



COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

John A. Vithoulkas
County Manager

February 26, 2014

The Planning Commission
County of Henrico
Virginia

Honorable Members of the Planning Commission:

I am pleased to submit the Capital Improvement Program (CIP) for FY2014-15 through FY2018-19. This document represents a holistic effort to assess and effectively plan for Henrico County's capital budget. The document represents requests put forward by all of the County's agencies, and as you can see, those requests exceed \$1.8 billion over the next five years. This amount is indicative of the County's increasing infrastructure requests and is representative of the demand that the capital budget will continue to place on resource allocation in the future. Funding of that amount in this time period is not possible, but the most pressing capital needs are recommended in the FY2014-15 capital budget.

The Capital Improvement Program represents a balance between available resources and competing County priorities. Service demands continue to complicate the task of allocating limited resources. Routine maintenance associated with both Education and General Government facilities is addressed as a means of ensuring our infrastructure does not deteriorate. Other projects given high priority are the ones vital to the economic growth of the County including infrastructure improvements associated with water and sewer transmission. The vast majority of projects submitted in the FY2014-15 through FY2018-19 CIP do not have a funding source at this time.

The proposed first year capital budget includes the appropriation of General Fund revenues, which includes the Police Division's HB #599 revenue, Public Works' Motor Vehicle License Fee revenue, and Building Inspection's Permit Fee revenue. In addition, Solid Waste Landfill revenue and fund balances associated with the Special Revenue Fund and CAM are also recommended as funding sources in the proposed capital budget. As a result of the passage of the Meals Tax in November 2013, an Education Meals Tax project reserve has been established as a placeholder for various school maintenance and rehabilitation projects that have been identified by Schools. Further, in addition to funds identified over the past two years, debt financing funding has been recommended to fund the first phase of the replacement of the County's 800MHz radio communications system. It is critical that we upgrade this system, which is projected to cost in excess of \$60 million. This project is recommended for funding. The FY2014-15 capital budget includes \$39.1 million for this purpose.

Capital Improvement Program FY2014-15 through FY2018-19:

As noted, the proposed Capital Improvement Program (CIP) includes \$1.8 billion of projects over the five-year period. What follows is a summary of projects requested by the departments during the five-year period:

Education

Education has submitted \$472.0 million in projects over the five-year CIP. General Fund resources of \$2.5 million per year totaling \$12.5 million in the Capital Improvement Program are forecasted to fund ongoing roof and mechanical projects. Education Meals Tax revenue of \$9.0 million per year, totaling \$45.0 million over a five-year period is forecasted for various maintenance and rehabilitation projects for Schools' 72 facilities, more than half of which are 50 years old or older. These projects include improvements to school facilities such as athletic - interior, bathroom, kitchen, lighting, mechanical, roof, and site improvements. The School Board has identified these projects as deferred maintenance that will encompass 25 facilities in the first year capital budget. The remaining \$414.5 million in forecasted projects do not have an identified funding source listed. These projects include the construction of one new high school and a high school technical center and the renovation of one high school, one middle school, and thirteen elementary schools. Additional projects requested include the Central Gardens complex renovation, the Virginia Randolph complex renovation, Tuckahoe District land improvements, multi-sport athletic fields, and athletic facility improvements as well as parking, sidewalk, and curbing improvements.

Fire

The Division of Fire has submitted \$83.2 million in projects over the five-year CIP. Special Revenue fund balance of \$500,000 has been designated for an alerting system that would replace the current obsolete system in all of the current fire stations. In addition, General Fund resources totaling \$1,500,000 are included in the proposed budget to continue the Division of Fire's apparatus replacement program. Outside of these projects, the remaining \$81.2 million in forecasted projects do not have a funding source and include rebuilding three fire stations and construction of four new fire stations, an EOC facility, an external garage for a fire station, a fire headquarters building, and a logistics and training warehouse.

General Services

The General Services has submitted \$376.7 million in projects over the five-year CIP. General Fund resources of \$950,000 are forecasted to fund ongoing roof, mechanical, and pavement rehabilitation projects. In addition, CAM fund balance totaling \$1,575,725 has been designated for the CAM large vehicle wash facility project. The need for this type of facility is driven by the Environmental Protection Agency (EPA) storm water permitting requirements that regulate the management of wash water from vehicles. Outside of these projects, the department has requested \$316.5 million for the construction of a new courts complex facility, a depot, and a fuel site and an expansion of both the eastern and western government centers. General Services has also included building renovation projects totaling \$37.2 million; building maintenance projects totaling \$6.2 million, and site improvement projects totaling \$3.9 million. All but four of the General Services projects listed above currently do not have an identified funding source.

Information Technology

Information Technology has submitted \$7.2 million in projects over the five-year CIP. The Information Technology project addresses the on-going replacement of County-wide computer hardware and software systems and is to be funded with General Fund resources of \$900,000. Funding of \$500,000 associated with Building Inspection's Permit Fee revenue is forecasted for the Tidemark replacement project. This is a multi-year project that would replace the County's Community Development/Operations functions currently maintained in the Tidemark system as the software and database can no longer be upgraded. The

Network/VOIP project will be funded in the current fiscal year with existing General Fund resources. This project will result in long term County-wide savings.

Information Technology - GIS

Information Technology recognizes the need for continued enhancements to the Geographical Information System (GIS). This recurring project is included at a cost of \$150,000 in year one and \$750,000 over a five-year period utilizing General Fund resources. In addition, IT has submitted a request for \$900,000 to create a new combined work order management system and a Customer Relationship Management (CRM) project for the County. There is no funding source identified for this project.

Mental Health

The Department of Mental Health has submitted \$37.4 million over the five-year CIP. There is no funding source identified for the expansion of their east and west facilities.

Police

The Police Division has submitted \$64.1 million in projects over the five-year CIP. Debt financing of \$39.1 million has been forecasted to fund the first phase of the replacement of the County's radio communication system. Police's HB #599 revenues of \$375,000 and General Fund resources of \$1.6 million will provide the combined funding needed for the construction of the division's new Central Station, which is currently being evaluated as a PPEA proposal. There is no funding source identified for the tactical training facility project or the Communications training room project.

Public Library

Public Library has submitted \$49.8 million in projects over the five-year CIP. The request includes \$33.2 million for the replacement of one library; \$16.4 million for renovations to three libraries; \$149,559 for storage space at the library administration facility; and \$111,470 for library security cameras and equipment. There is no funding source available for the requested projects.

Public Utilities Landfill

The Solid Waste Division of Public Utilities operates a Public Use Area and Landfill in the western end of the County and a Public Use Area in the eastern end of the County. Solid Waste has proposed one landfill project over the next five years totaling \$2.0 million. Landfill revenue supports the capital expenditures for Solid Waste projects.

Public Utilities has submitted \$449.3 million in water and sewer projects over the five-year CIP. Public Utilities water and sewer service serves 94,006 water customers and 91,110 sewer customers with a distribution system including 1,572 miles of water mains, 1,463 miles of sewer mains, 22 pump stations, a Water Treatment Plant and Water Reclamation Facility. The CIP addresses existing and potential problems with water quality and quantity, as well as the condition and capacity of the wastewater and sewage system. Enterprise fund revenues of \$20.0 million have been designated for the Cobbs Creek Reservoir project and funding of \$9.0 million has been allocated to the Upham Brook storage facility project. It is anticipated that future capital budgets will include a request for bond financing for the Cobbs Creek project, but that request will only come forward when all of the land for the project has been acquired in Cumberland County.

Public Works

Public Works maintains 3,452 lane miles of roadway in the County, and the CIP includes projects which will make improvements to existing roadways to alleviate traffic congestion and safety problems. General Fund resources of \$8.8 million are to be utilized for various bridge rehabilitation projects. These projects would not

have been possible without the additional Gas Tax allocation from the State. In addition, General Fund - Public Works' Motor Vehicle License Fee revenue of \$850,000 per year totaling \$4.2 million over the next five years has been designated for ongoing general road construction projects and new guardrails.

Public Works estimates drainage project expenditures of \$29.7 million over the next five years. The proposed CIP for drainage projects addresses the inadequacy of drainage channels and other storm water collection systems. There is no identified funding source for the drainage projects.

Recreation and Parks

Recreation and Parks has submitted \$193.5 million in projects over the five-year CIP. The proposed projects for Recreation and Parks ensure the County maintains spaces that are easily accessible for recreation opportunities for all of our residents. General Fund resources are forecasted to fund facility rehabilitation projects totaling \$500,000 in year one and \$10.5 million over the five-year period. In addition, General Fund resources totaling \$1.0 million have been allocated to the Greenwood Park project. This project is a multi-year project that will continue the County's sports tourism efforts. A total of \$26.8 million has been budgeted for this project over a five-year period. Outside of these funds, there are no available resources for park projects totaling \$57.9 million, site improvements of \$65.9 million, new buildings totaling \$20.8 million, or building improvements of \$11.5 million. In addition, Recreation and Parks has submitted four projects totaling \$1.2 million for improvements at the Belmont Golf Course that would be funded with Golf Course revenues.

Registrar

The Registrar has submitted one project over the five year period totaling \$901,500 for the optical scan voting machines. This project is forecasted to be funded in the following fiscal year with General Fund resources, although at this writing that request may be withdrawn as legislation that would have provided funding to the localities to replace the voting machines failed in the Virginia General Assembly.

Sheriff

The Sheriff's Office has submitted two projects totaling \$45.5 million for expansion of jail facilities in the east and west locations as well as kitchen improvements for both facilities. These projects currently do not have a funding source.

Proposed FY2014-15 Capital Budget:

The Proposed Capital Budget for FY2014-15 funds \$103,076,992 of the projects requested in the first year of the Capital Improvement Program. It does so through the use of several funding sources projected to be available in FY2014-15. Highlights are as follows:

The Proposed FY2014-15 Capital Budget includes the use of \$9.0 million in Meals Tax revenue, which will be placed in an Education Meals Tax project reserve for various maintenance and rehabilitation projects identified by Schools. The reserve mechanism will allow these funds to be appropriated on a project by project basis and will allow unspent balances to be returned to this reserve as a means of fully maximizing this revenue source. A total of \$39.1 million will fund the first phase of the County's radio communications system replacement project utilizing debt financing. General Fund resources will fund Education's roof and mechanical improvement projects - \$2.5 million, General Government's roof, mechanical improvements, and pavement rehabilitation projects - \$950,000, Public Works' bridge rehabilitation projects - \$8.8 million, various Information Technology hardware and software upgrades - \$900,000, continued enhancements for the County's Geographical Information System - \$150,000, and Recreation and Parks facility rehabilitation

The Planning Commission
February 26, 2014
Page 5

project - \$500,000 as well as Greenwood Park - \$1.0 million. General Fund resources of \$1.6 million as well as Police's HB #599 revenues of \$375,000 will provide the combined funding needed for the Police Central Station project. In addition, General Fund resources will fund the Police Division's vehicle replacement program - \$2,324,800 as well Division of Fire's apparatus replacement program - \$1,500,000.

General Fund - Public Works' Motor Vehicle License Fee revenue of \$850,000 has been designated for various road improvement projects. Building Inspections' Permit Fee revenue of \$500,000 is forecasted for Information Technology's Tidemark replacement project. Outside of these funding sources, CAM fund balance of \$1,575,725 is designated for the CAM Large Vehicle Wash Facility. Special Revenue fund balance of \$500,000 has been allocated for the Division of Fire's Fire Station Alerting System and Landfill revenue of \$2.0 million will fund the Springfield Road Landfill closure. The remaining \$29.0 million of the FY2014-15 proposed capital budget is designated for Public Utilities' Cobbs Creek Reservoir project - \$20.0 million and the Upham Brook Storage Facilities project - \$9.0 million, which are both supported by forecasted revenues generated by the Water and Sewer Enterprise fund.

In summary, I hope this document will be of value to you in making your decisions for Henrico's citizens. As always, the staff and I stand ready to assist you in making the best possible choices for the future of our community.

Sincerely,



John A. Vithoulkas
County Manager

