



FY 2017 CITY MANAGER'S PROPOSED BUDGET

FY 2017 – FY 2026 Capital Improvement Program (CIP)

March 15, 2016



AGENDA

- CIP Priorities
- CIP Development Process
- Uses and Sources
- ACPS Approved CIP
- CIP Highlights
- City Debt Ratios



PRIORITIES

- **State of Good Repair** – protection of City’s investments in existing public facilities and infrastructure
- **Strategic Service Expansion** – continued planning/implementation of high priority City service expansions and economic development initiatives
- **Schools** – investment in the capital infrastructure needs of Alexandria City Public Schools (ACPS)

Funding Parameters

- Due to revenue constraints, funding levels were held to what was planned in the Approved FY 2016 – 2025 CIP, limiting the ability to fully fund needs



DEVELOPMENT PROCESS

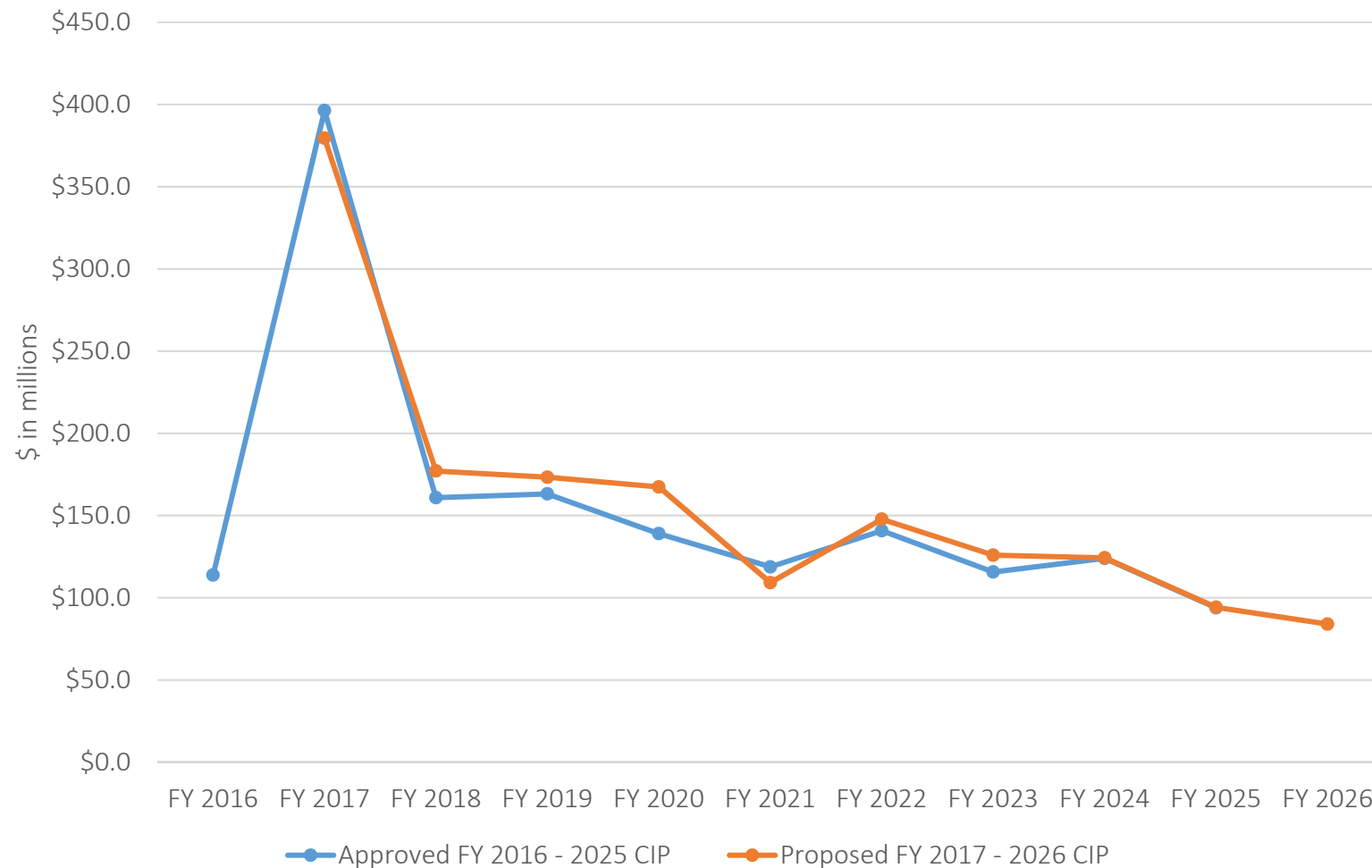
- **September 2015:** departments submit capital project requests
- **November 2015 – January 2016:** Capital Improvement Program Steering Committee (CIPSC) crafts recommendation to City Manager
- **January 2016 – February 2016:** City Manager finalizes Proposed CIP

What is CIPSC?

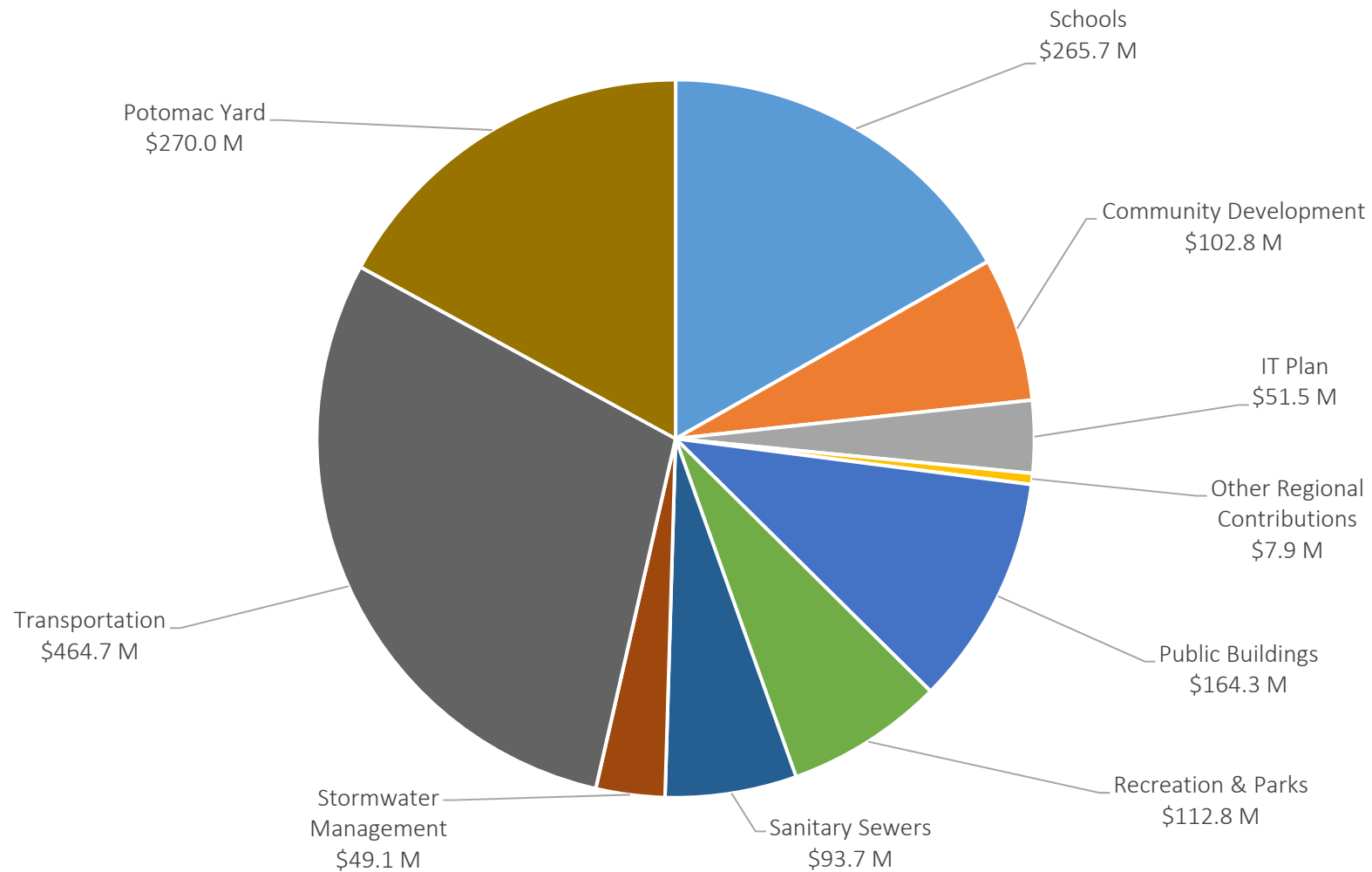
- Committee of most capital intensive City departments (T&ES, RPCA, DGS and P&Z), charged with:
 - Crafting a recommendation for a balanced proposed CIP
 - Identifying policy priorities and themes for the CIP
 - Presenting recommendation to the City Manager
- Committee was chaired by Deputy City Manager Emily Baker



LAST YEAR'S CIP COMPARED TO PROPOSED CIP



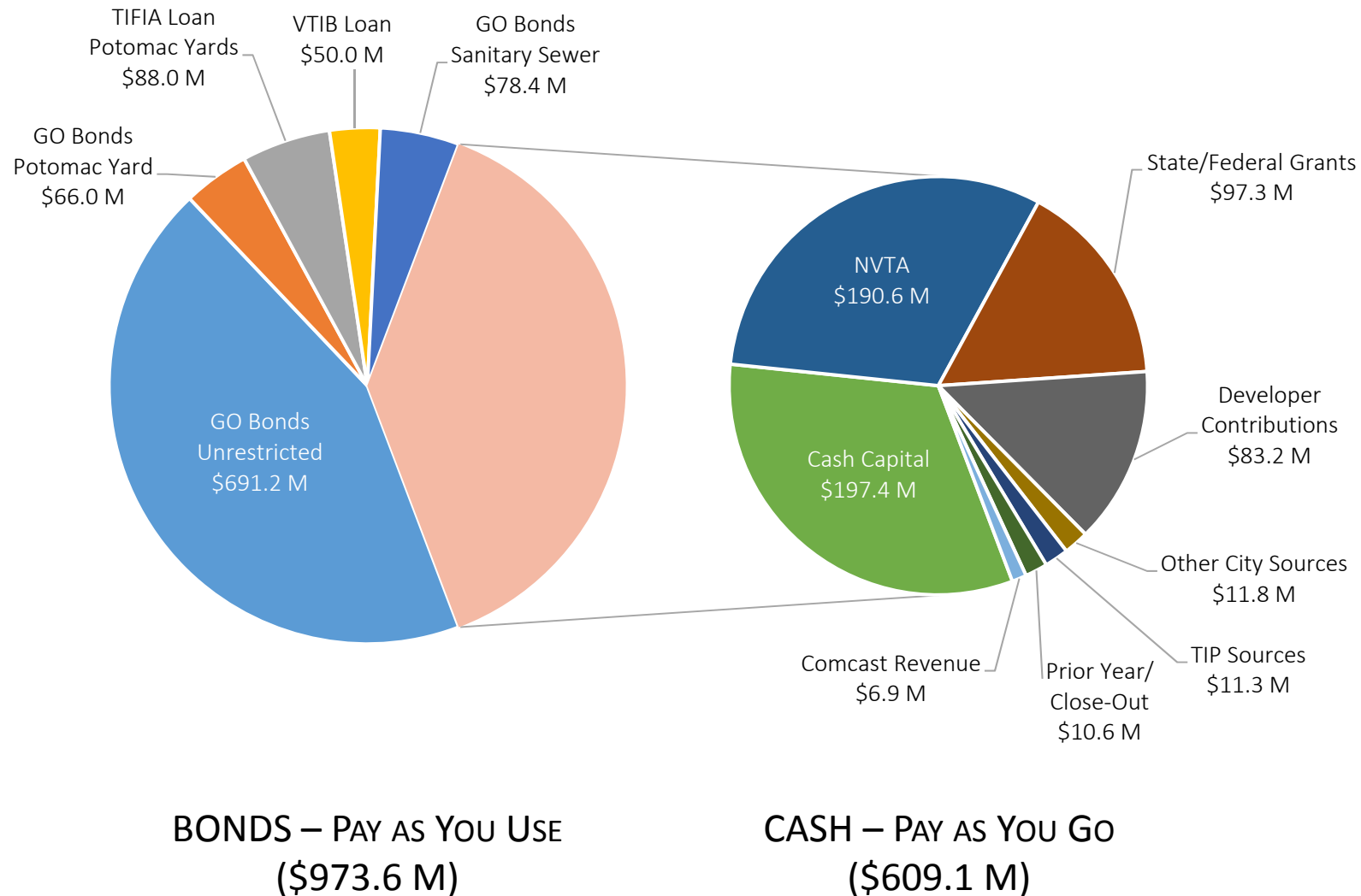
FY 2017 - FY 2026 USES \$1.583 BILLION





FY 2017 - FY 2026 SOURCES

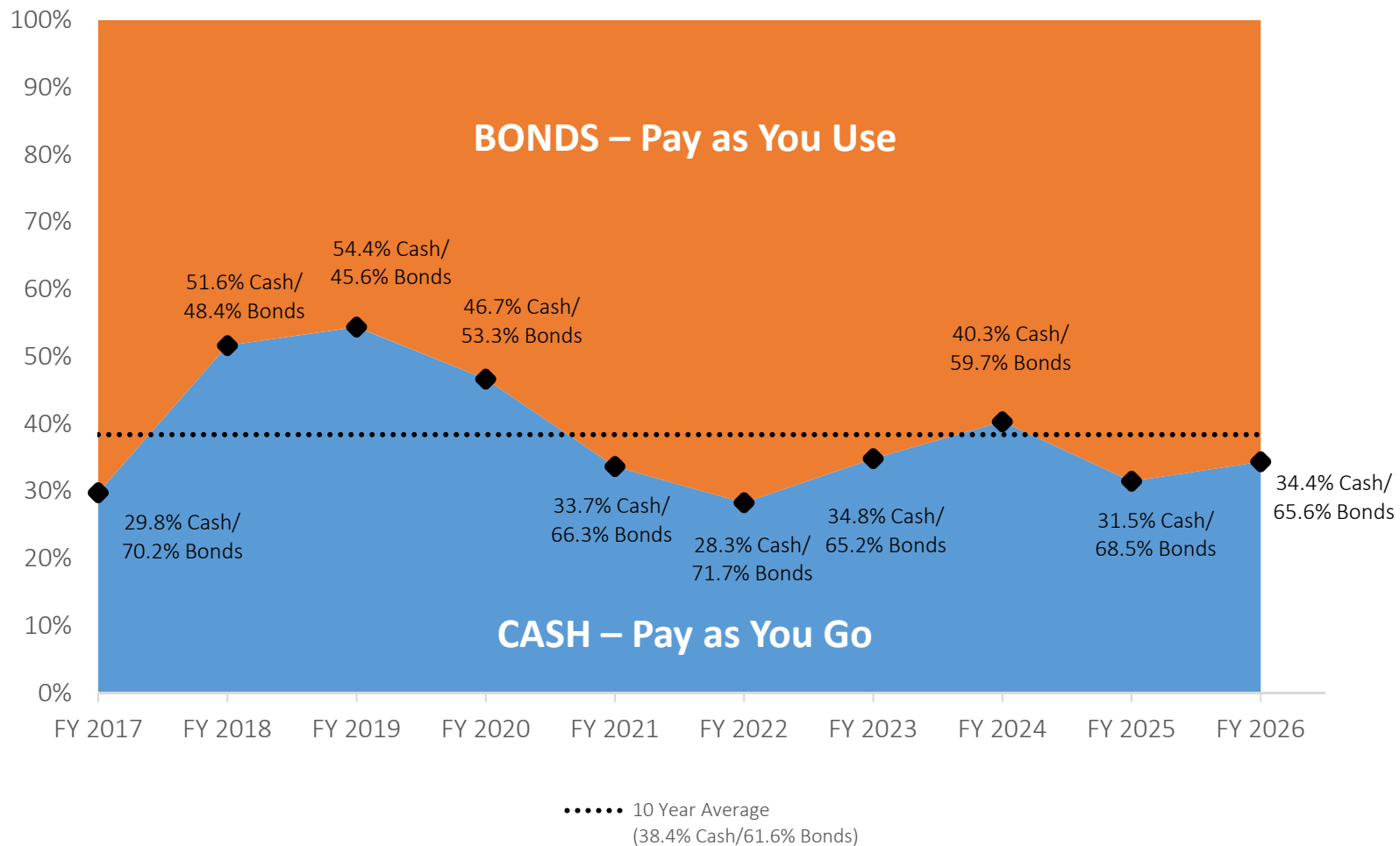
\$1.583 BILLION





BONDS VS. CASH SOURCES

INCLUDES BORROWING FOR POTOMAC YARD METRORAIL STATION





HIGHLIGHTS – NEW AND CONTINUING INVESTMENTS

ACCOUNTABLE, HEALTHY AND SAFE FOCUS AREAS		
	FY 2017	FY 2017 - 2026
City Hall HVAC & Infrastructure Replacement	\$0.8 M	\$36.5 M
Health Department CFMP/Repairs	\$6.8 M	\$16.5 M
Municipal Facilities Planning Project	\$0.3 M	\$0.3 M
IT Plan	\$5.4 M	\$51.5 M
Municipal Fiber	\$0.4 M	TBD
ACPS	\$35.9 M	\$265.7 M
Community Matching Fund	\$0.1 M	\$1.9 M
Open Space Acquisition and Develop.	\$1.3 M	\$19.4 M
Patrick Henry Recreation Center	--	TBD
Patrick Henry Synthetic Turf Field and Outdoor Play Features	--	\$2.2 M
Police Body Worn Cameras	--	TBD



HIGHLIGHTS – NEW AND CONTINUING INVESTMENTS

LIVABLE FOCUS AREA		
	FY 2017	FY 2017 - 2026
Waterfront Implementation	\$1.0 M	\$63.6 M
Chinquapin Aquatics Center	\$4.5 M	\$22.4 M
Old Town Pool Renovations	--	\$4.5 M
Warwick Pool Renovation	\$2.2 M	\$2.2 M
Eisenhower West/Landmark Van Dorn Implementation	\$0.6 M	\$1.1 M
Potomac Yard Metro Station	\$270.0 M	\$270.0 M
Sanitary Sewers/Stormwater Management	\$4.2 M	\$142.9 M
Street Reconstruction & Resurfacing	\$5.3 M	\$53.5 M
Transit Corridor "C" - West End Transitway	\$7.0 M	\$137.6 M
WMATA Capital Contributions	\$9.4 M	\$110.9 M



HIGHLIGHTS – CAPITAL FACILITIES MAINTENANCE PROGRAMS

FY 2017 – FY 2026

- CIP includes \$38.4 million for identified maintenance and repair projects, over the 10-year plan
- \$7.7 million will be invested in projects in FY 2017

FY 2017

- \$6.4 million will be invested in Health Department projects
- \$200,000 to continue on-going assessment of City facilities
- \$750,000 for high priority repairs at City Hall

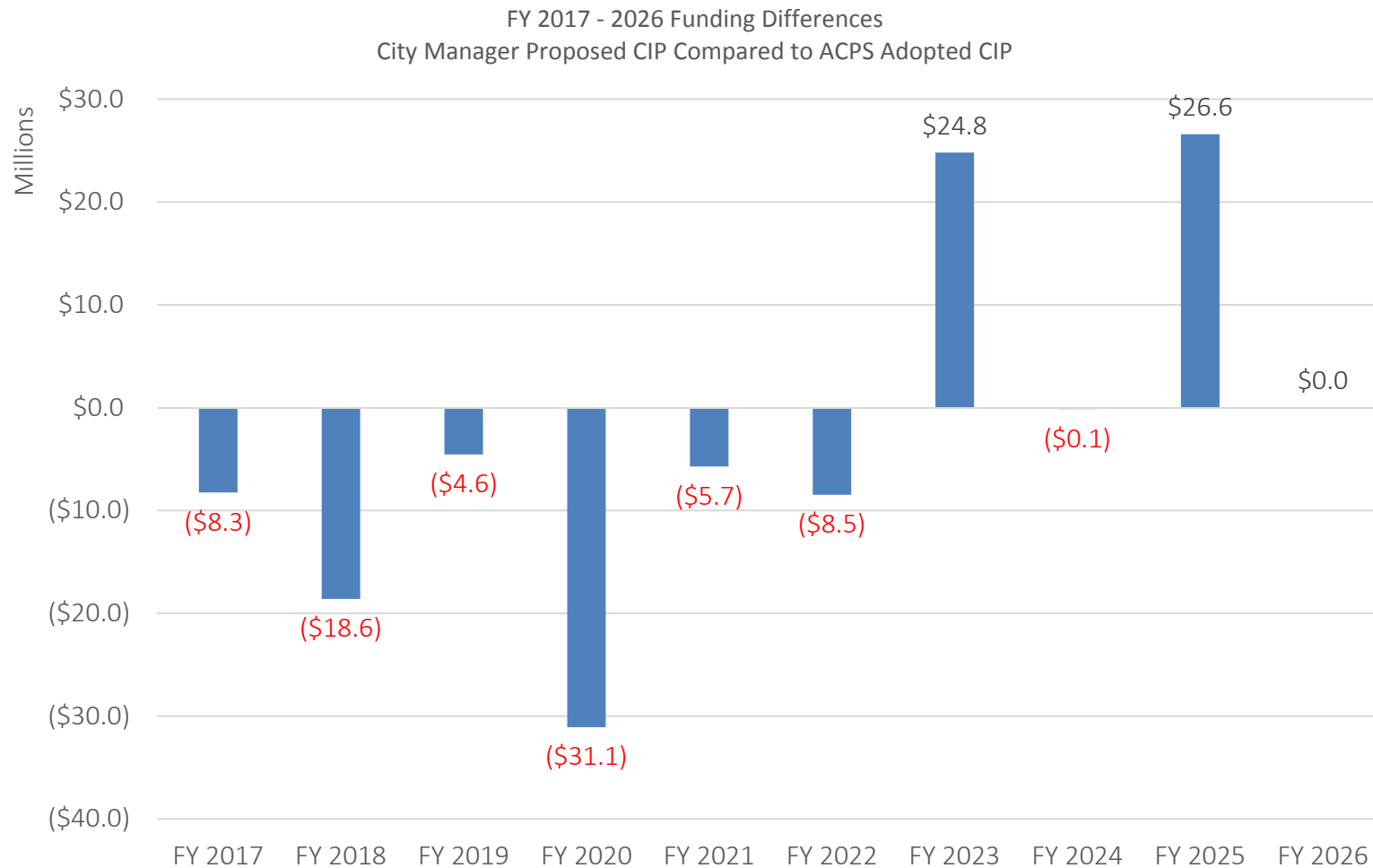


ACPS REQUESTED CIP – PROJECT HIGHLIGHTS

Site	FY 2017	Site	FY 2018 – FY 2026
Retrofit of West End Elementary School Capacity Leased Space	\$16.1 M	Minnie Howard Construction/Renovation	\$25.0 M
Retrofit of Pre-K Facility Leased Space	\$8.3 M	Retrofit of Pre-K Facility Leased Space	\$9.1 M
James K. Polk Construction/Renovation	\$4.5 M	Retrofit for Secondary Academy Space	\$15.7 M
Minnie Howard Campus Design	\$4.8 M	Retrofit of Leased Swing Space	\$18.8 M
Non Capacity Projects	\$10.5 M	Design/Construction for Douglas MacArthur Renovations	\$47.5 M
		Design/Construction for Cora Kelly Renovations	\$27.9 M
		Design/Construction for George Mason Renovations	\$41.9 M
		Upgrades to Transportation Facility	\$6.1 M
		Non Capacity Projects	\$47.5 M



ACPS APPROVED CIP (\$291.2 M) vs. SCHOOLS FUNDING IN PROPOSED CITY CIP (\$265.7 M)





ACPS FUNDING CHALLENGES

- City Proposed FY 2017 – FY 2026 Schools CIP Funding is \$265.7 M, **\$25.5 M** less than requested by ACPS
- Over the first four years, there is a **\$62.5 M** gap between ACPS Approved CIP and City Proposed CIP
- Fully funding ACPS Approved CIP would create significant pressure on real estate tax rate
 - Funding impact analysis is under development and will be discussed at a later work session



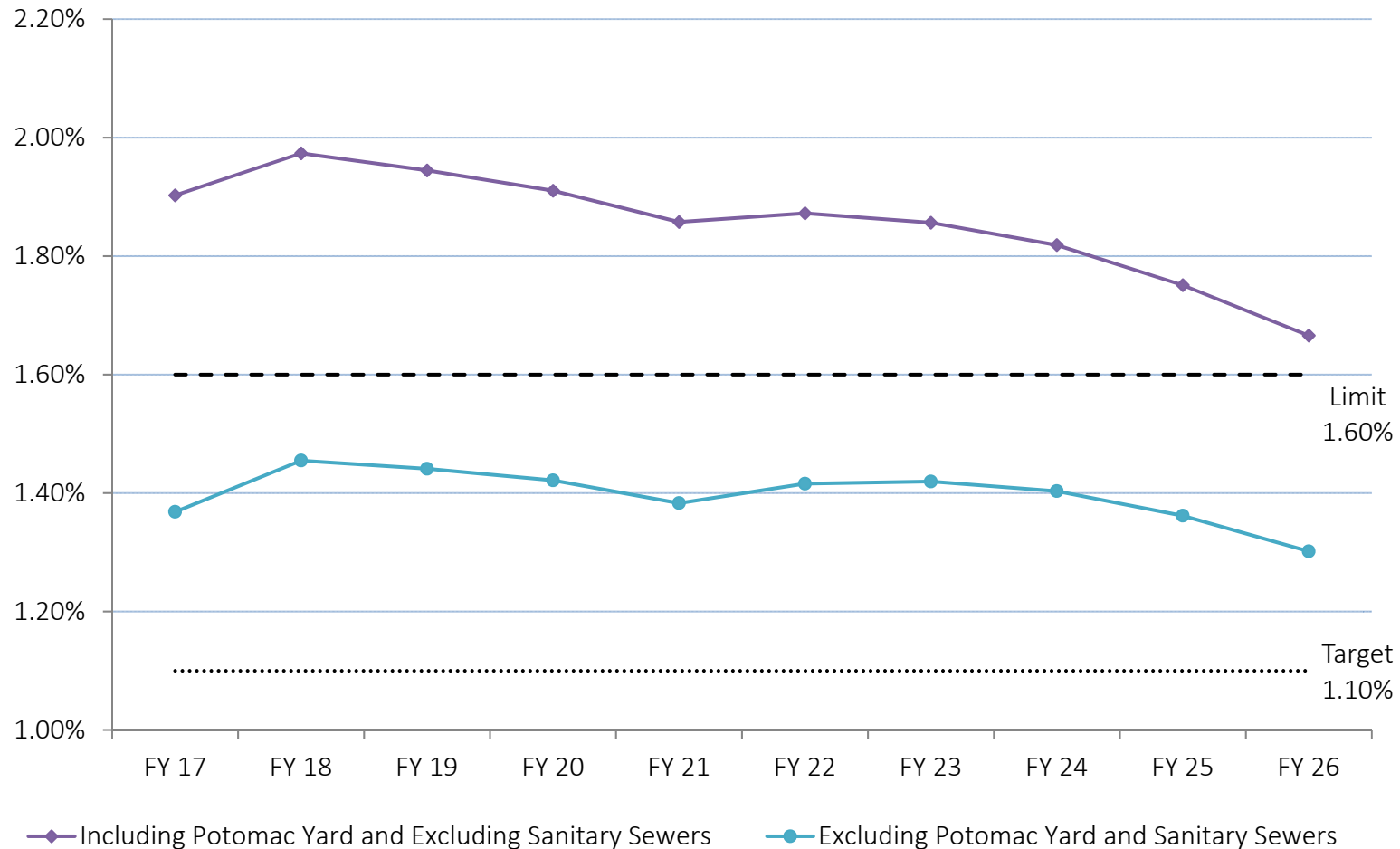
IMPACT ON CITY DEBT RATIOS

- The following slides illustrate the impact of the Proposed CIP on the City's Adopted Debt and Capital Ratios

Ratio	Target	Limit
Debt as a Percentage of Fair Market Real Property Value	1.1%	1.6% (MAX)
Debt as a Percentage of Total Personal Income	3.2%	4.5% (MAX)
Debt Service as a Percentage of General Government Expenditures	8.0%	10.0% (MAX)
Cash Capital as a Percentage of General Fund Expenditures	2.5%	2.0% (MIN)



DEBT AS A PERCENTAGE OF FAIR MARKET REAL PROPERTY VALUE

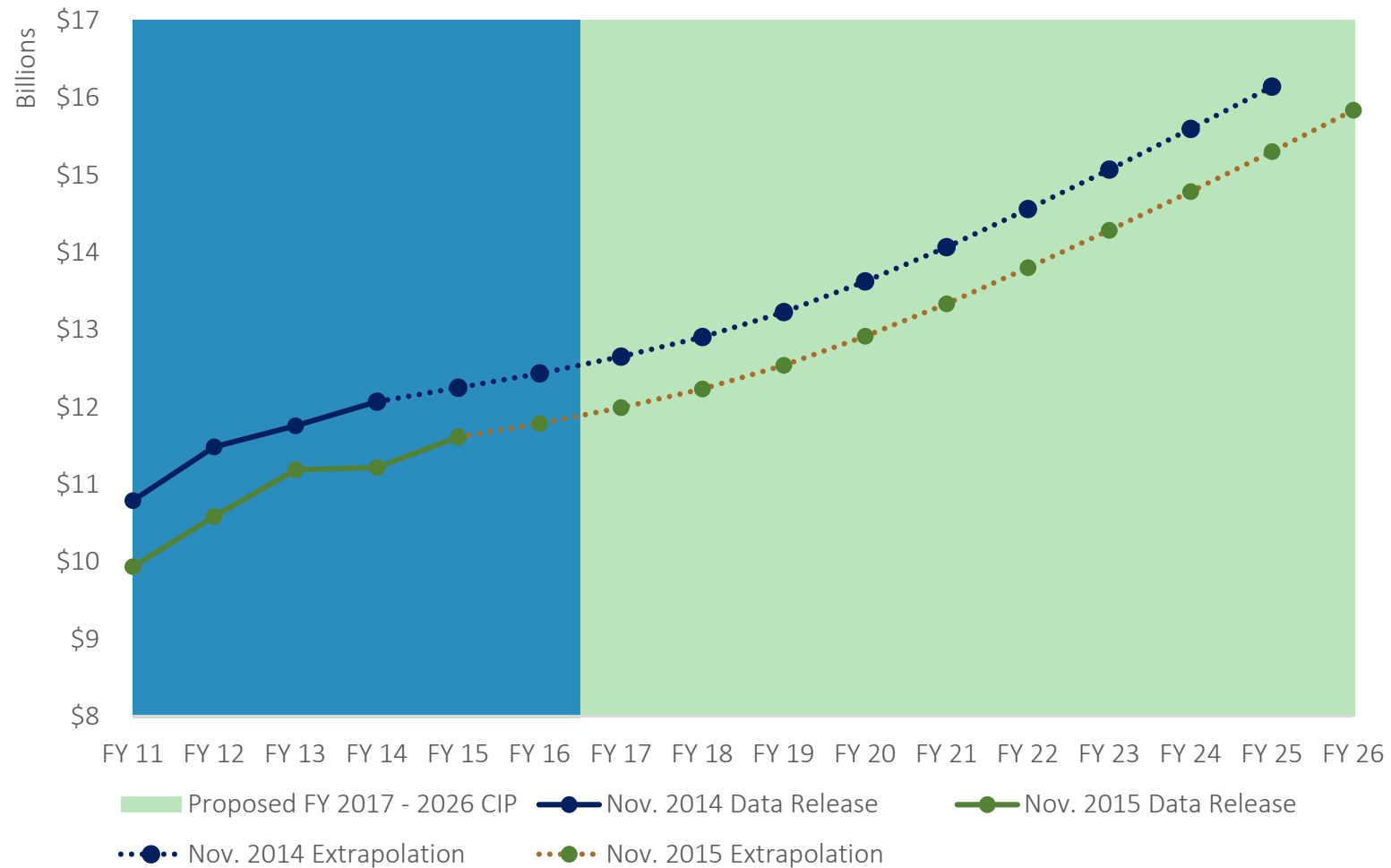




CHANGES IN TOTAL PERSONAL INCOME ESTIMATES

- Bureau of Economic Analysis (BEA) has restated the City's Total Personal Income downward for the 2015 Data Release
 - CY 2013 (FY 2014) estimate reduced by 7%
 - CY 2014 (FY 2015) estimate is 5% less than TPI estimate included in last years Debt Model
- Starting with the 2015 Data Release, the BEA had several significant changes in methodology/data sources:
 - Moved from 2000 Decennial Census to the 2009-2013 American Community Survey for Commuter Flow Data
 - Moved from 39-Week to 52-Week reports from the IRS for 'smoothing' Total Personal Income for Metropolitan Statistical Areas (MSA's) that experience a high level of commuting, like the DMV

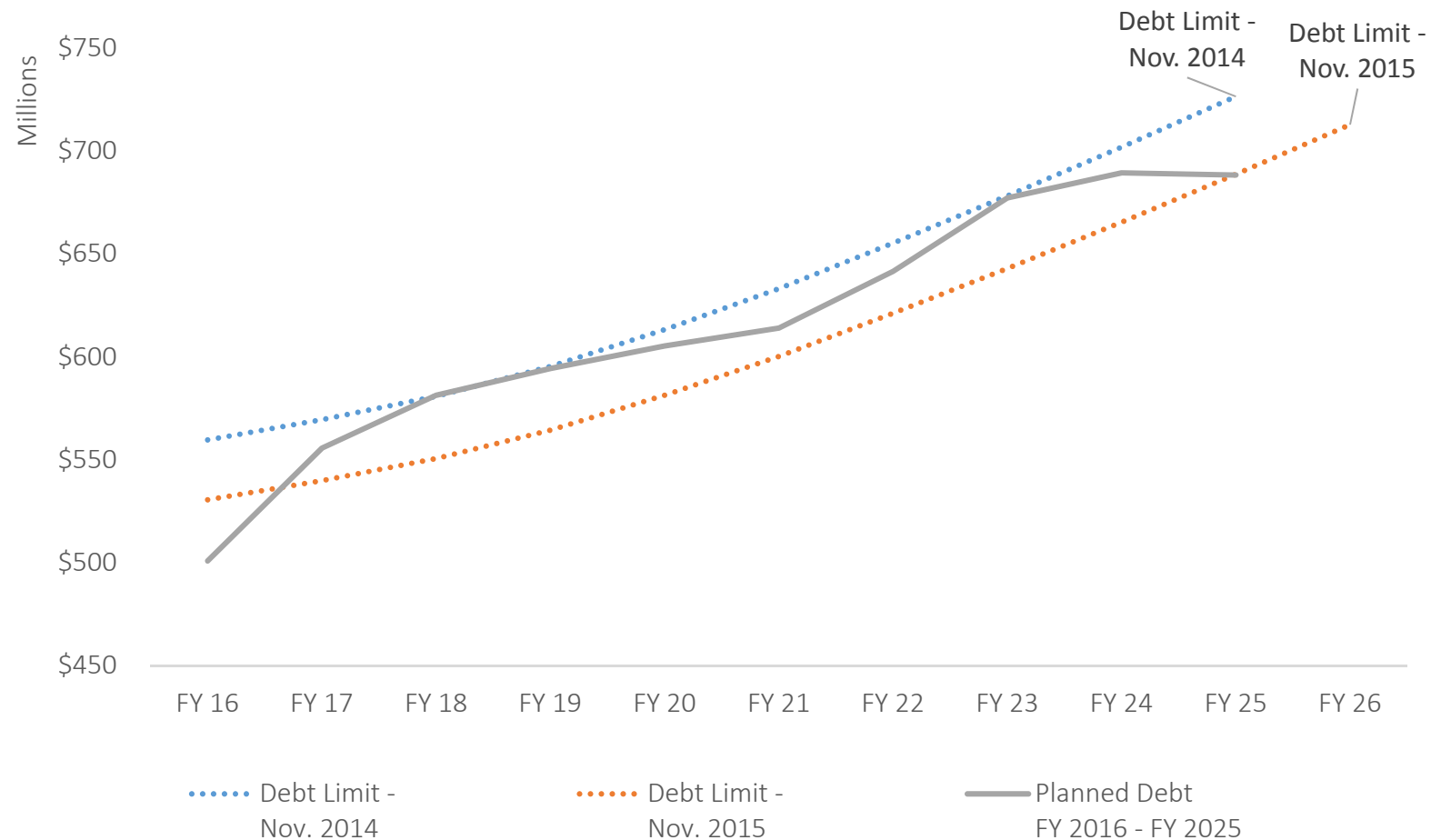
CHANGES IN TOTAL PERSONAL INCOME ESTIMATES





TOTAL PERSONAL INCOME IMPACT ON DEBT LIMIT

APPROVED FY 2016 – FY 2025 CIP vs. NOVEMBER 2014 & 2015 DATA RELEASES



PLANNED DEBT EXCLUDES SANITARY SEWERS AND POTOMAC YARD METRO STATION



DEBT POLICY GUIDELINES

- Total Personal Income Targets and Limits to be reworked
- Changes to policies to accommodate Potomac Yard Metrorail Station are under development
- Proposed policies will remain consistent with AAA/Aaa ratings



BUDGET DEVELOPMENT DATES

Tuesday, March 1	7:00pm	Budget Work Session: Revenues/Five Year Financial Planning Model/Compensation
Wednesday, March 9	7:00pm	Budget Work Session: Alexandria City Public Schools (Tentative)
Monday, March 14	4:00pm	Public Hearing: FY 2017 Budget
Tuesday, March 15	7:00pm 9:00pm	Work Session: Capital Improvement Program Introduction of Tax Rate Ordinance
Tuesday, April 5	7:00pm	Budget Work Session: TBD
Thursday, April 7	6:30pm	Budget Work Session: TBD
Thursday, April 14	7:00pm	Budget Work Session: TBD
Saturday, April 16	9:30am	Public Hearing: FY 2017 Tax Rate
Tuesday, April 19	7:00pm	Budget Work Session: BFAAC & Topic TBD
Tuesday, April 26	6:00pm	Legislative Meeting: Preliminary Add/Delete Discussion
Monday, May 2	7:00pm	Budget Work Session: Final Add/Delete Discussion
Thursday, May 5	7:00pm	Special Meeting: Budget Adoption