in FY 2013. If the planned build-up of cash capital in FY 2013 is also approved, the increase to the operating budget in that year is \$5.9 million. Even with the relatively conservative borrowing assumed in the current CIP, it will be difficult to pay for this with General Fund increases. Additional assumed borrowing only increases the difficulty of this task.

The second reason to be careful about additional debt issuance is that the City has three key debt policy guidelines which are set at very conservative levels: Ratio of Debt Service to General Government Expenditures; Outstanding Debt as a Percentage of Assessed Real Property Value; and Debt per Capita as Percentage of Per Capita Income. In the FY 2010 – FY 2015 Approved CIP, while below the limits, the City was already at or exceeding the target in two of the three City-set guidelines (Debt as % of Personal Income, Debt as % of Assessed Real Property), and quickly approaching the target in the third (Debt as % of General Government Expenditures). Since the adoption of the FY 2010 CIP, declining real estate assessments have hurt the ratio of debt to real property assessed value. The target for this guideline is 1.1% and the limit is 1.6%. In FY 2010 the City is at 1.11% for this measure, but climbs to 1.19% in FY 2011 and peaks at 1.36% in FY 2012. The City's debt as a percent of personal income target is 3.2%, with a ceiling of 4.5%. The FY 2010 CIP results in ratios just above this target, with an annual high of 3.5% in FY 2012. While there is little risk of approaching the limit for this measure, a potential decline in average personal income levels in the next year would hurt this ratio. The City is not in any immediate danger of exceeding the target for percentage of general government expenditures (8% target, 10% limit).

Overall, the FY 2011 – FY 2020 CIP will have many of the same funding issues that the past two capital plans have experienced. However, with some new project prioritization techniques, a longer range plan, and the total balancing of expenditures and revenues, the City anticipates producing a new CIP that is more transparent, establishes more realistic expectations, and is more useful to City Council and the community as a planning and financial management tool.

ATTACHMENTS:

- 1 - FY 2011 – FY 2020 CIP Department Requests by Section
- 2 - FY 2011 – FY 2020 CIP Department Requests by Project Group
- 3 - FY 2011 – FY 2020 CIP Department Requests by Strategic Plan Goal
- 4 - FY 2011 – FY 2020 CIP List of Major Project Requests

STAFF:

Bruce Johnson, Chief Financial Officer

Michael Stewart, Analyst, Office of Management and Budget

CIP Section	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY2011- FY2016	% of Total	FY 2017	FY 2018	FY 2019	FY 2020	FY2011- FY2020	% of Total
Alexandria City Public Schools ¹	\$3,957,739	\$16,890,714	\$14,974,499	\$8,112,634	\$8,780,659	\$8,500,000	\$61,216,245	12.3%	\$8,500,000	\$8,500,000	\$8,500,000	\$8,500,000	\$95,216,245	13.9%
Community Development	850,000	1,877,000	835,000	3,894,000	760,000	910,000	\$9,126,000	1.3%	760,000	910,000	860,000	3,910,000	\$15,566,000	2.3%
Parks and Recreation	1,522,346	3,809,500	4,447,500	11,007,500	5,487,500	3,847,500	\$30,121,846	4.4%	2,447,500	2,497,500	2,547,500	2,707,500	\$40,321,846	5.9%
Public Buildings	52,073,200	21,860,000	23,620,000	27,085,000	21,750,000	8,550,000	\$154,938,200	22.6%	9,550,000	3,550,000	3,550,000	3,550,000	\$175,138,200	25.6%
Transportation & Traffic Control	14,600,000	26,425,000	16,715,000	19,815,000	20,415,000	18,760,000	\$116,730,000	17.1%	21,610,000	21,910,000	16,360,000	15,560,000	\$192,170,000	28.1%
Streets, Bridges, & Non-Motorized Transport	3,853,584	4,182,543	4,352,543	4,192,533	11,591,533	4,091,533	\$32,264,269	4.7%	4,091,533	4,091,533	4,091,533	4,091,533	\$48,630,401	7.1%
Sewers	16,095,669	8,464,342	21,829,342	15,900,500	7,400,500	3,320,000	\$73,010,353	10.7%	2,420,000	2,420,000	2,420,000	2,420,000	\$82,690,353	12.1%
Other Regional Contributions ²	632,866	625,806	617,860	612,059	606,594	600,000	\$3,695,185	0.5%	600,000	600,000	600,000	600,000	\$6,095,185	0.9%
IT Plan ³	4,510,000	2,273,500	2,741,000	2,749,500	2,693,500	2,700,000	\$17,667,500	2.6%	2,700,000	2,700,000	2,700,000	2,700,000	\$28,467,500	4.2%
Total Expenditure Requests	\$98,095,404	\$86,408,405	\$90,132,744	\$93,368,726	\$79,485,286	\$51,279,033	\$498,769,598		\$52,679,033	\$47,179,033	\$41,629,033	\$44,039,033	\$684,295,730	
Less Total Revenues	\$5,400,000	\$3,155,000	\$1,155,000	\$1,155,000	\$1,155,000	\$1,000,000	\$13,020,000		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$17,020,000	
Subtotal Requests	\$92,695,404	\$83,253,405	\$88,977,744	\$92,213,726	\$78,330,286	\$50,279,033	\$485,749,598		\$51,679,033	\$46,179,033	\$40,629,033	\$43,039,033	\$667,275,730	

¹ ACPS will formally present their FY 2011 CIP to the School Board in November; these figures have not been updated from the FY 2010 Plan, but an estimated funding stream has been programmed in FY 2016 - FY 2020 for display purposes

² City Staff has not received the new requests from these regional organizations; these figures have not been updated from the FY 2010 Plan, but an estimated funding stream has been programmed in FY 2016 - FY 2020 for display purposes

³ The IT Steering Committee has not received all project requests for FY 2011-FY2020 at this time; these figures have not been updated from the FY 2010 Plan, but an estimated funding stream has been programmed in FY 2016 - FY 2020 for display purposes. Also, an additional \$1.0 million has been added to FY 2011 for the purchase of a HR/Financial ERP system.

Comparison to FY 2010 - FY 2015 Approved CIP

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total FY'10-'16
FY 2010 Requests	\$91,340,716	\$113,750,342	\$88,136,333	\$86,952,156	\$68,659,023	\$59,196,366	NA	\$508,034,936
FY 2010 Funded	\$72,285,573	\$84,009,883	\$52,889,301	\$60,591,119	\$54,946,999	\$59,196,366	NA	\$383,919,241
FY 2011 Requests (First Six Years)	NA	\$92,695,404	\$83,253,405	\$88,977,744	\$92,213,726	\$78,330,286	\$50,279,033	\$485,749,598
CIP Shortfall (Approved Funding less Requests)	NA	\$8,685,521	\$30,364,104	\$28,386,625	\$37,266,727	\$19,133,920	NA	\$123,836,897

GROUP	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total	% of Total
											FY2011-FY2020	
Group 1 - Ongoing Maintenance	31,121,599	30,607,385	32,538,385	28,593,533	27,909,533	21,829,033	25,829,033	26,229,033	26,329,033	26,729,033	\$276,715,600	40.7%
Group 2 - Standalone Maintenance	3,198,000	6,175,000	5,445,000	16,605,000	11,600,000	1,550,000	500,000	500,000	600,000	3,500,000	\$49,673,000	7.3%
Group 3 - New Initiatives	52,675,200	27,681,000	33,661,000	36,541,000	27,740,000	16,100,000	14,550,000	8,650,000	2,900,000	3,010,000	\$223,508,200	32.9%
Not Yet Classified ¹	9,100,605	19,790,020	18,333,359	11,474,193	12,080,753	11,800,000	11,800,000	11,800,000	11,800,000	11,800,000	\$129,778,930	19.1%
Total Expenditure Requests	\$96,095,404	\$84,253,405	\$89,977,744	\$93,213,726	\$79,330,286	\$51,279,033	\$52,679,033	\$47,179,033	\$41,629,033	\$44,039,033	\$679,675,730	
Less Total Revenues ²	\$3,400,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$12,400,000	
Subtotal Requests	\$92,695,404	\$83,253,405	\$88,977,744	\$92,213,726	\$78,330,286	\$50,279,033	\$51,679,033	\$46,179,033	\$40,629,033	\$43,039,033	\$667,275,730	

¹ Current figures for ACPs, Other Regional Contributions, and the IT Plan have not been categorized by Group at this time, but will undergo the same process before consideration by the CIP Steering Committee.

² Departments were not required to categorize projects by Group that are entirely funded with non-City money as these projects are not competitive with other projects. The total all-funds expenditures and revenues in this table differ from Attachments 1 and 2 for this reason.

	Group Description
GROUP 1	Ongoing capital maintenance programs
GROUP 2	Major, standalone capital maintenance or renovation projects with clear start and stop dates
GROUP 3	New or expanded capital initiatives

CIP Section	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total		FY 2017	FY 2018	FY 2019	FY 2020	FY2011-FY2020	
							FY2011-FY2016	% of Total					FY2020	% of Total
Goal 1: Land Use & Economic Development	\$100,000	\$980,000	\$60,000	\$60,000	\$60,000	\$60,000	\$1,320,000	0.3%	\$60,000	\$60,000	\$60,000	\$60,000	\$1,560,000	0.2%
Goal 2: Health & Environment	\$16,995,669	\$9,511,342	\$22,754,342	\$19,884,500	\$8,250,500	\$4,320,000	\$81,716,353	16.4%	\$3,270,000	\$3,420,000	\$3,370,000	\$6,420,000	\$98,196,353	14.3%
Goal 3: Transportation	\$18,453,584	\$30,607,543	\$21,067,543	\$24,007,533	\$32,006,533	\$22,851,533	\$148,994,269	29.9%	\$25,701,533	\$26,001,533	\$20,451,533	\$19,651,533	\$240,800,401	35.2%
Goal 4: Children, Families, & Youth	\$4,094,471	\$17,027,446	\$15,111,231	\$8,249,366	\$8,917,391	\$8,636,732	\$62,036,637	12.4%	\$8,636,732	\$8,636,732	\$8,636,732	\$8,636,732	\$96,583,565	14.1%
Goal 5: Administration & Management	\$6,495,000	\$4,833,500	\$7,251,000	\$12,259,500	\$12,203,500	\$4,210,000	\$47,252,500	9.5%	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000	\$64,092,500	9.4%
Goal 6: Public Safety	\$49,024,472	\$14,079,212	\$7,781,266	\$6,640,465	\$7,700,000	\$3,993,406	\$89,218,821	17.9%	\$6,993,406	\$993,406	\$993,406	\$993,406	\$99,192,445	14.5%
Goal 7: Caring & Diverse Community	\$2,932,208	\$9,369,362	\$16,107,362	\$22,267,362	\$10,347,362	\$7,207,362	\$68,231,018	13.7%	\$3,807,362	\$3,857,362	\$3,907,362	\$4,067,362	\$83,870,466	12.3%
Total Expenditure Requests	\$98,095,404	\$86,408,405	\$90,132,744	\$93,368,726	\$79,485,286	\$51,279,033	\$498,769,598		\$52,679,033	\$47,179,033	\$41,629,033	\$44,039,033	\$684,295,730	
Less Total Revenues	\$5,400,000	\$3,155,000	\$1,155,000	\$1,155,000	\$1,155,000	\$1,000,000	\$13,020,000		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$17,020,000	
Subtotal Requests	\$92,695,404	\$83,253,405	\$88,977,744	\$92,213,726	\$78,330,286	\$50,279,033	\$485,749,598		\$51,679,033	\$46,179,033	\$40,629,033	\$43,039,033	\$667,275,730	

CIP Section	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total FY 2011-FY 2020
Waterfront Plan Implementation	\$100,000	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$850,000
Windrill Hill Park Bulkhead	\$0	\$0	\$500,000	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,500,000
Athletic Field Improvements	\$0	\$1,700,000	\$2,000,000	\$2,500,000	\$2,500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$11,200,000
Chinquapin Rec Center	\$0	\$850,000	\$10,000,000	\$9,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$20,150,000
Patrick Henry	\$0	\$0	\$0	\$600,000	\$3,500,000	\$2,000,000	\$0	\$0	\$0	\$0	\$6,100,000
Warwick Pool	\$0	\$3,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,300,000
New Police Facility	\$43,860,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,860,200
Back-Up Government Operations Center	\$0	\$0	\$0	\$1,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200,000
Fire Station 203 Expansion	\$0	\$600,000	\$5,600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,200,000
Fire Station 206 (Seminary Road)	\$0	\$0	\$700,000	\$3,000,000	\$6,000,000	\$0	\$0	\$0	\$0	\$0	\$9,700,000
New Fire Station (FS 210 Eisen, Valley)	\$2,135,000	\$10,710,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,845,000
Fire Station Project TBD	\$0	\$0	\$0	\$0	\$700,000	\$3,000,000	\$6,000,000	\$0	\$0	\$0	\$9,700,000
Pistol Range	\$0	\$0	\$0	\$1,435,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,435,000
City Hall HVAC Replacement	\$0	\$0	\$2,000,000	\$8,000,000	\$8,000,000	\$0	\$0	\$0	\$0	\$0	\$18,000,000
DASH Bus Fleet Replacements	\$2,400,000	\$4,200,000	\$3,200,000	\$3,200,000	\$2,400,000	\$0	\$4,200,000	\$4,200,000	\$4,200,000	\$3,200,000	\$31,200,000
DASH Bus Fleet Expansion	\$0	\$1,200,000	\$3,000,000	\$6,000,000	\$7,200,000	\$7,800,000	\$6,000,000	\$6,000,000	\$0	\$0	\$37,200,000
WMATA Capital	\$9,200,000	\$9,300,000	\$9,500,000	\$9,600,000	\$9,800,000	\$9,900,000	\$10,100,000	\$10,300,000	\$10,500,000	\$10,700,000	\$98,900,000
Crystal City/Polomac Yard BRT	\$0	\$8,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500,000
Edsall Road	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500,000
Madison Montgomery Reconstruction	\$0	\$0	\$0	\$0	\$6,750,000	\$0	\$0	\$0	\$0	\$0	\$6,750,000
Key Drive Flood Mitigation	\$0	\$0	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000
Braddock & West Storm Sewer	\$0	\$750,000	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500,000
Payroll/Personnel/Accounting System	\$0	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000,000
SANITARY SEWERS (FEE - FUNDED)											
ASA Treatment Facility Expansion	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000
4 Mile Run Sanitary Sewer Repair	\$0	\$300,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,800,000
Reclaimed Water System via WTE Plant	\$1,780,000	\$0	\$8,500,000	\$8,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$18,780,000
Holmes Run I & II	\$7,908,669	\$4,360,342	\$4,360,342	\$4,115,500	\$4,115,500	\$0	\$0	\$0	\$0	\$0	\$24,860,353
Total City Funded Requests											
	\$60,195,200	\$44,860,000	\$39,250,000	\$49,835,000	\$46,850,000	\$23,200,000	\$26,800,000	\$21,000,000	\$15,200,000	\$14,400,000	\$341,590,200
Total Sanitary Sewer Fund Projects											
	\$11,688,669	\$4,660,342	\$14,360,342	\$12,615,500	\$4,115,500	\$0	\$0	\$0	\$0	\$0	\$47,440,353
Total Major Project Requests											
	\$71,883,869	\$49,520,342	\$53,610,342	\$62,450,500	\$50,965,500	\$23,200,000	\$26,800,000	\$21,000,000	\$15,200,000	\$14,400,000	\$294,149,847

FY 2011 – FY 2020 Capital Improvement Program (CIP) Development



- FY 2010 – FY 2015 CIP Overview
- Three Fundamental Changes to the CIP
- Initial FY 2011 – FY 2020 Project Requests
- CIP Financing

FY 2010 – FY 2015 Approved CIP Overview

- Six-year plan totals \$383.9 million in City-funded expenditures
- FY 2010 City-funded CIP is \$72.3 million and the FY 2011 planned City share is \$84.0 million
- The new APD Headquarters (\$78.1 million over three fiscal years) is the largest project in the multiyear FY 2010 – FY 2015 CIP.
- Other major items include four fire station projects and the City's capital contribution to WMATA (\$63.3 million)



City of Alexandria

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Three Fundamental Changes to the CIP

- The new CIP will feature a balanced budget in each fiscal year
 - Other projects not programmed within the ten years will be included in an appendix to the CIP
- The 6-year capital improvement program will be extended to a 10-year plan
- Projects will be categorized into three groups: (1) ongoing capital maintenance programs; (2) major stand-alone maintenance projects; and (3) new, expanded capital initiatives



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Initial FY 2011 – FY 2020 Project Requests

- FY 2011 – FY 2020 requests from Departments total \$667.3 million
- The first 6 years of new requests (FY 2011 – FY 2016) total \$485.7 million
- Ongoing Maintenance Program Requests (Group 1) total \$276.7 million, or about 41% (see Attachment 2)
- Major projects account for \$294.1 million (see Attachment 4)
- FY 2011 requests total \$92.7 million (estimated shortfall of \$8.7 million)



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FY 2011 – FY 2020 CIP Shortfall

- Assuming the funding levels planned in the FY 2010 Approved CIP, the current requests create a shortfall of \$124 million
- This shortfall could grow as project requirements and cost estimates are further developed.
- These figures currently assume the FY 2010 Approved dollars for ACPS projects, which will likely be increased.

Estimated Funding Shortfall

FY 2011	\$8,685,521
FY 2012	\$30,364,104
FY 2013	\$28,386,625
FY 2014	\$37,266,727
FY 2015	\$19,133,920
TOTAL	\$123,836,897



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Ability to Issue More Debt

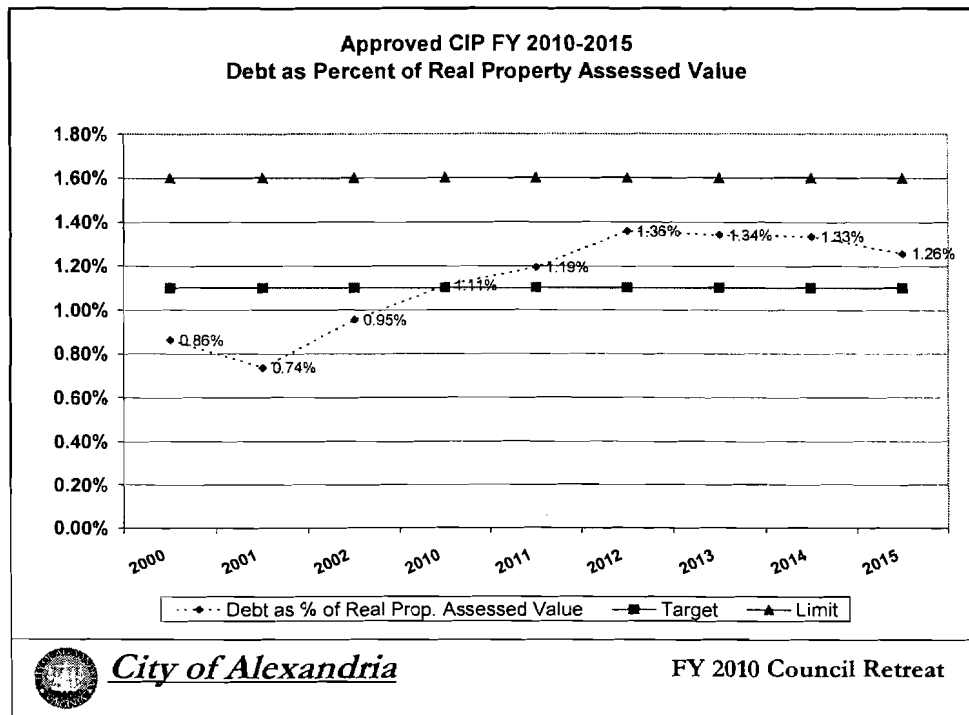
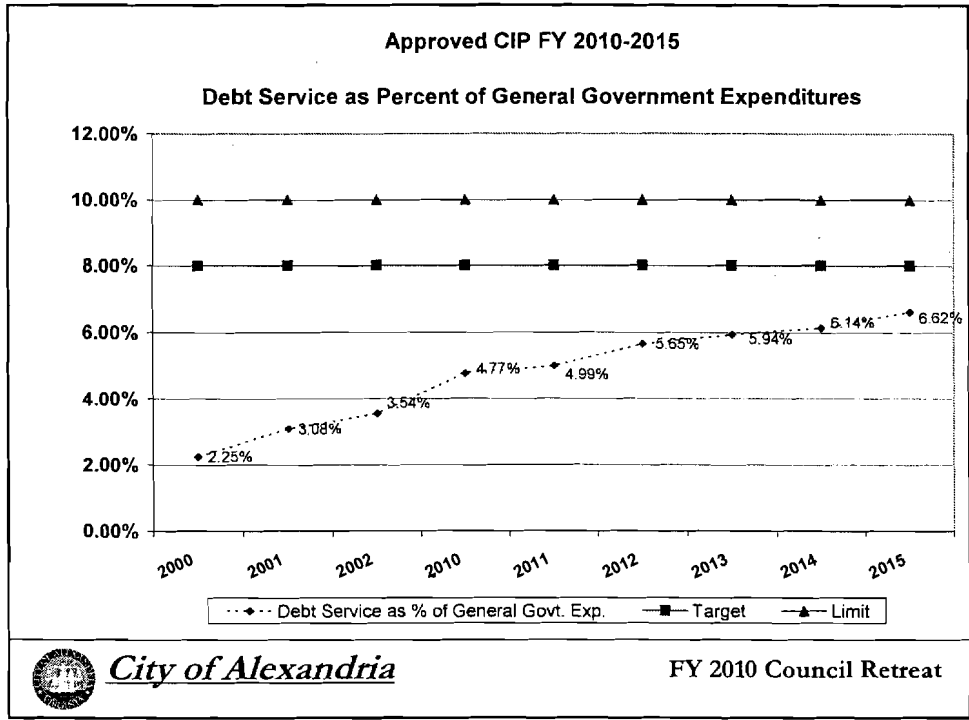
- The City's ability to issue more debt is limited mostly by its impact on future operating budgets
- Debt Service costs are estimated to increase under the current Approved CIP

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Annual Debt Service	\$37,418,614	\$37,916,775	\$42,448,788	\$46,360,406	\$48,945,439	\$54,578,433	\$57,778,273
Change from Prior Year	\$5,261,909	\$498,161	\$4,532,013	\$3,911,618	\$2,585,033	\$5,632,994	\$3,199,840

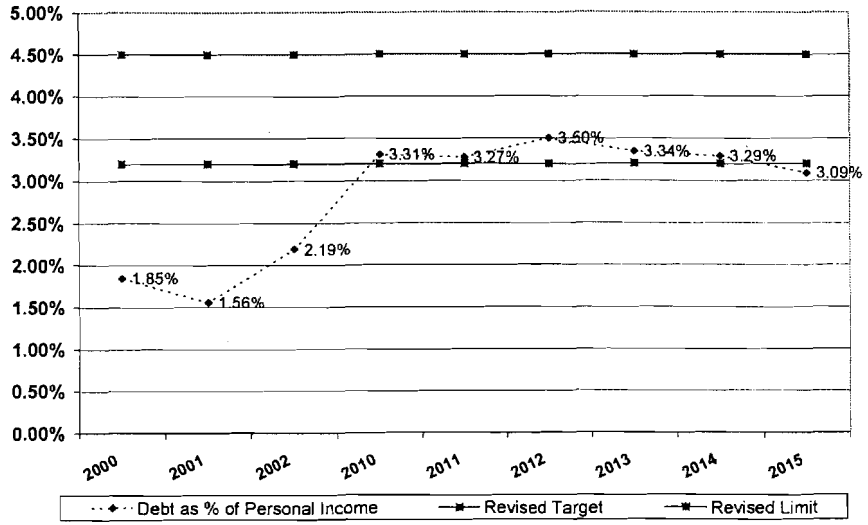


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**Approved CIP FY 2010-2015
Debt as Percent of Personal Income**



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