



CITY OF POQUOSON

Office of the City Manager
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March 25, 2019

TO: City Council
FROM: J. Randall Wheeler, City Manager
SUBJECT: Recommended Constrained Capital Improvements Plan

Presented to you is the recommended Constrained Capital Improvements Plan (CCIP) for Fiscal Years 2020-2024 and Beyond as approved by the Planning Commission by a vote of 6 – 0 on February 21, 2019. As you know the CCIP serves as a multi-year planning document as well as input to the development of the upcoming annual budget for the City. This year we have made several changes to the document itself to provide clearer linkages between the agency requests and the Adopted Comprehensive Plan. These changes provide additional information regarding certain projects that are underway, and other format changes intended to make the document itself more easily understood.

Once again this year the plan recommended for consideration is fiscally constrained by projected revenue, including planned and potential debt financing. A summary of the recommended constrained project list by funding method can be found on pages 4 and 5. The document also includes each project request as submitted by the respective departments and schools.

For the purpose of this transmittal, I would like to highlight four discussion areas:

First, in the summer of 2018 the City issued approximately \$18M in new debt to support the Middle School renovation and school bus replacement as well as a small number of City projects. These projects include the replacement of Engine 102 which we expect to take delivery of in the first quarter of 2019, the HVAC System replacement project at City Hall which is expected to be complete by May 2019 and additional support toward meeting the City's Chesapeake Bay/Storm Water TMDL mandates. The School Board awarded the Architectural and Engineering contract in February 2019 and has received the bus in July 2018.

Second, I would like to update you on the status of the original \$23M (FY2019-FY2023) debt allocation. City Council established in 2019 a total five year debt allocation for the School Division of \$20M for FY2019-FY2023. Of this allocation, approximately \$17.1M has been borrowed and

appropriated and the remaining amount of approximately \$3M is allocated in support of the School Division's requested projects for FY2020 – FY2023. The Recommended CCIP continues to reflect the remaining debt allocation from the original \$23M, less schools, as being reserved to support the Chesapeake Bay/TMDL mandate. This number has been updated to include the total five year debt capacity and it is presented net of anticipated fees and other borrowing costs. The net non-school debt capacity number over the five year CCIP period is \$2.57M.

Third, City Council has established as one of its two strategic priorities for Fiscal Years FY2020 -2021 the completion of a Master Infrastructure Plan (MIP) for the City. As you know the MIP was an important recommendation from the recently approved Comprehensive Plan. The Council has asked staff to complete the MIP within two years and to include chapters such as roads, sidewalks/bike paths, sewer, stormwater and flood control, public buildings, including the completion of the Comprehensive Plan recommended Public Safety Feasibility Study, and outdoor and indoor recreation facilities. Initial work on the MIP is underway and will be a major focus for staff for the next two years. Unless required by the federal TMDL mandate to spend significant additional borrowed funds to meet the City's requirements, it is my strong recommendation which is reflected in the Recommended CCIP that the \$2.57M allocated to support TMDL be considered a place holder in the plan at least until such time as the remaining TMDL issues resolve themselves with regard to the SWIFT program credit training. Once resolved, the Planning Commission and City Council could then decide whether or not to allocate all or a portion of this number to support the Public Safety Project, some other project contained within the MIP or within the CCIP.

Fourth, if the City is going to reserve its available non-school allocated debt capacity to support one or more future MIP projects the City will have to look to other funding sources to help with such things as smaller capital projects, capital equipment replacement and major building maintenance. City Council in February approved Ordinance No. 1605 appropriating bond-related interest earnings to fund four projects. Three of these projects are presented to you in the recommended CCIP by the Planning Commission. The projects are the needed Public Works/Solid Waste replacement equipment and the limited consultant support for the MIP, particularly as it relates to the Public Safety Building Feasibility Study.

Attached for your consideration is a resolution approving the FY2020-2024 and Beyond Constrained Capital Improvements Plan. Alternatively, the Council may wish to defer action on the CCIP until after a work session can be scheduled in the month of April.

RESOLUTION _____

**A RESOLUTION APPROVING THE CONSTRAINED CAPITAL IMPROVEMENTS
PLAN (CCIP) FOR FY2020 AND BEYOND FY2024**

WHEREAS, a proposed Constrained Capital Improvements Plan (CCIP) for FY2020 and beyond FY2024 has been presented; and

WHEREAS, public hearings to receive public comments and review the CCIP was held before the Planning Commission on February 21, 2019 and City Council on March 25, 2019; and

WHEREAS, careful and thorough consideration was given to the CCIP.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Poquoson, Virginia:

Section 1: That the proposed CCIP for FY2020 and beyond FY2024 is hereby approved.

Section 2: That this resolution shall be in effect on and after its adoption.

ADOPTED: _____

TESTE: _____

City Clerk