


**PRINCE WILLIAM**  
COUNTY

## Capital Improvement Program (CIP) & Debt

January 21, 2020



**CIP**



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- Six-Year Plan for County infrastructure projects
- Guided by Board adopted policies
  - Comprehensive Plan
    - Level of Service Standards
    - Small Area Plans
  - Strategic Plan
  - Principles of Sound Financial Management (PSFM)
  - Funding sources
    - Debt, General Fund, Proffers, Solid Waste Fee, Stormwater Management Fee, State/Federal

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## Principles of Sound Financial Management Major CIP Policies

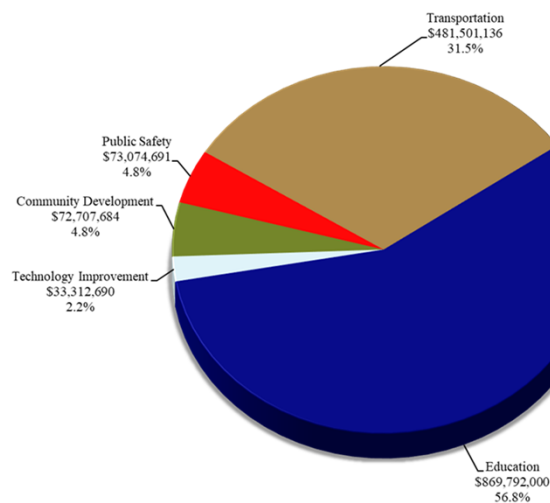


- 10% investment in CIP (debt service or cash funding)
- CIP elements:
  - Implementation program for each project
  - Project relationship with Comprehensive Plan & strategic goals
  - Complete project costs:
    - Capital
    - Debt service
    - Facility & program operating
  - Projects funded from most appropriate revenue source
  - Cyclical maintenance investment
  - Cash investment in capital assets with shortest useful life

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## FY2020-2025 Projected CIP Expenditures (Includes Schools)



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## Public Works Current CIP Projects

Thomas Bruun, Director of Public Works

### Public Works CIP Program



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- CIP Projects Managed by:
  - Facilities Construction Management Division (FCM)
  - Buildings & Grounds Division (B&G)
  - Property Management Division (PM)

## FCM CIP Projects



### Station 6 – Coles District



- Project Budget: \$11.2M
- Station is Fully Operational
- Final task is the burial of relocated remains

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## FCM CIP Projects



### Station 22 – Gainesville District



- Project Budget: \$16.2M
- Project budget includes land purchase, design & construction
- Construction contract: \$10,249,000
  - General Contractor: V.F. Pavone
- Building footings are complete
- Foundation is being constructed
- Construction scheduled to be completed January 2021

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## FCM CIP Projects



### Adult Detention Center– Brentsville District



- Project Budget: \$50.3M
- Construction Contract: \$45.1M
- General Contractor: Branch & Associates
- Seeking 50% reimbursement from the state
- Vast majority of site work completed
- Interior work is the current major focus
- Construction scheduled to be completed July 2020

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## FCM CIP Projects



### Animal Shelter– Coles District



- Project Budget: \$15.1M
- Bid opening – November 20, 2019
- Low bid was Taft Construction at \$13,247,000
- Bid exceeded construction budget by \$2.7M
- Public Works, Police & Procurement Services are working on strategies to reduce the construction cost while not impacting the program, square footage or overall operations
- Public Works & Procurement Services are currently negotiating with Taft to reduce the bid based identified strategies for a final & best offer

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## FCM CIP Projects



### Public Safety Training Center Master Plan Update – Brentsville District



- Project Budget: \$400,000
- Architect/Engineer – Hughs Group Architects
- Master Plan to determine the future build out of the Public Safety Training Center on the existing site and recently acquired property

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## FCM CIP Projects



### Juvenile Detention Center Planning Study – Coles District



- Project Budget: \$144,253
- Architect/Engineer – Moseley Architects
- Planning Study to determine the future build out of a new Juvenile Detention Center on County property that houses Public Works Operations Building and Mosquito & Forest Pest Management Branches

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## FCM CIP Projects



### Judicial Center Complex Master Plan Update – Brentsville District



- Project Budget: \$400K

- Developing a Judicial Center Complex Master Plan to determine the future build out of the complex

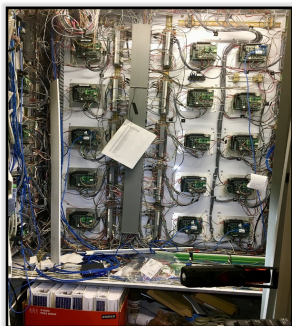
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## B&G Security CIP Projects



### Courthouse Security Systems Upgrade & Lobby Expansion – Brentsville District



- Project Budget: \$4.8M
- Bids Opened on January 10, 2020
- Project will update the security monitoring systems, cameras, access controls, public address systems and other security infrastructure
- Expansion of the front lobby to improve flow and security

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## B&G CIP Security Projects



### Government Complex Security Project –Neabsco District



- Project Budget: \$870,374
- Multiple projects to harden County infrastructure within the County Government Center
- Fencing around the rear of Owens, force rated bollards and planters, vehicle access control to the Owens Building, new directional signage and additional exterior cameras

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## B&G CIP Security Projects



### Garfield Police Station Security Improvements – Potomac District



- Estimated Project Budget: \$383K
- Multiple projects to improve the exterior security of the Garfield Police Station
- Fencing around the cruiser lot, improvements to security cameras and ballistic film on doors to main entrance lobby

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## B&G CIP Security Projects



### Judicial Center Exterior Security Improvements – Brentsville District



- Estimated Project Budget: \$902K
- Multiple projects to improve the exterior security of the Judicial Center
- Fence around the judges lot, improved exterior lighting, and ballistic window film on first floor exterior windows

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## PM B&FP CIP Projects



### Building & Facility Capital Program - Countywide



FY18 \$8M 40 Projects  
FY19 \$8M 35 Projects  
FY20 \$5.5M 25 Projects

- Cyclic replacement projects for County facilities, parks and sites
- Projects identified by facility condition assessments and internal replacement schedules
- Projects prioritized by a defined criteria

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## Questions



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## Parks Capital Project Update

Seth Hendler-Voss— Director  
Parks, Recreation, & Tourism



## Catharpin Park, Phase 2



### *Status: Under Construction*

- Complete in Summer, 2020
- Commissioning in Spring, 2021
- Cost: \$5,000,000



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## Potomac Heritage National Scenic Trail: Occoquan Wildlife Refuge



### *Status: Under Construction*

- Commissioning in June, 2020
- Cost: \$472,700



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## Locust Shade Park Waterline



### *Status: Under Construction*

- Close out in Winter, 2020
- Cost: \$2,000,000



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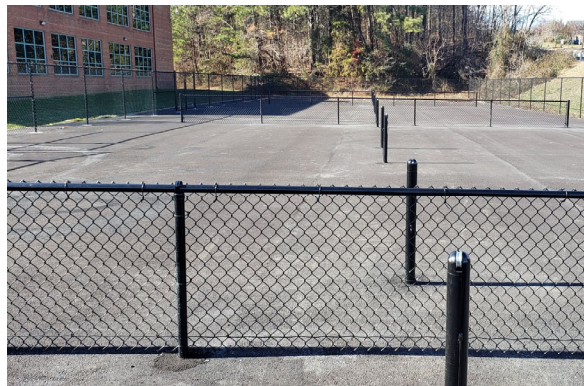
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## Ferlazzo Pickleball Courts



### *Status: Under Construction*

- Commissioning in April, 2020
- Cost: \$200,000



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## County Complex Park BMX Track Improvements



### *Status: Under Construction*

- Commissioning in Summer, 2020
- Cost: \$350,000



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## Rollins Ford Park



### *Status: Under Design*

- Complete Bid Documents in Winter, 2020
- Groundbreaking in Summer, 2020
- Commissioning in Spring, 2022
- Cost: \$8,000,000



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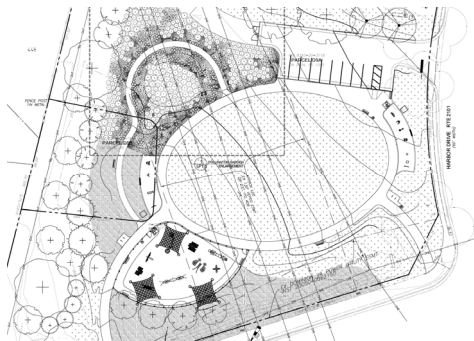
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## Harbor Drive Wellness Park



### *Status: Under Design*

- Preparing to bid
- Groundbreaking in Spring, 2020
- Commissioning in Fall, 2020
- Cost: \$1,200,000



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## Occoquan Greenway



### *Status: Under Design*

- Easement Acquisition for Segments 3 & 4 re-route
- Feasibility Study in process for Hooes Run Bridge Crossing and Tanyard Road Connection
- Cost: \$150,000



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## Potomac Heritage National Scenic Trail: Featherstone Wildlife Refuge



### *Status: Under Design*

- Construction in Summer, 2020
- Commissioning in Summer, 2021
- Cost: \$873,000



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## Potomac Heritage National Scenic Trail: Neabsco Boardwalk Extension



### *Status: Under Design*

- Construction in June, 2020
- Commissioning in Winter, 2021
- Cost: \$865,000



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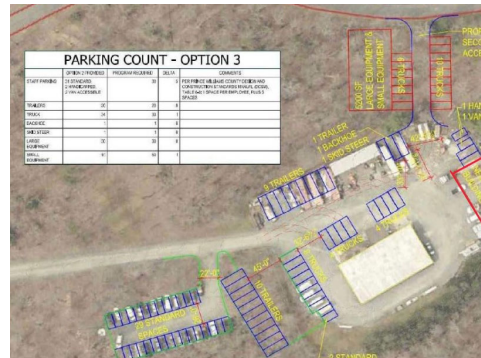
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## Locust Shade Maintenance Building



### *Status: Preparing to Bid*

- Groundbreaking in Spring, 2020
- Commissioning in Winter, 2021
- Cost: \$1,300,000



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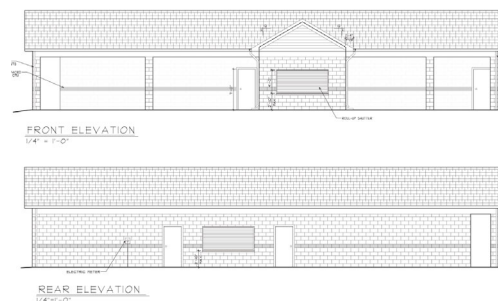
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## Catharpin Park Bathroom/Concession



### *Status: Under Design*

- Preparing to bid
- Groundbreaking in Summer, 2020
- Commissioning by Spring, 2021
- Cost: \$500,000



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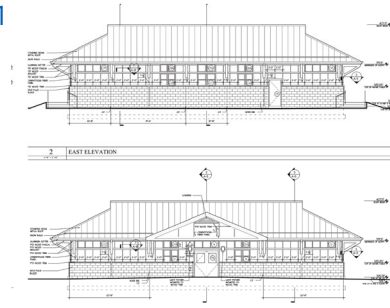
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## Long Park VSA Office/Bathroom/ Concession



### *Status: Under Design*

- Preparing to bid
- Groundbreaking in Summer, 2020
- Commissioning by Spring, 2021
- Cost: \$665,000



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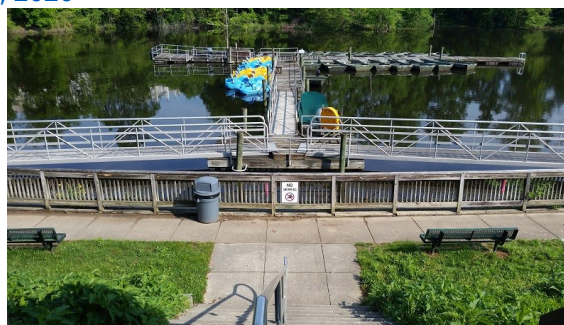
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## Lake Ridge Marina Dock



### *Status: In Permitting*

- Bid in Winter, 2020
- Groundbreaking in Summer, 2020
- Commissioning in Fall, 2020
- Cost: \$600,000



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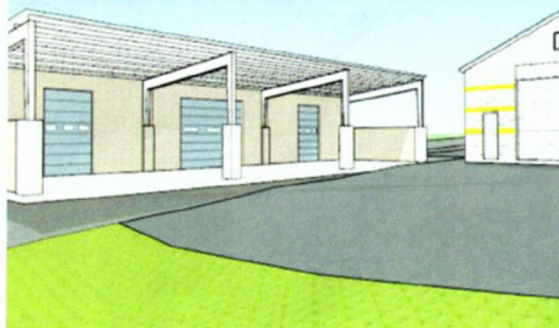
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## Covered Storage at Hellwig Park



### *Status: In Permitting*

- Groundbreaking in Summer, 2020
- Commissioning in Fall, 2020
- Cost: \$450,000



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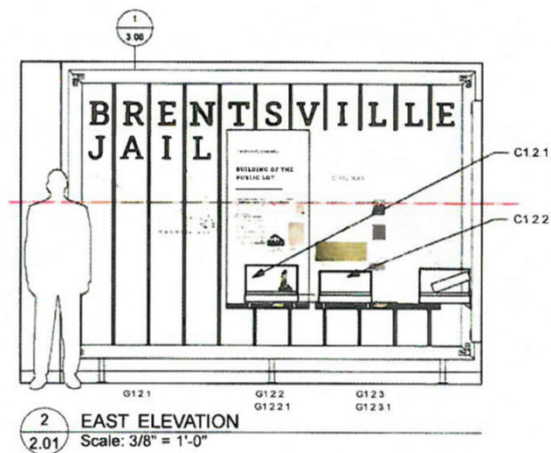
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## Brentsville Jail Exhibit



### *Status: Under Construction*

- Cost: \$160,000



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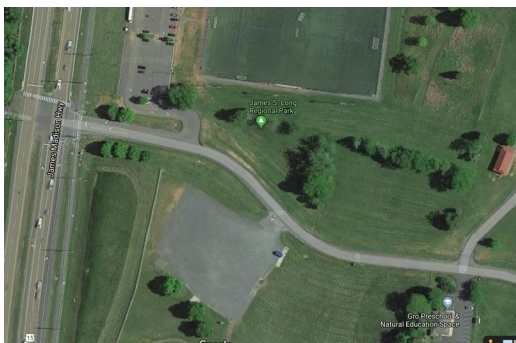
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## Long Park Entry Drive Improvements



### *Status: Under Design*

- Conceptual Design in Spring, 2020
- Cost: \$110,000



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## Building & Facility Capital Program



### *Under Design; Funded for Construction*

- Hammill Mill Park Paving/ADA (\$450,000)
- Hellwig Park Paving/ADA (\$900,000)
- Turley Fields Paving/ADA (\$73,000)
- Birchdale Basketball Court/Skatepark/Parking Lot Paving (\$132,000)
- Long Park Basketball Courts (\$55,000)
- Veterans Park Basketball/Tennis/Pickleball Courts (\$30,000)
- Sharron Baucom/Dale City Boilers (\$350,000)
- Andrew Leitch Park Retaining Wall (\$150,000)
- Lake Ridge Parking Lot BMP (\$508,000)

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## Building & Facility Capital Program




### *Under Design; Construction Unfunded*

- Veteran's Park Paving/ADA (\$1,000,000)
- Cloverdale Park Paving/ADA (\$1,000,000)
- Long Park Paving/ADA (\$2,250,000)
- Howison Park Paving/ADA Improvements (\$2,500,000)





*Questions?*


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# Debt Capacity vs. Debt Affordability

Presented by: Michelle L. Attreed, Director of Finance/CFO



**Capacity vs. Affordability**

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*Debt Capacity*

*Debt Affordability*

The amount of financing that may be issued by the County within legal constraints without overextending the County's ability to repay its obligations

The burden associated with repaying a debt obligation

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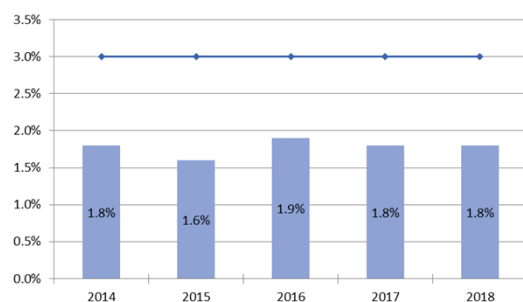
## Self-imposed Debt Obligation Limit (PSFM Policy V)

PSFM = Principles of Sound Financial Management



Total bonded debt will not exceed 3% of the net assessed valuation of taxable real and personal property in the County

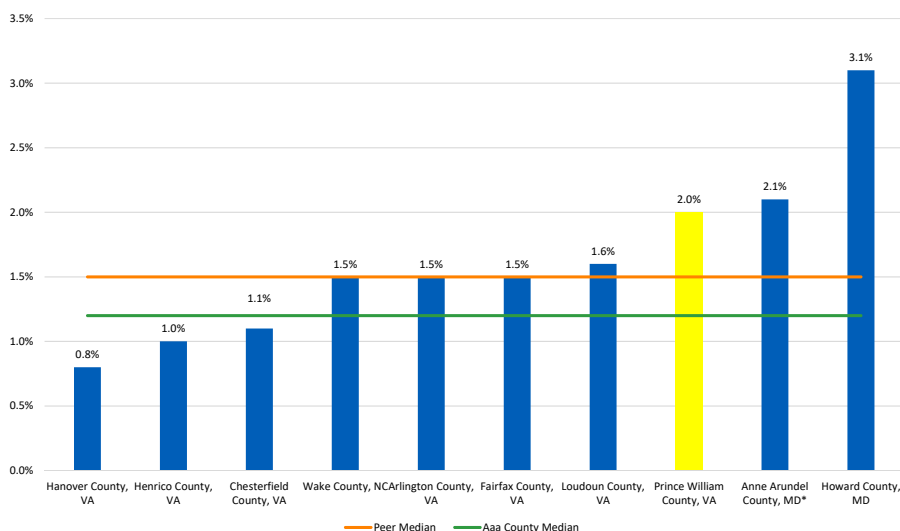
**Tax Supported Debt as a Percent of Assessed Values**



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## Peer Comparison



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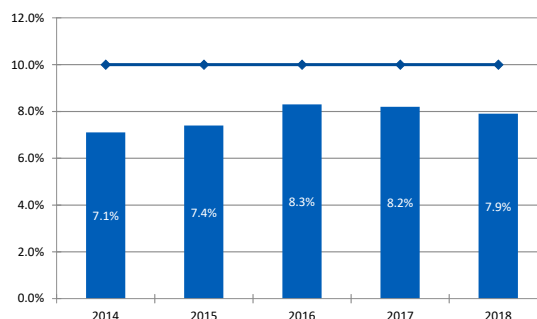
## Self-imposed Debt Service Limit (PSFM Policy V)

PSFM = Principles of Sound Financial Management



Annual tax supported debt service expenditures shall not exceed 10% of annual revenues

Tax Supported Debt Service as a Percent of Total Revenues



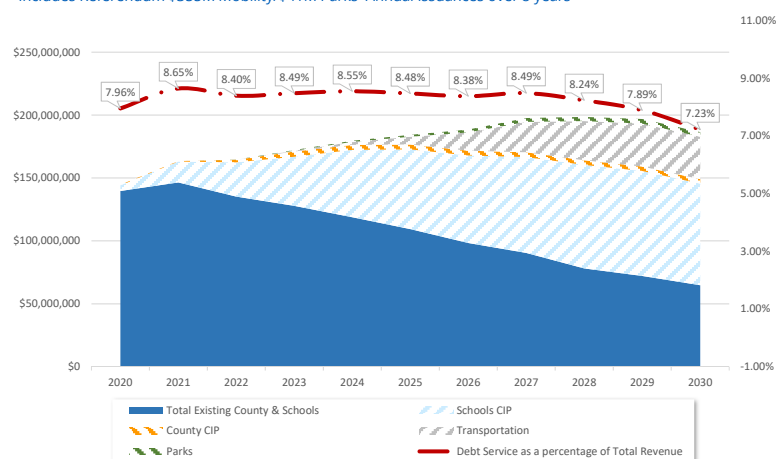
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## Projected 10% of Total Revenues Metric (Debt Capacity)



\*Includes Referendum \$355M Mobility/\$41M Parks Annual issuances over 8 years



Note: The County's metric uses total annual revenues of all funds

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## Potential for New Metric: Jurisdictional Comparison



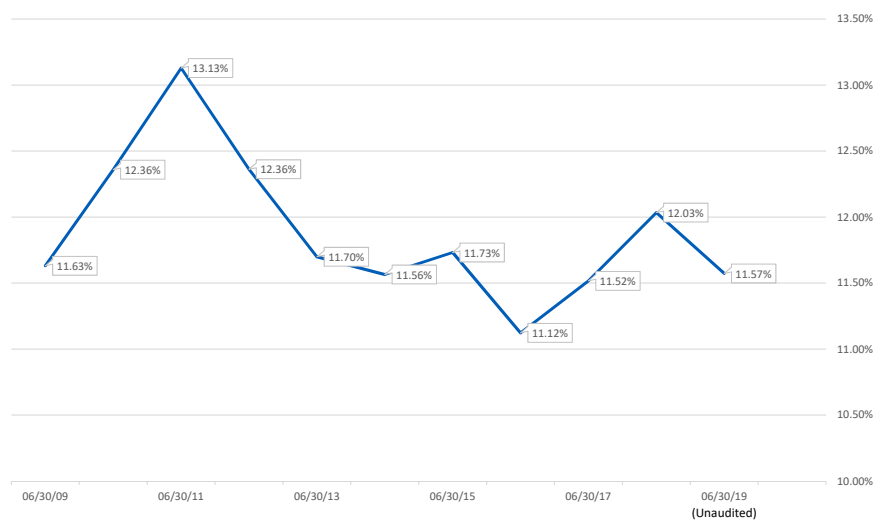
- Many other jurisdictions utilize a metric specific to their General Fund (typical source for debt payments)

Arlington County	10% of General Fund Expenditures
Fairfax County	10% of General Fund Expenditures
Henrico County	7.8% of General Fund Expenditures
Stafford County	10% of General Fund Expenditures
Loudoun County	10% of General Fund Expenditures
City of Virginia Beach	10% of General Fund Expenditures
City of Alexandria	12% of General Governmental Expenditures

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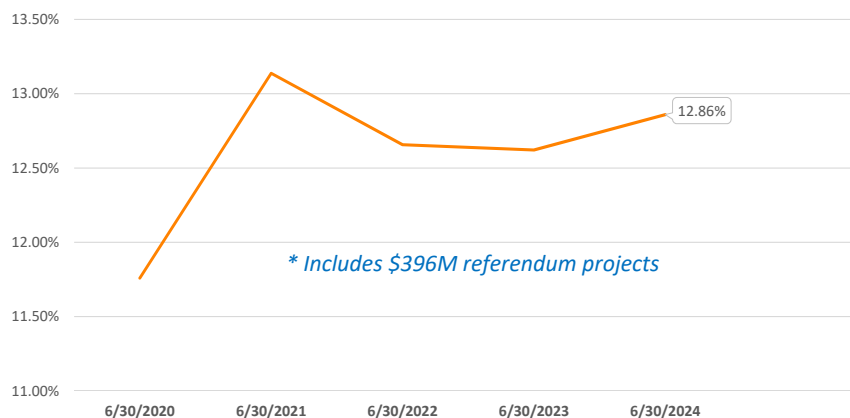
## Existing Debt Service as % of General Fund + Fire Levy Expenditures



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## Projected Debt Service\* as % of General Fund + Fire Levy Expenditures



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## Credit Strengths and Weaknesses



Positives	Negatives
<b>Economy &amp; Demographics</b> <ul style="list-style-type: none"> <li>Above average wealth levels</li> <li>Dynamic diversifying local economy, favorably located near the nation's capital</li> <li>Very low unemployment rate below Commonwealth and National averages</li> </ul>	<b>Economy &amp; Demographics</b> <ul style="list-style-type: none"> <li>High exposure to changes in federal defense spending, which was volatile over the past decade</li> <li>Historically volatile tax base, which was hit very hard during the recession</li> </ul>
<b>Financial Condition</b> <ul style="list-style-type: none"> <li>Solid reserve and ample liquidity position</li> <li>Strong budgetary performance, which takes into account the ongoing financing of various capital projects</li> <li>Maintenance of a capital reserve fund for pay-go capital projects</li> </ul>	<b>Financial Condition</b> <ul style="list-style-type: none"> <li>None</li> </ul>
<b>Debt and Pension</b> <ul style="list-style-type: none"> <li>Conservative debt management practices</li> <li>Above-average debt repayment with 70% retiring within 10 years</li> </ul>	<b>Debt and Pension</b> <ul style="list-style-type: none"> <li>Debt burden relative to full valuation is above average</li> <li>Above average pension liability relative to operating revenues</li> <li>Debt burden expected to increase to fund school and other capital needs</li> </ul>
<b>Management</b> <ul style="list-style-type: none"> <li>Strong management team supported by formal fiscal policies and very strong financial practices</li> <li>Use of multi-year forecasting tools and frequent budget monitoring</li> </ul>	<b>Management</b> <ul style="list-style-type: none"> <li>None</li> </ul>

Source: Moody's report dated April 24, 2018; Fitch report dated April 3, 2018; S&amp;P report dated April 20, 2018

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## 2019 Rating Agency Reports



- **Moody's: "Elevated debt burden exceeds state and national medians"**

*"Prince William County's 2% debt burden is expected to remain elevated above both the state (1.3%) and national (0.5%) medians over the medium-term given its sizable \$1.5 billion capital plan funded 55% with additional borrowing."*

- **Fitch: "Long-Term Liability Burden: 'aa' "**

*"The combined burden of debt and unfunded pension liabilities is moderate at 11% of personal income, which is on the low end of Fitch's 'aa' metric."*

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## Bridging the Gap



### Current Revenue Sources

Personal Property Tax	BPOL	Sales Tax	Real Estate Tax
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### Desired Projects

Schools	Roads	Parks
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### Potential Funding Mechanisms

Cut Existing Programs & Services	Meals Tax	Admissions Tax	Cigarette Tax	C&I Tax
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## Questions?

Michelle L. Attreed, CPA, MPA, CGMA

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