

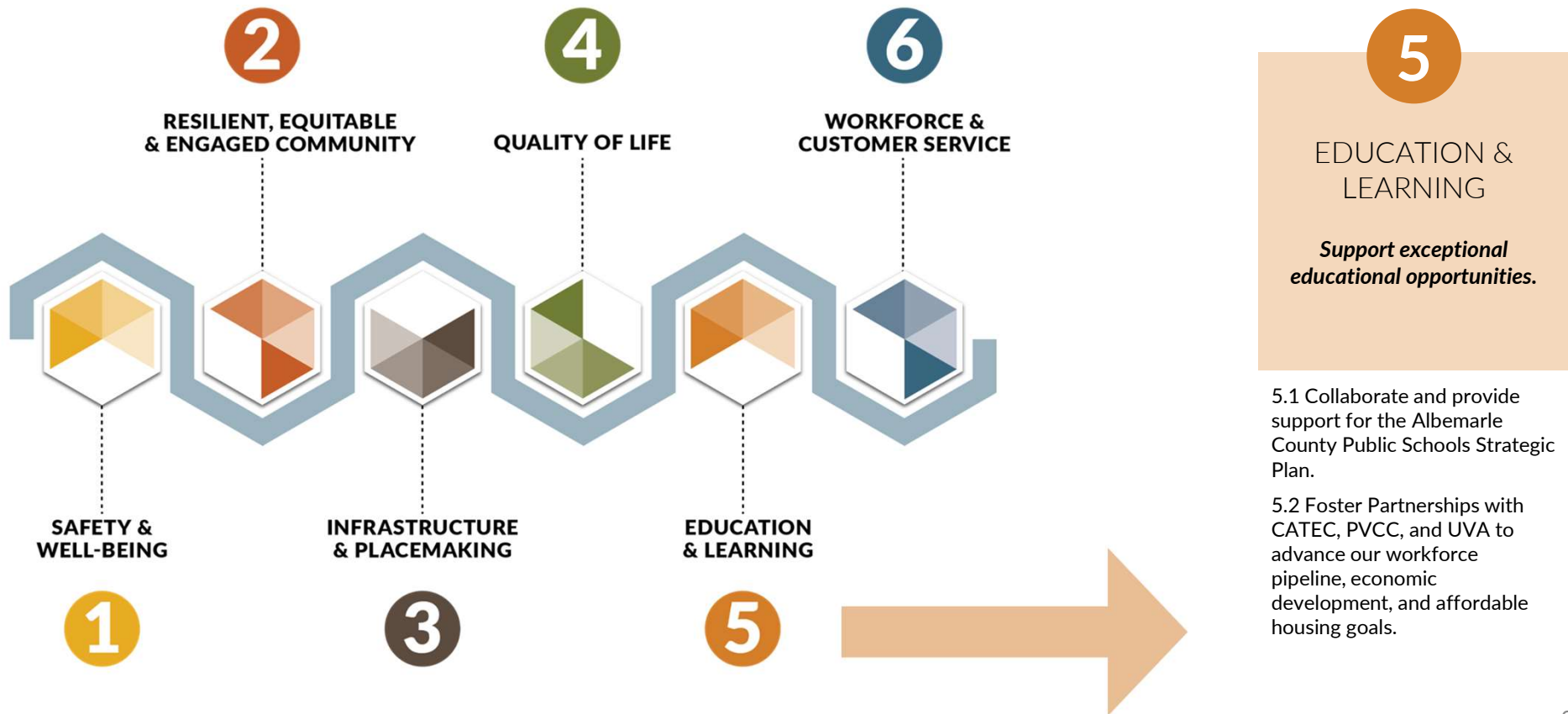
Five-Year Financial Plan Joint Work Session

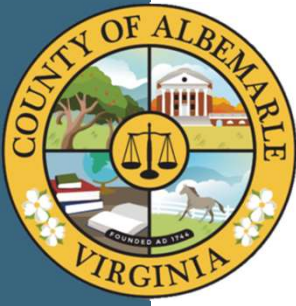
Board of Supervisors &
Albemarle County School Board

December 6, 2023



Adopted FY 24-28 Strategic Plan





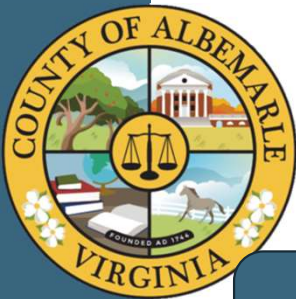
Desired Outcomes

- Understanding of Workforce Stabilization – Health Fund Strategies
- Understanding of how we got to and the present Capital Improvement Plan (CIP)
- Understanding of School Board capital request
- Discussion of strategies and next steps from today



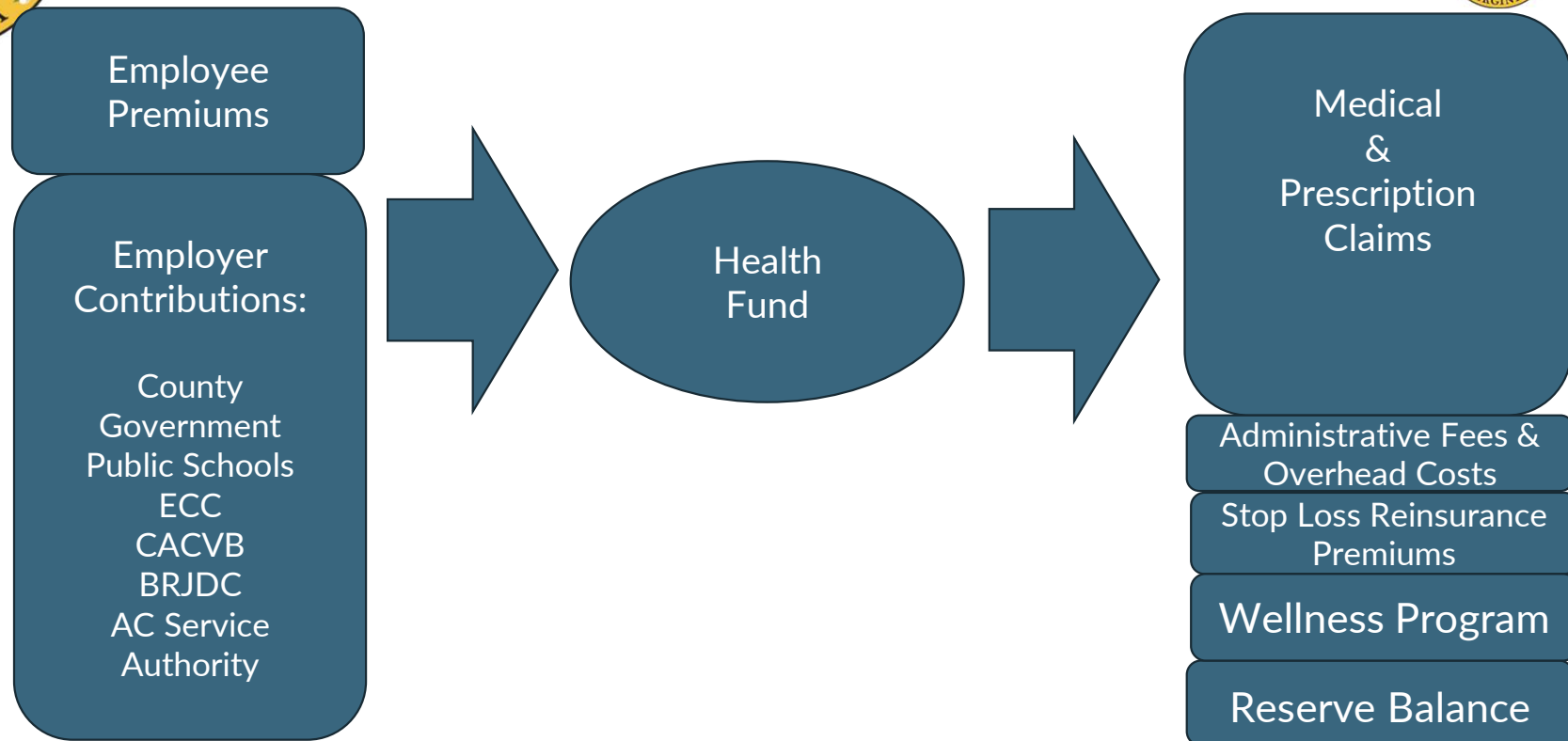
Agenda

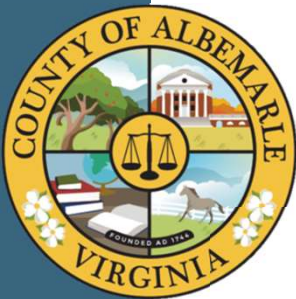
- **Workforce Stabilization – Health Fund strategies**
- Historical review of the CIP
- Update on building the FY 25-29 CIP
- Public Schools' Capital Five-Year Request
 - Next steps from today
 - Boards Discussion



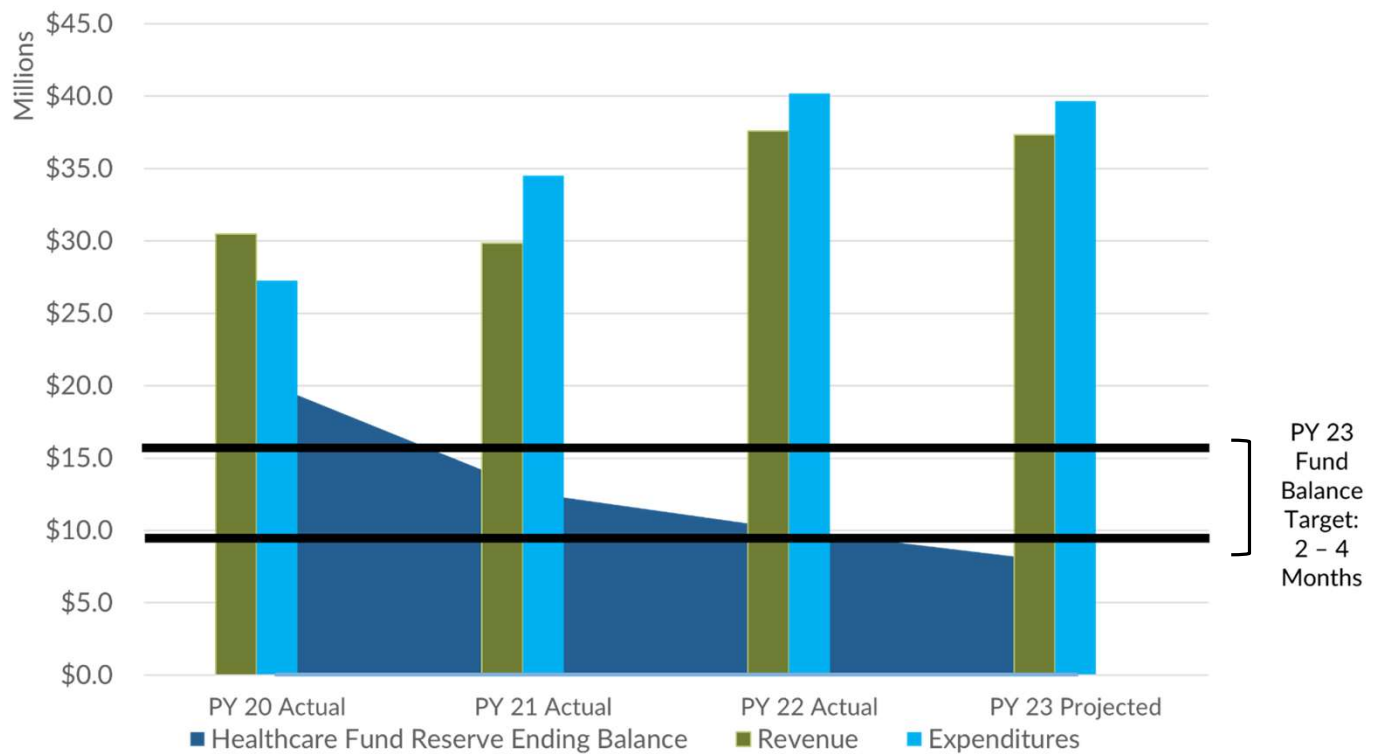
Health Fund: Overview

Self Insurance Medical Plan Components





Workforce Stabilization – Health Fund: Current State



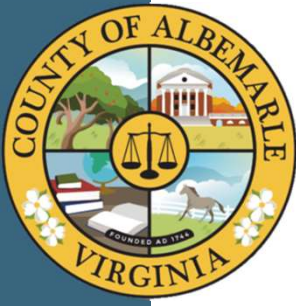


Workforce Stabilization – Health Fund: Strategies

- Strategies underway
 - Dependent eligibility audit
 - Employee Health Clinic
 - Multi-year Wellness Strategic Plan
 - Competitive Market Plan Design Assessment
 - Rate planning for FY 25 budget
- Next Steps with Boards
 - FY 25 Budget Development Process



Boards' Question & Discussion

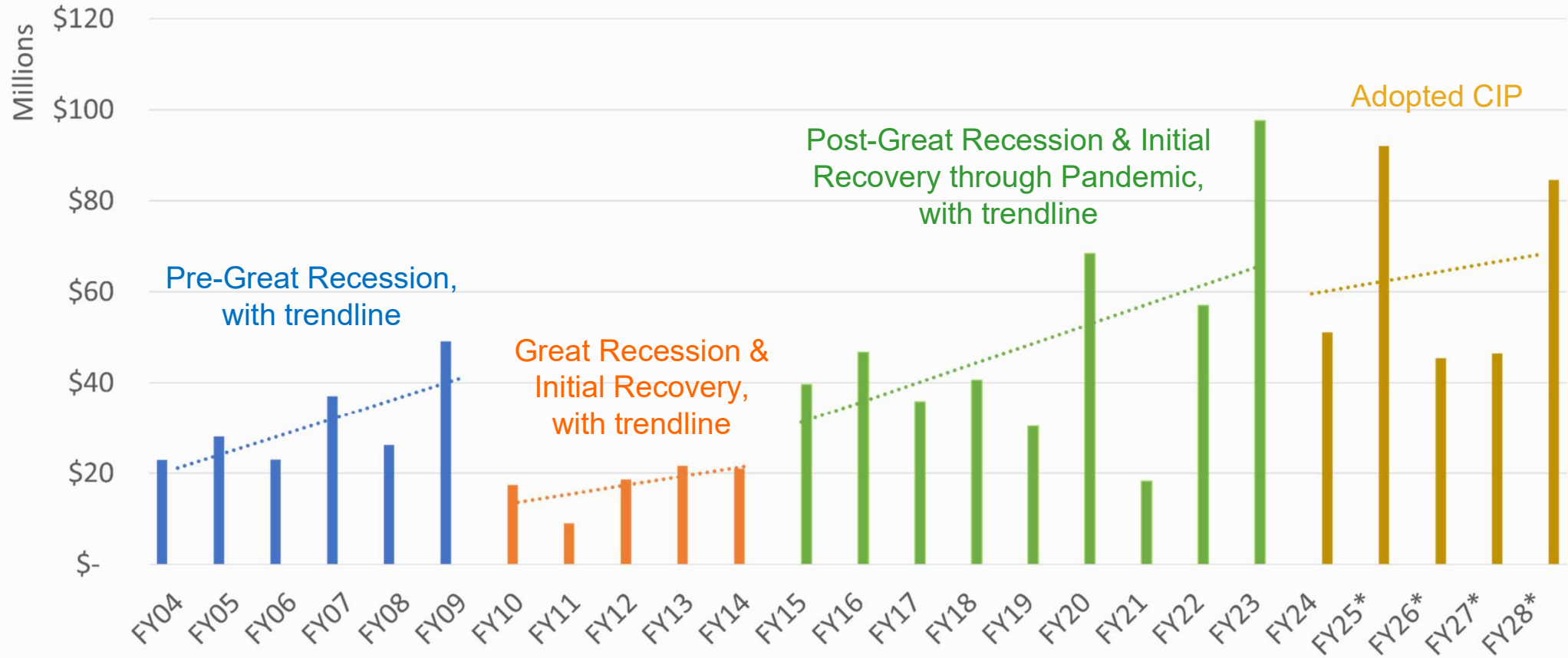


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- Workforce Stabilization – Health Fund Strategies
- **Historical review of the Capital Improvements Plan (CIP)**
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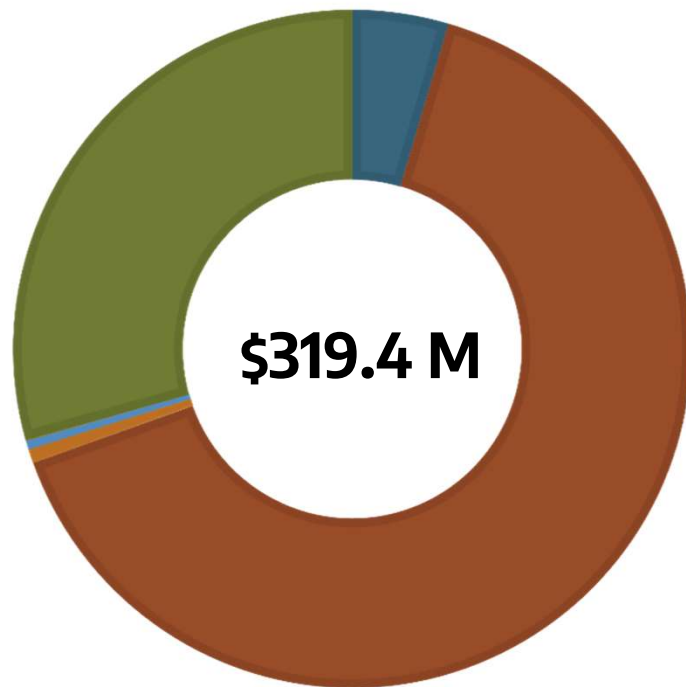


Adopted Annual Capital Budget, FY 04-24 Adopted CIP, FY 25-28





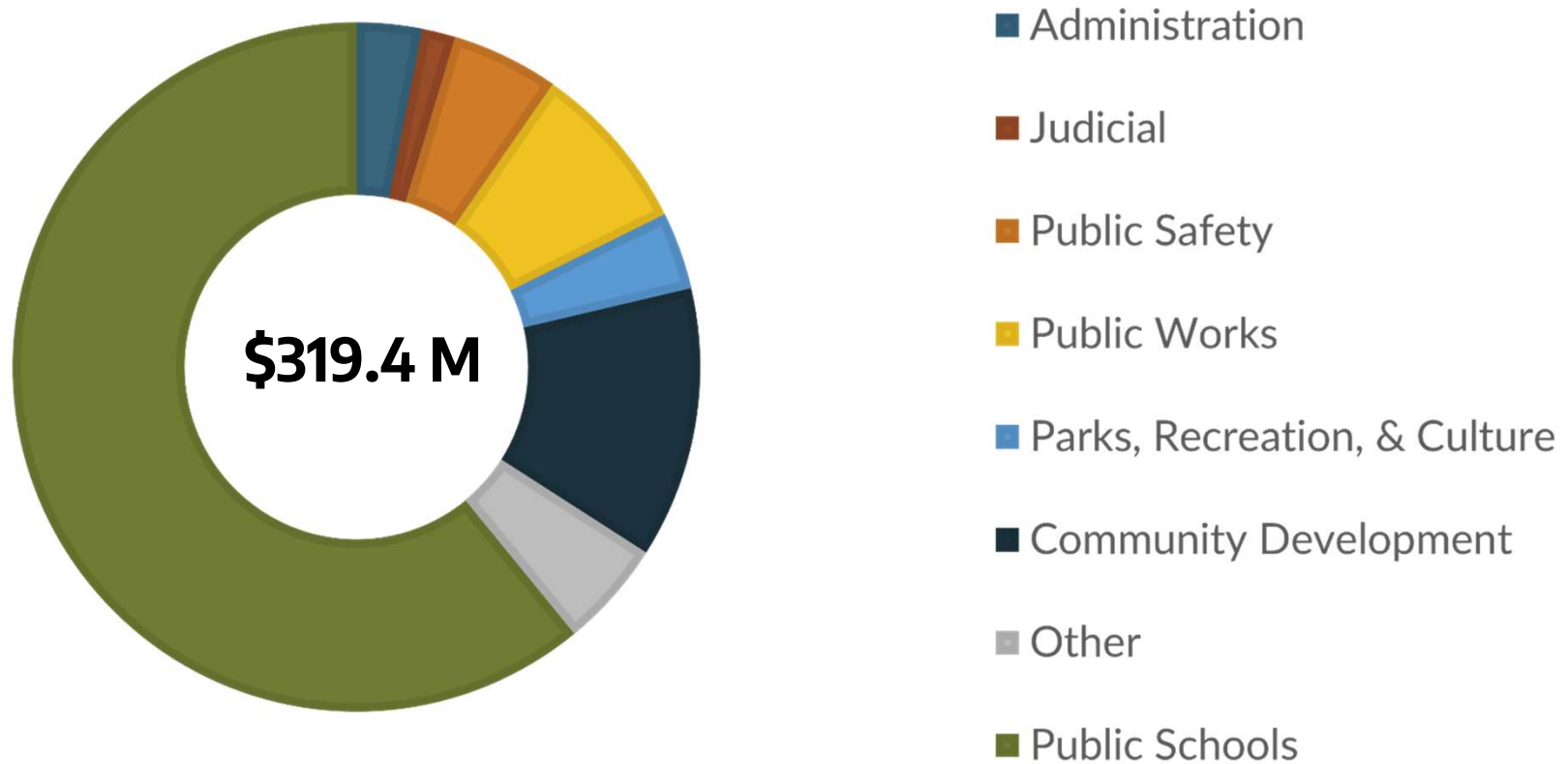
FY 24 – 28 CIP Adopted Revenues

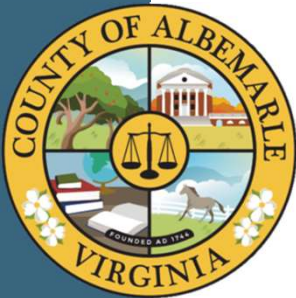


- Local Revenue
- Planned Borrowed Proceeds
- Proffer Revenue
- State Revenue
- Transfers
- Cash Equity: Ongoing & One-Time



FY 24 – 28 CIP Adopted Expenditures





FY 24 - 28 Adopted CIP: Changes since the onset of the pandemic

- Debt management
 - June 2021, March 2022, October 2023 refinancings and bond issuances
 - Updated organizational structures and approaches by the Department of Finance & Budget
- Strategic investment of one-time funding by both Boards
 - Leveraging of federal revenues
 - Investments by both Boards of one-time funding
 - FY 24 development: \$16.7 M in one-time funding above policy
- Recent diversification & investment of tax revenues
 - FY 23: Increases to food & beverage, transient occupancy, and cigarette tax rates were equivalent 3.3 cents on real estate tax rate
 - Due to rising real property values, “effective” rate increase of 10.1 cents for Calendar Year 23



Capital Improvement Plan (CIP) Assumptions & Approach

1. Starting point is the balanced FY 24 – 28 Adopted CIP
1. Update financial assumptions
 - Such as project costs, interest rates for borrowing costs, project timing, CIP revenues
 - Updates will continue from today
1. December 6 Joint meeting with School Board
1. To extent possible, include new projects guided by Strategic Plan

1

SAFETY & WELL-BEING

2

RESILIENT, EQUITABLE & ENGAGED COMMUNITY

3

INFRASTRUCTURE & PLACEMAKING

4

QUALITY OF LIFE

5

EDUCATION & LEARNING

6

WORKFORCE & CUSTOMER SERVICE

Courts Construction

FY 24

- Expands court facilities to meet existing & projected capacity & security

Scope of work includes:

- New General District Courthouse at Levy Site
- Renovation of historical portion of Levy Opera House
- Renovation of current historic courthouse, currently housing Albemarle’s Circuit & General District courts





1

SAFETY & WELL-BEING

2

RESILIENT, EQUITABLE & ENGAGED COMMUNITY

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WORKFORCE & CUSTOMER SERVICE

Transportation

FY 24, 25, 26, 27, 28

- Funding supports high priority transportation projects and initiatives
- Leverages state and federal funding



1

SAFETY & WELL-BEING

2

RESILIENT, EQUITABLE & ENGAGED COMMUNITY

3

INFRASTRUCTURE & PLACEMAKING

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QUALITY OF LIFE

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EDUCATION & LEARNING

6

WORKFORCE & CUSTOMER SERVICE

Baler Facility

FY 24

County's share constructing a new baling facility, operated by RSWA, to be located at one of County's primary recycling facilities.



Northern Convenience Center

FY 25, 26

Development of a Northern Albemarle County Solid Waste Convenience Center.





1
SAFETY & WELL-BEING

2
RESILIENT, EQUITABLE & ENGAGED COMMUNITY

3
INFRASTRUCTURE & PLACEMAKING

4
QUALITY OF LIFE

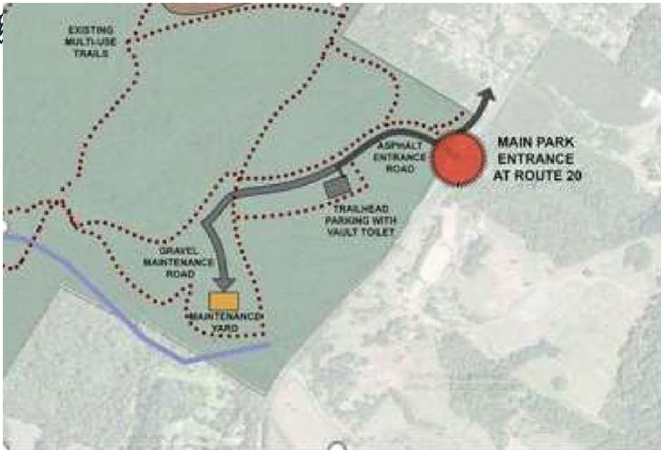
5
EDUCATION & LEARNING

6
WORKFORCE & CUSTOMER SERVICE

**Biscuit Run
FY 24, 25, 27**

**Darden Towe
Park Field
Rebuild
FY 24, 25, 26, 27**

- New park entrance & trailhead on Rt 20
- Multi-use trail system
- Greenway trail connections to surrounding areas
- 2



- Rebuild of 4 grass fields





Economic Development: Rivanna Futures

1
SAFETY & WELL-BEING

2
RESILIENT, EQUITABLE & ENGAGED COMMUNITY

3
INFRASTRUCTURE & PLACEMAKING

4
QUALITY OF LIFE

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EDUCATION & LEARNING

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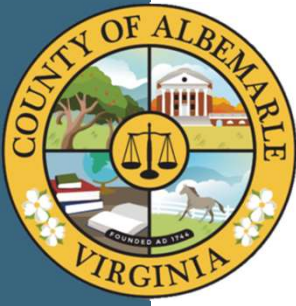
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- 3 INFRASTRUCTURE & PLACEMAKING
- 4 QUALITY OF LIFE
- 5 EDUCATION & LEARNING
- 6 WORKFORCE & CUSTOMER SERVICE

Workplace – Facility Renovations
FY24, 25, 26, 27

Planning & construction of facility renovations for County Office buildings located on McIntire Rd and 5th Street Extended

Core Systems Modernization
FY24, 25, 26, 27

Provide community and employees contemporary, digital government solutions

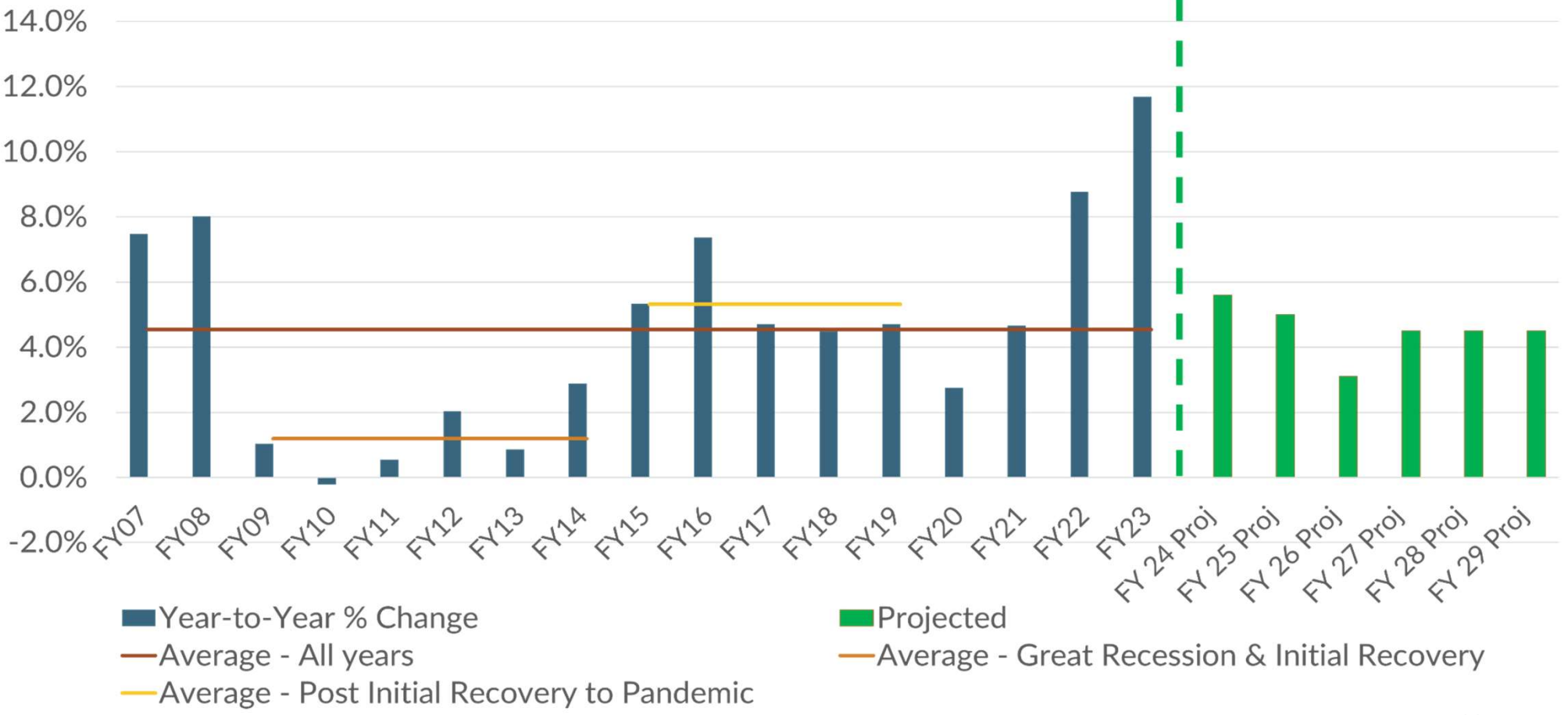


FY 24 – 28 CIP Assumptions & Approach

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General Fund Revenue Growth Changes, FY 07 - 23 + FY 24-29 Projection





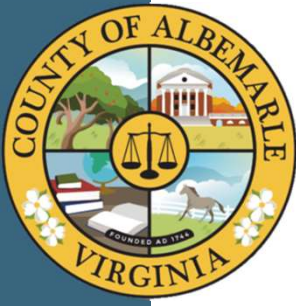
FY 25 – 29 CIP Assumptions & Approach

3. December 6 Joint meeting with School Board
 - School Board \$330 million needs-based request
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4. To extent possible, include new projects guided by the Strategic Plan
 - How will staff consider this in preparing a recommendation?



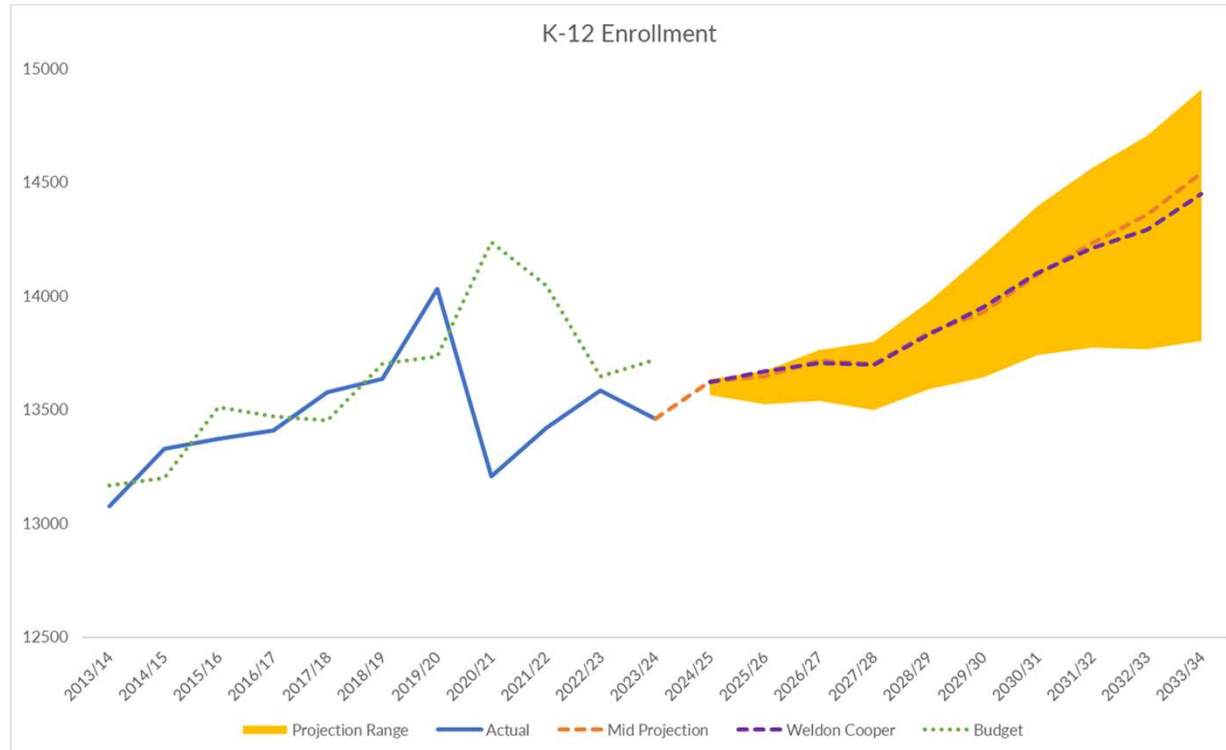
Boards' Question & Discussion



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- Workforce Stabilization – Health Fund Strategies
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Enrollment Projection



Peak enrollment (2019)	14,032
Current enrollment (2023/24)	13,459
5-year Proj. Growth +376, +2.8%	13,835
10-year Proj. Growth +1,082, +8.0%	14,541

Report Summary

	Capacity Projects	Renovations Projects	Other Projects
Project Details	Southern Feeder Pattern ES p. 8 Northern Feeder Pattern ES p. 10 Middle School p.19 Improvements p. 20 Land Acquisition p. 24 High School Project	High School Improvements & Elevator Additions p. 12 Elementary School Improvements p. 14 Middle School Improvements p. 19 Special Education Facility Renovations p. 16	Lambs Lane Master Plan p. 22 School Walk Zones p. 26 Geothermal at MHS p. 27
Data & References	Appendix A - 10-Year Enrollment Projections p. 32 Appendix B - 10-Year Projected Capacity Conflicts p. 33 Appendix E - Dev. Pipeline p. 37 Appendix F - Max. Buildout p. 39 Mountain View Master Plan	Appendix G - Facility Historical Information p. 40 Appendix H - Elementary Facility Assessment Tool p. 52 AHS/WAHS Master Plan Middle School Facilities Master Plan	Lambs Lane Master Plan Advisory Committee for Environmental Sustainability

Capacity Projects

- Southern Feeder Pattern ES #1
- Northern Feeder Pattern ES #2
- Land Acquisition #7
- High School Project #9
- Middle School Improvements #6



Capacity Project Recommendations

		5-year CIP FY25 to FY 29					CNA					
23/24		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	
Funded	MVES Expansion	Mid-year open										
	Center 2	Design	Construction		Center Open							
	SFP ES	Design	Construction		School Open							
Requested	NFP ES	Redistricting Study	Redistricting Phase I		Design	Construction		School Open				
	Land Acquisition		Land Acquisition									
	HS Project					Design	Construction		Project Open			
	Middle School Study		Middle School Study Recommendations									

Update on High School Center II

Scope:

High School Center II is programmed to be a 61,500 SF facility with a 400 student/day capacity that is a resource for the entire Division. It is strategically located to provide access to interdisciplinary, project-based, specialized programming. It will also serve as an interface between the school, community and professional organizations that provide out-of-building authentic learning experiences such as internships, and other work and community-based opportunities.

Budget:

Current appropriation - \$36.3M

Requested appropriation - \$41.6M (+\$5.3M)

Timeline:

- Design: Now-Fall 24
- Bidding: Fall 2024
- Substantial Completion: July 2026





New Elementary Schools

Southern Feeder Pattern

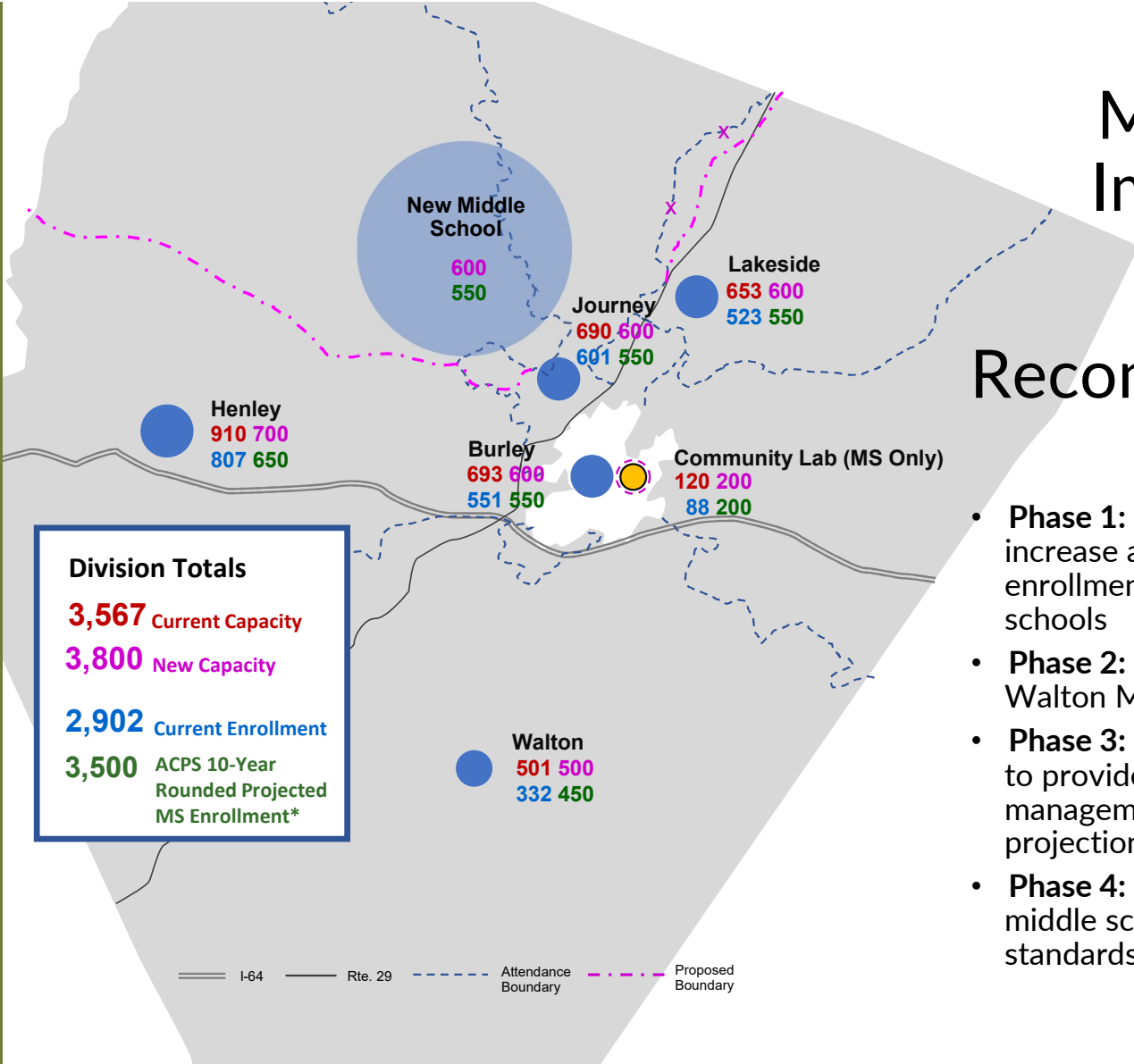
Northern Feeder Pattern

	Southern Feeder Pattern	Northern Feeder Pattern
WHAT	500 Student Elementary School 72,500 SF building and associated site improvements	500 Student Elementary School 72,500 SF building and associated site improvements
WHY	A new school was the recommendation of a master plan study to relieve overcrowding at Mountain View Elementary	Additional capacity is needed to address current overcrowding at Baker-Butler Elementary and to accommodate new development along the 29N Corridor
WHEN	Design in FY 24, Construction FY 25 & FY 26 Open to students for the <u>2026-27 school year.</u>	Design in FY 27, Construction in FY 28 & FY 29 Open to students for the <u>2029-30 school year.</u>



Middle School Improvements

Master Plan Recommendations

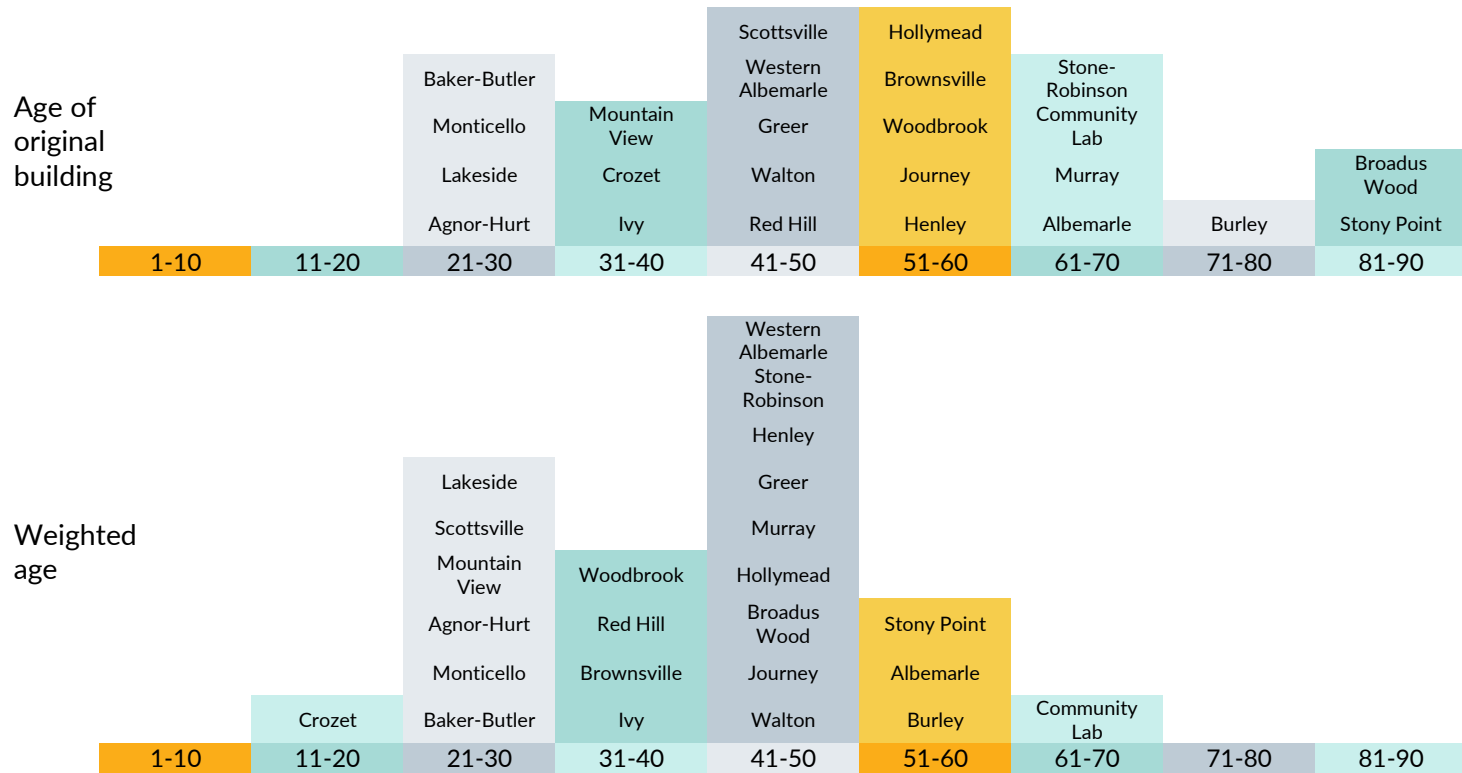


- **Phase 1:** Expand the Lab School to increase admissions while alleviating enrollment pressures at other schools
- **Phase 2:** Renovate/Improve Walton MS + Redistricting Study
- **Phase 3:** Build a new middle school to provide current capacity management and long-term growth projections + Redistricting Study
- **Phase 4:** Renovate/Improve all middle schools to equitable standards

Renovation Projects

- High School Improvements & Elevator Additions #3
- Elementary School Improvements #4
- Special Education Facility Renovations #5

Facility Age





High School Improvements

Albemarle	Western Albemarle	Monticello (new)
Breezeway and hallway improvements; Level 2 corridor connection/classroom addition; Locker room improvements; Collaboration areas; Sprinkler building where a sprinkler system does not currently exist; Guidance corridor classrooms/commons expansion; basement daylighting; Arts wing ADA/circulation improvements; and Career and Technical Education (CTE) space improvements.	Corridor; outdoor learning spaces; commons improvements; window upgrades; athletic wing commons with classroom addition; Makerspace Expansion; Performing arts wing improvements; Outdoor learning spaces; Teacher space improvements; Special Ed area improvements; Replace and enlarge windows; Conversion of 4 sets of communal restrooms to single-user restroom; and replace metal panels.	Conversion of 4 sets of communal restrooms to single-user restrooms.

	FY 23	FY 24	FY 25	FY 26	FY 27	TOTAL
Renovations	\$1.4M adopted	\$2.68M adopted	\$17.4M	\$6.9M	\$9.2M	\$37.7M
Elevator Additions			\$0.7M	\$0.7M	\$0.8M	\$2.2M
\$35.7M CIP Request						



Elementary School Improvements

WHAT

FY 25: Stony Point Renovations
 FY 26: Broadus Wood Renovations
 FY 27: Murray Renovations
 FY 28: Greer Renovations & Elevator Addition
 FY 29: Hollymead Renovations

WHY

Based on a Facilities Assessment Tool, these elementary schools ranked the lowest in interior assessment, exterior assessment, structure and systems.

Rankings By Raw Score	
School	Score
Crozet Elementary	235
Scottsville Elementary	219
Brownsville Elementary	203
Red Hill Elementary	198
Stone Robinson Elementary	191
Baker Butler Elementary	190
Woodbrook Elementary	188
Agnor Hurt Elementary	182
Ivy Elementary	181
Mountain View Elementary	172
Hollymead Elementary	171
Greer Elementary	170
Murray Elementary	144
Broadus Wood Elementary	138
Stony Point Elementary	97



Elementary School Improvements

Example Projects:
Interior Improvements: Auxiliary Spaces, Bathrooms



Exterior Improvements



Parking & Bus Loops

Window Replacements



Special Education Facility Renovations

This project provides funding for renovations at the Ivy Creek Facility to accommodate Post High, Administration, Intensive Support Services, Specialists, Preschool Staff.

WHAT

- Light renovations
- Playground improvements
- Furniture, Fixtures & Equipment for PREP spaces
- Post High facility programming

WHY

- The Special Education Department is spread across several permanent and temporary facilities
- Post High building has exceeded its capacity for enrolled students as well the services it is able to provide for the current needs of the students

Other Projects

- Lambs Lane Master Plan #8
- School Walk Zones #10
- Geothermal at Monticello #11



Lambs Lane Master Plan

Estimated Cost FY 25-29: \$13.8M

FY 25	FY 26	FY 27	FY 28	FY 29
\$10.3M			\$2.8M	\$0.7M

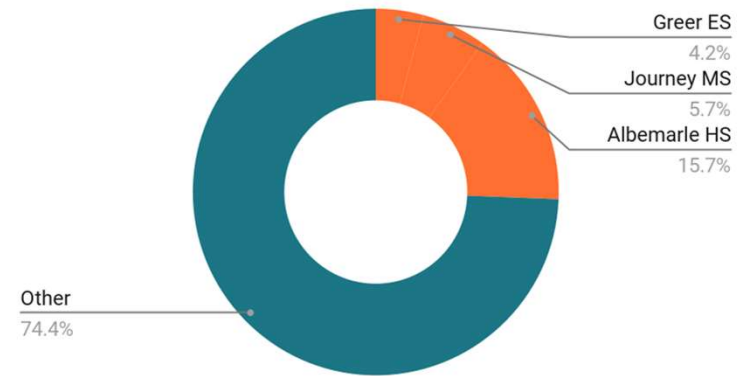
Years 1-5:

FY25: Design and Construction of Main Loop Road from Lambs Ln. to Hydraulic Rd. w/ Associated Wayfinding Signage & Landscaping (in conjunction with the High School Center II Project)

FY28: Design and Construction of New Greer Bus Loop and Parking Reconfiguration (in conjunction with proposed Greer ES renovations)

FY29: Design of Journey MS Bus Loop and Parking Reconfiguration

Lambs Lane Campus Enrollment



Years 6-10:

FY30: Construction of Journey MS Bus Loop and Parking Reconfiguration, Design of AHS Bus Loop & Parking Lots

FY31: Construction of AHS Bus Loop and Parking Lots, Design of VMF/Transportation Relocation, Design of North Section Main Loop Road

FY32: Construction of VMF/Transportation Relocation

FY 33: Construction of North Section Main Loop Road, Design of New AHS Athletic Fields

FY 34: Construction of New AHS Athletic Fields

Phase 1 Loop Road Overview

Lambs Lane - Loop Road

- Phase 1
- Phase 2
- Lambs Ln Campus



School Walk Zones

WHAT

This project provides funding for the maintenance of, enhancements to, and expansion of ACPS school walk zones. Specific projects may include the design, maintenance, and construction of sidewalks, shared use paths, crosswalks, associated safety signage, and other similar improvements that improve and/or enhance the safety of ACPS walk zones.

WHY

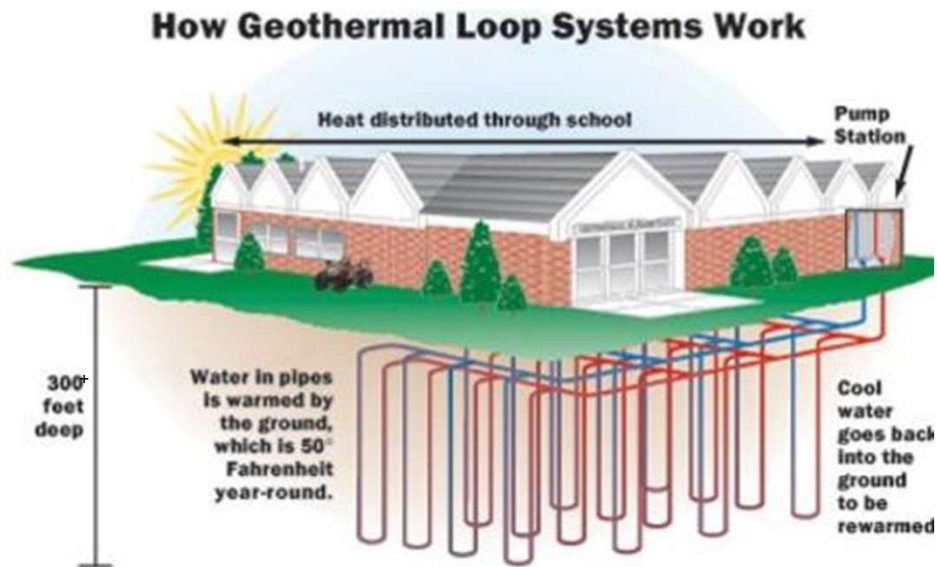
School walk zones are subject to unusual safety hazards, which could include railroad crossings, lack of safe crosswalk infrastructure, and/or topography or road curvature that prevents cars from seeing walkers.

School walk zones contribute to ACPS' and the County of Albemarle's Climate Action Plan to reduce carbon emissions.

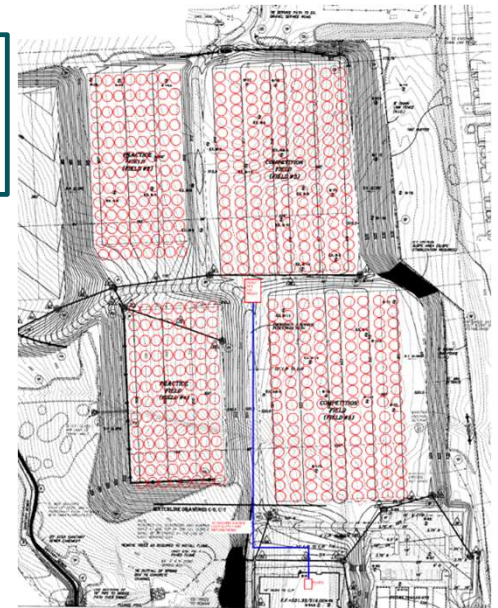


Geothermal at Monticello

WHAT The project involves adding a geothermal well field to the MHS HVAC system to allow for greater energy efficiency and less reliance on natural gas by eliminating natural gas-fired boilers.



MHS Wellfield Layout Concept



Ongoing CIP Programs Overview

	Project Management	Facilities Maint./Replacement	Network Technology	School Bus Replacement	Electric School Bus Purchase
Desc.	Project Management services are provided by the Building Services department of the School Division. The services are for capital project management and CIP development work.	Example projects: roofs, electrical, mechanical, plumbing, pavement rehabilitation, flooring, painting, energy conservation measures, kitchen equipment replacement, and playground/athletics equipment replacement	Fiber network between and within all buildings, firewall, Internet filter, WIFI Access Points, Switches and other devices	Purchase of 28 diesel school buses each year.	Purchase of two electric school buses each year.
Updated 5-yr CIP Request	\$2.9M	\$71.5M	\$6.1M	\$22.1M	\$1.7M
Scope Changes	N/A	N/A	N/A	Increased Request	New Request

School Bus Replacement Program

- Replacement of school buses based on prescribed needs-based fleet size and replacement guidelines outlined in the School Board Policy.
- Purchase of a bus also includes necessary equipment to support operating the vehicle in a manner that meets the needs of the students.
- This project also includes the replacement of ancillary equipment throughout the fleet.
- The program has been included in the CIP since FY 2014 and has historically funded 10-20 replacements per year.

Previous Program

FY 25	FY 26	FY 27	FY 28	FY 29	5-year Total
\$1.76M	\$1.86M	\$1.95M	\$2.05M	\$2.15M	\$9.77M

Revised Program (28 Replacements/Year adjusted for inflation)

FY 25	FY 26	FY 27	FY 28	FY 29	5-year Total
\$4.00M	\$4.20M	\$4.41M	\$4.63M	\$4.86M	\$22.09M

Program Increase Drivers

1. Aging Fleet

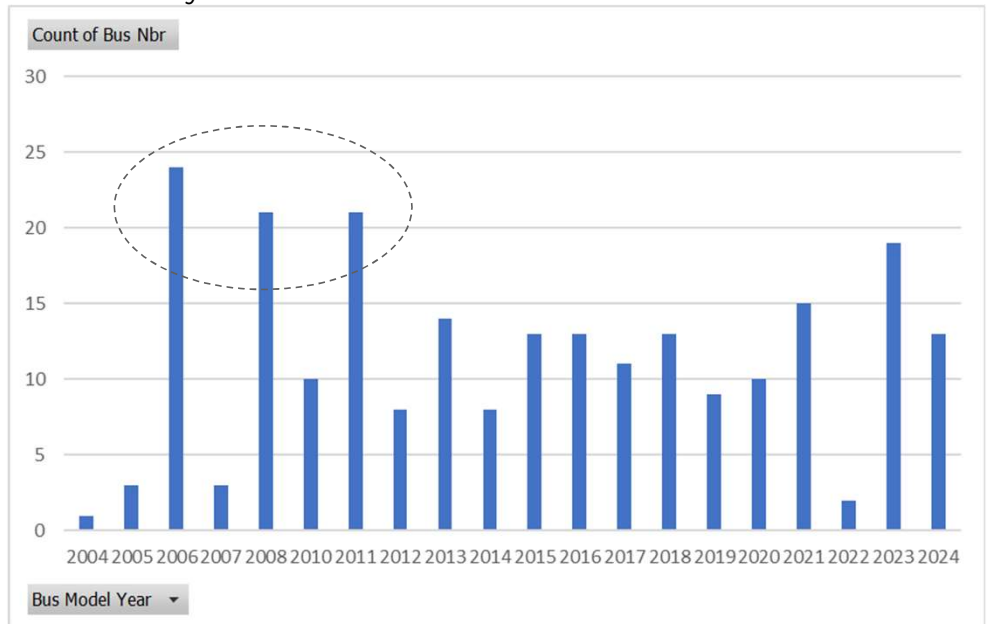
- A large portion of the fleet was purchased in 2006-2011
- Based on the 16-year replacement cycle, 52 buses need to be replaced by 2024
- Current funding levels do not address historical irregular purchases and create an increasing backlog

1. Increasing Mileage

- We are putting more miles on busses annually (about 10,000/year on average)
- There are currently 27 buses with more than 200,000 miles

1. After a 5-year “catch-up” period, bus replacement can return to average levels

Bus model year:



Electric School Bus Purchase

- To align with the County’s climate action goals, 4 EV units have been introduced to the fleet using grant funding, one-time operating funding, and one-time CIP funding
- This project proposes a plan for two additional units per year based on infrastructure availability and includes the purchase of ancillary EV equipment
- It is assumed that grant funding would remain available to cover the additional cost above the regular cost of diesel unit

Proposed Program (2 Electric Buses/ Year adjusted for inflation)

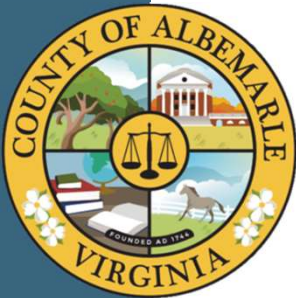
FY 25	FY 26	FY 27	FY 28	FY 29	5-year Total
\$300,000	\$315,000	\$330,000	\$350,000	\$370,000	\$1.655M



CIP Request Summary

	CIP Project	FY 25	FY 26	FY 27	FY 28	FY 29	5-year Total
1	Southern Feeder Pattern Elementary School	\$40.6M					\$40.6M
2	Northern Feeder Pattern Elementary School			\$3.6M	\$47.0M		\$50.6M
3	High School Improvements and Elevator Additions	\$18.1M	\$7.6M	\$10.0M			\$35.7M
4	Elementary School Improv. and Elevator Additions	\$11.1M	\$14.0M	\$13.4M	\$13.7M	\$11.0M	\$63.2M
5	Special Education Facility Renovations	\$3.0M					\$3.0M
6	Middle School Improvements (Placeholder)						TBD
7	Long-Term Planning Land Acquisition		\$7.5M				\$7.5M
8	Lambs Lane Master Plan	\$10.3M			\$2.8M	\$0.7M	\$13.8M
9	High School Project (Design)					\$10.0M	\$10.0M
10	School Walk Zones	\$0.25M	\$0.26M	\$0.28M	\$0.29M	\$0.30M	\$1.4M
11	Geothermal at Monticello HS (Placeholder)						TBD
	Total Projects	\$83.4M	\$29.4M	\$27.3M	\$63.8M	\$22.0M	\$225.8M
	Ongoing Programs	FY 25	FY 26	FY 27	FY 28	FY 29	5-year Total
	Project Management	\$0.5M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$2.9M
	Facilities Maintenance/Replacement	\$13.6M	\$13.2M	\$13.2M	\$15.3M	\$16.3M	\$71.5M
	Network Technology	\$0.4M	\$0.3M	\$1.2M	\$0.8M	\$3.3M	\$6.1M
	School Bus Replacement	\$4.0M	\$4.2M	\$4.4M	\$4.6M	\$4.9M	\$22.1M
	Electric School Bus Purchase	\$0.3M	\$0.3M	\$0.3M	\$0.4M	\$0.4M	\$1.7M
	Total Ongoing Programs	\$18.9M	\$18.6M	\$19.7M	\$21.7M	\$25.5M	\$104.4M

Boards' Question & Discussion



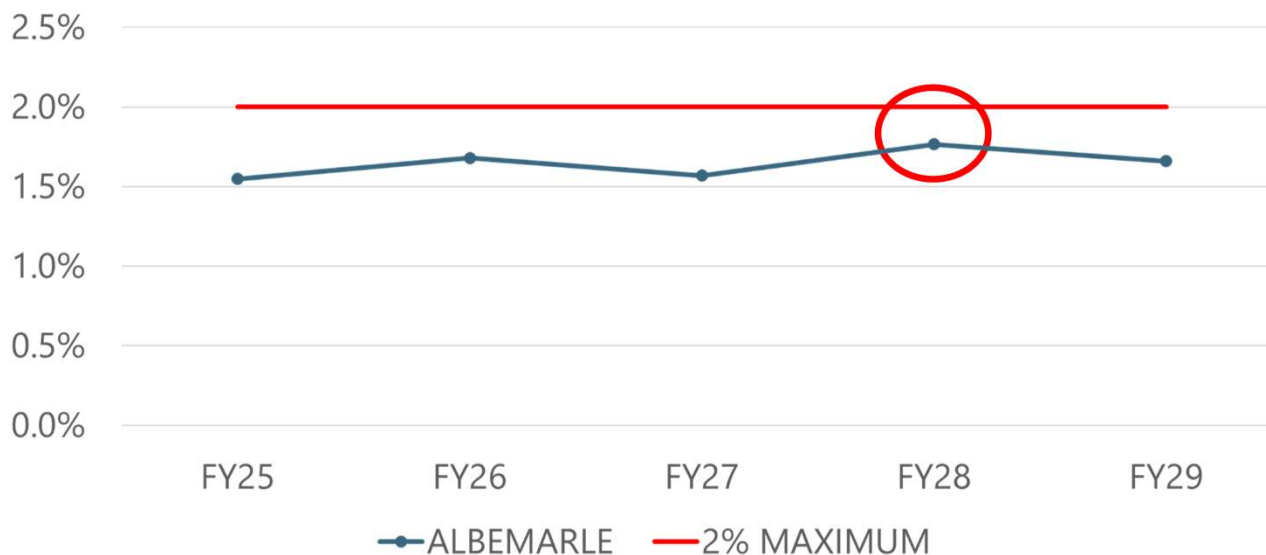
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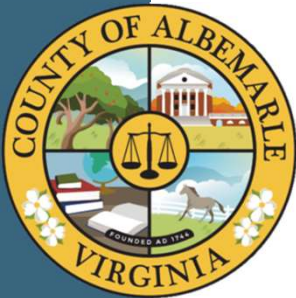
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 - How will staff consider this in preparing a recommendation?

DRAFT FY 25 – 29 CIP, as of today: Comparison to Financial Policies adopted Sept 2022

Outstanding Debt as a Percentage of Assessed Value of Taxable Property



- The County has capacity to borrow approximately \$72 million more than what is currently in the FY 25-29 CIP as of today, based on debt financial policies
- Capacity not planned for as of today
 - Impacts on next slide



What would be considered if projects can be added to the FY 25-29 CIP, as of today?

Does the County have debt capacity?

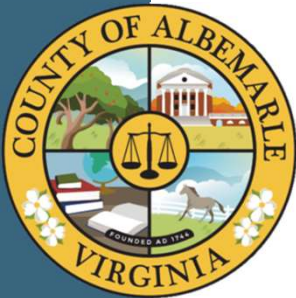
- Up to \$72 million, as of today

Does the County have the related funding needed?

- 5% “pay as you go” funding portion of projects = \$3.6 M
- Annual Debt Service, for each year of life of bond:
 - Lease Revenue: \$5.7 M
 - General Obligation \$5.6 M
- Funding source: Future discussion in FY 25 budget process

Other considerations:

- What is the impact to future flexibility?
- How are related operating costs planned for in the General and School Funds?
- What is the County’s ability to execute?



Next Steps

December – February

- Staff works to update and balance the “as of today” plan

March - May

- FY 25 annual budget and FY 25-29 CIP meetings

Examples of Possible Board Strategies to increase CIP Revenues

- Impacts of Calendar 2024 reassessments
- Tax rate changes
- Investment of one-time funding
 - End of year positive variances
 - Reprioritizing revenue that funds operating budgets (ongoing or one-time)
- Longer-term: Potential General Assembly enabling authority to increase sales tax for school construction



Boards' Question & Discussion