



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of July 22, 2008
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DATE: July 15, 2008

SUBJECT: Approval of Resolutions and Questions to include in the 2008 Bond Referenda

C. M. RECOMMENDATION:

1. Adopt, by roll call vote, the resolutions in Attachment A, as summarized below, and the explanation of the referendum questions to appear in publications, at voter registration sites, and polling places as detailed in Attachment B, in order to initiate and facilitate the November 4 bond referenda.

a.	Metro	\$ 10,000,000
b.	Community Infrastructure	10,800,000
c.	Utilities	50,000,000
e.	Arlington Public Schools	<u>99,425,000</u>
	TOTAL	\$170,225,000

2. Request that the Electoral Board list the referenda on the ballot in the order detailed in this report as shown in the Ballot Layout section on page 2.
3. Direct the County Manager to take all the steps necessary to ensure that the information provided to voters by the County is printed in both English and Spanish.

ISSUE: The County Board, after the approval of the Capital Improvement Program (CIP), including the Schools' Adopted CIP, determines the questions and the amount to include in the bond referenda for County and Schools. The amount to include in the coming bond referenda should be subject to the Financial and Debt Management Policies approved by the Board and the readiness of the projects included in the bond referenda.

SUMMARY: The County Board will consider the County's Fiscal Year (FY) 2009 - 2014 Capital Improvement Program (CIP) on July 22, 2008. The County's proposed CIP, as revised, includes various bond referenda for CY 2008 for County government projects totaling \$70.8 million and a CY 2008 School referendum of \$99.425 million. The proposed total bond referenda of \$170.225

County Manager: _____

County Attorney: _____

Staff: Mark Schwartz, Director Department of Management and Finance
Gus Vega, Department of Management and Finance/ Financing Services Unit

million are in compliance with the updated Financial and Debt Management Policies approved by the Board.

DISCUSSION: Debt affordability, as defined by the County Board’s Financial and Debt Management Policies, particularly in the area of debt service growth, has been the focus of the CIP and resulting bond referenda request for 2008. As the County enters a period of less robust economic growth and faces other near-term budgetary pressures, the initial years of the six-year CIP are focused on completing existing project commitments, resulting in a limited bond referenda request for new County projects in 2008.

<u>REFERENDA QUESTION</u>	<u>PRIMARY PROJECTS</u>	<u>AMOUNT</u>
Metro	Metro Matters	\$10,000,000
Community Infrastructure	Neighborhood Conservation & Joint County-Schools Facilities	\$10,800,000
Utilities	Water Pollution Control Plant	\$50,000,000
Schools	Design – construction of various School facility projects	\$99,425,000
	TOTAL	\$170,225,000

Extensive information on the details of each of these projects can be found in the CIP document on the County’s and Schools’ websites. Additional information on the underlying debt capacity and affordability analysis is included in the report to the County Board on CIP adoption for the July 22 County Board meeting.

Attachment B includes the proposed bond questions and explanations as they would appear in publications.

BALLOT LAYOUT

It is recommended that the following four bond referenda questions be on one or more rows or windows on the voting machines in the following order:

- a. Metro
- b. Community Infrastructure
- c. Utilities
- d. Arlington Public Schools

BACKGROUND: The County government’s proposed bond totals are derived from a compilation of individual projects contained in the proposed CIP. These projects are classified into separate categories. If the bond issues are approved by the voters, the County is legally prohibited from reallocating funding from one category to the other. Within the categories, however, the County Board and the School Board may make changes to specific projects; this flexibility is necessary because of the rapid change in construction pricing and value of property. The County Board also has the option of issuing a lesser amount of bonds than that approved by the voters or revising the specific projects, within the proposed authorizing language, to be funded with bond proceeds.

Attachment B is a draft of the bond questions and explanations that would appear in publications. This information is also provided at voter registration sites, posted at each individual polling place and the County's website. Staff has worked with legal counsel on the bond referenda language.

During the CIP process, a significant amount of community input was sought. Since the proposed CIP was released in May, staff has met with seven Commissions and Committees and provided information at three County Board work sessions, including a joint County-Schools work session. The CIP was published in hard copy (over 80 hard copies were distributed), on the County website, and on CD-ROM. Additionally, a CIP Public Hearing was held on June 24, 2008.

FISCAL IMPACT: The estimated impact on the County's General Fund of the proposed CIP's general obligation bond financing plan for the next two fiscal years is shown below. It should be noted that the amount of debt service to be budgeted in FY 2010 and FY 2011 will be determined after future project cash flow needs (and thus actual bond issue amounts) are completed. In addition, this table does not include subject to appropriation debt.

PROJECTED GENERAL OBLIGATION DEBT SERVICE

FY 2009 Adopted Budget and FY 2010 – 2011 Estimated
(In Million of \$)

	BUDGETED FY 2009	PROJECTED FY 2010	PROJECTED FY 2011
County	52.8	57.9	60.9
Schools	<u>33.4</u>	<u>36.1</u>	<u>38.3</u>
TOTAL	\$86.2	\$94.0	\$99.2

DESCRIPTION OF ATTACHMENTS

Attachment A 2008 Bond Resolutions
Attachment B 2008 Bond Questions and Explanation (as they will appear in publications)

METRO

WHEREAS, the County Board of Arlington County, Virginia, has determined that it is advisable to support construction, acquisition, and rehabilitation of Metro facilities by the Washington Metropolitan Area Transit Authority at an estimated cost of \$10,000,000; and

WHEREAS, it appears that such improvements cannot be financed from current revenues;

BE IT RESOLVED BY THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA:

1. It is hereby determined that it is advisable for Arlington County to contract a debt and issue its general obligation capital improvement bonds in the maximum amount of \$10,000,000 pursuant to the Public Finance Act of 1991, as amended, to finance, together with other available funds, the cost of construction, acquisition, and rehabilitation of Metro facilities by the Washington Metropolitan Area Transit Authority, and to pay the costs of other transit and transportation projects across the County (the "Projects").

2. The Circuit Court of Arlington County is hereby requested to order an election to be held on November 4, 2008, provided that such date is at least 60 days after the date on which the Court enters its order upon the question of contracting such debt and issuing bonds for such purposes. The question on the ballot shall be in substantially the form shown in Attachment B.

3. The Clerk of this Board is hereby authorized and directed to cause a certified copy of this resolution to be presented to the Circuit Court of Arlington County.

4. The County Board adopts this declaration of official intent under the Treasury Regulations Section 15.150-2. The County Board reasonably expects to reimburse advances made or to be made by the County to pay the costs of the Projects from the proceeds of its bonds.

5. This resolution shall take effect immediately.

COMMUNITY INFRASTRUCTURE

WHEREAS, the County Board of Arlington County, Virginia, has determined that it is advisable to undertake neighborhood conservation projects and County's share of infrastructure and facility improvements at joint use County-Schools facilities, at an estimated cost of \$10,800,000; and

WHEREAS, it appears that such improvements cannot be financed from current revenues;

BE IT RESOLVED BY THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA:

1. It is hereby determined that it is advisable for Arlington County to contract a debt and issue its general obligation capital improvement bonds in the maximum amount of \$10,800,000 pursuant to the Public Finance Act of 1991, as amended, to finance, together with other available funds, the cost of public improvements for Arlington County, including neighborhood conservation projects and Joint use County-Schools Facilities (the "Projects").

2. The Circuit Court of Arlington County is hereby requested to order an election to be held on November 4, 2008, provided that such date is at least 60 days after the date on which the Court enters its order upon the question of contracting such debt and issuing bonds for such purposes. The question on the ballot shall be in substantially the form shown in Attachment B.

3. The Clerk of this Board is hereby authorized and directed to cause a certified copy of this resolution to be presented to the Circuit Court of Arlington County.

4. The County Board adopts this declaration of official intent under the Treasury Regulations Section 15.150-2. The County Board reasonably expects to reimburse advances made or to be made by the County to pay the costs of the Projects from the proceeds of its bonds.

5. This resolution shall take effect immediately.

UTILITIES

WHEREAS, the County Board of Arlington County, Virginia, has determined that it is advisable to undertake expanding, improving, and renovating Arlington County's Water Pollution Control Plant, and the water and sewer systems serving the County, at an estimated cost of \$50,000,000; and

WHEREAS, it appears that such improvements cannot be financed from current revenues;

BE IT RESOLVED BY THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA:

1. It is hereby determined that it is advisable for Arlington County to contract a debt and issue its general obligation bonds in the maximum amount of \$50,000,000 pursuant to the Public Finance Act of 1991, as amended, to finance, together with other available funds to expand, improve, and renovate Arlington County's Water Pollution Control Plant, and the water and sewer systems serving the County (the "Projects").

2. The Circuit Court of Arlington County is hereby requested to order an election to be held on November 4, 2008, provided that such date is at least 60 days after the date on which the Court enters its order upon the question of contracting such debt and issuing bonds for such purpose. The question on the ballot shall be in substantially the form shown in Attachment B.

3. The Clerk of this Board is hereby authorized and directed to cause a certified copy of this resolution to be presented to the Circuit Court of Arlington County.

4. The County Board adopts this declaration of official intent under the Treasury Regulations Section 15.150-2. The County Board reasonably expects to reimburse advances made or to be made by the County to pay the costs of the Projects from the proceeds of its bonds.

5. This resolution shall take effect immediately.

ARLINGTON COUNTY PUBLIC SCHOOL PROJECTS

WHEREAS, the County Board of Arlington County, Virginia, has determined that it is advisable to undertake certain capital projects for Arlington County public school and community purposes; and

WHEREAS, it appears that \$99,425,000 of such improvements cannot be financed from current revenues; and

WHEREAS, the Arlington County School Board has requested by resolution adopted May 29, 2008, that the County Board request the Circuit Court of Arlington County to order an election on the question of the proposed issuance of bonds to finance such projects;

BE IT RESOLVED BY THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA:

1. It is hereby determined that it is advisable for Arlington County to contract a debt and issue its general obligation bonds in the maximum amount of \$99,425,000 pursuant to the Public Finance Act of 1991, as amended, to finance, together with other available funds, the costs of various capital projects for Arlington County public school and community purposes (the "Projects").
2. The Circuit Court of Arlington County is hereby requested to order an election to be held on November 4, 2008, provided that such date is at least 60 days after the date on which the Court enters its order, upon the question of contracting such debt and issuing bonds for such purposes. The question on the ballot shall be in substantially the form shown in Attachment B.
3. The Clerk of this Board is hereby authorized and directed to cause a certified copy of this resolution to be presented to the Circuit Court of Arlington County.

4. The County Board adopts this declaration of official intent under the Treasury Regulations Section 15.150-2. The County Board reasonably expects to reimburse advances made or to be made by the County to pay the costs of the Projects from the proceeds of its bonds.

5 This resolution shall take effect immediately.

2008 Bond Referenda

1. Metro

QUESTION: Shall Arlington County contract a debt and issue its general obligation bonds in the maximum amount of \$10,000,000 to finance, together with other available funds, the cost of various capital projects for Metro?

EXPLANATION:

This proposal would fund Arlington County's share of Metro's capital improvement program, including the Metro Matters program to improve regional mobility and accessibility and reduce traffic congestion. The County Board may reallocate bond funds among the various projects to the extent necessary or desirable.

2008 Bond Referenda

2. Community Infrastructure

QUESTION: Shall Arlington County contract a debt and issue its general obligation bonds in the maximum amount of \$10,800,000 to finance, together with other available funds, the cost of various capital projects for County facilities and infrastructure?

EXPLANATION:

This proposal will provide funding for Board-approved Neighborhood Conservation projects.

The Neighborhood Conservation Program provides funding for a variety of neighborhood-identified capital improvement projects including street improvements (sidewalk, curb and gutter, drainage, paving), traffic management and pedestrian enhancements, park improvements, street lighting, recreational facilities, landscaping, and beautification.

This proposal will fund the County's share of infrastructure and facility improvements at joint use County-Schools facilities. The County Board may reallocate bond funds among the various projects to the extent necessary or desirable.

2008 Bond Referenda

3. Utilities

QUESTION: Shall Arlington County contract a debt and issue its general obligation bonds in the maximum amount of \$50,000,000 to finance, together with other available funds, the cost of designing, expanding, improving, and renovating Arlington County's Water Pollution Control Plant and the water and sewer systems serving the County?"

EXPLANATION:

This proposal funds significant improvements to the County's wastewater treatment, water, and sewer infrastructure. This project will allow the Water Pollution Control Plant to meet more stringent environmental regulations and will provide additional plant capacity to meet growing population and development in the County. Proceeds from this proposal would also fund water and sewer system projects that address capacity and rehabilitation needs, including distribution system infrastructure, pumping stations and other critical equipment.

2006 Bond Referenda

4. Arlington Public Schools

QUESTION: Shall Arlington County contract a debt and issue its general obligation bonds in the maximum amount of \$99,425,000 to finance, together with other available funds, the costs of various capital projects and land for Arlington County public school and community purposes?

EXPLANATION:

This proposal would make funds available for the Arlington Public Schools' ongoing capital improvement program. This funding would be a primary part of the next major phase of the Schools' multi-year capital program initiatives.

The Schools' capital proposal was developed after a review of the physical conditions at school facilities, an analysis of existing and future facility needs and project affordability. The 2008 bond will fund the design – construction of various School facility projects as approved by the School Board. The School Board may reallocate bond funds among the various projects to the extent necessary or desirable.