

Wicomico County Capital Plan

Invitation for Public Input for the
fiscal year 2018 - 2022

Capital Improvement Plan (CIP)

December 1, 2016

"Capital project" shall mean:

(1) the building of a public structure or the renovation of an existing public structure including the related preliminary studies and surveys ;

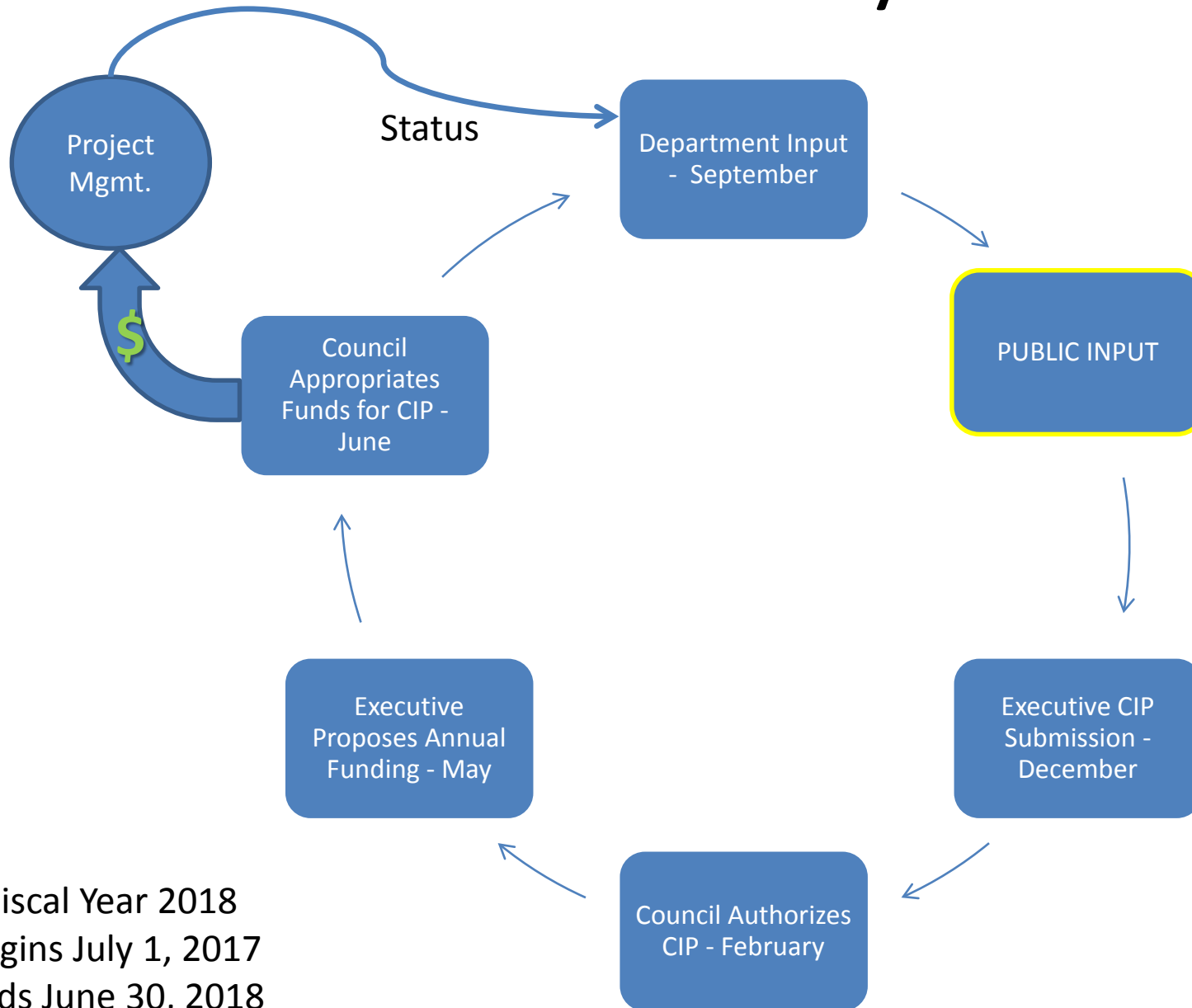
(2) the acquisition of property of a permanent nature for public use; and

(3) the purchase of major equipment for any public betterment or improvement.

The Charter definition includes a wide range of items from land to bridges and buildings together with all their necessary equipment.

The Capital Program and Budget, referred to as the CIP, is intended for projects that are significant in scope; take several years to plan and complete and require large amounts of funding from one or more sources.

CIP Process Cycle



Fiscal Year 2018
begins July 1, 2017
ends June 30, 2018

Capital Project Funding

- **Bonds** (long term debt) – multi-million dollar projects with service life over 15 years most often create the need to sell bonds. Small dollar value projects may also be funded with long term debt, but they must be assets with a life of 15 years or more.
- **Pay-go** - a term that implies that the project is being paid for on a “pay-as-you-go” basis. That is with anticipated revenue from the current tax year and/or funds accumulated in “savings” from prior fiscal years.

Funding continued

- **Grants** – The State and Federal governments also help pay for major projects through grants. The airport is an example of a function that receives millions of dollars in grant funding.
- **Non-appropriated funds** – The Airport, Convention & Visitors Bureau and Solid Waste division generate their revenue from fees for service or dedicated taxes. They are frequently able to fund capital projects from within their own (non-tax revenue) resources.



Charter Debt Limit

The County Charter establishes a limit on total debt computed as follows.

- 3.2 % of the assessable base of real property

plus

- 8 % of the assessable base of personal property and certain operating real property of public utilities.

As of June 30, 2016

- Debt limit was approximately \$215 million

- Outstanding debt was approximately \$109 million or 51% of the county's debt limit

Policy limit on Debt Service

- By County policy, the sum of annual principal and interest payments (P&I) on general obligation debt shall not exceed 12% of the annual operating budget.
- For the current fiscal year (FY17)
 - The P&I payment is \$13.7 million
 - The FY16 operating budget was \$135 million, resulting in a P&I payment of approximately 10% of annual operating budget .

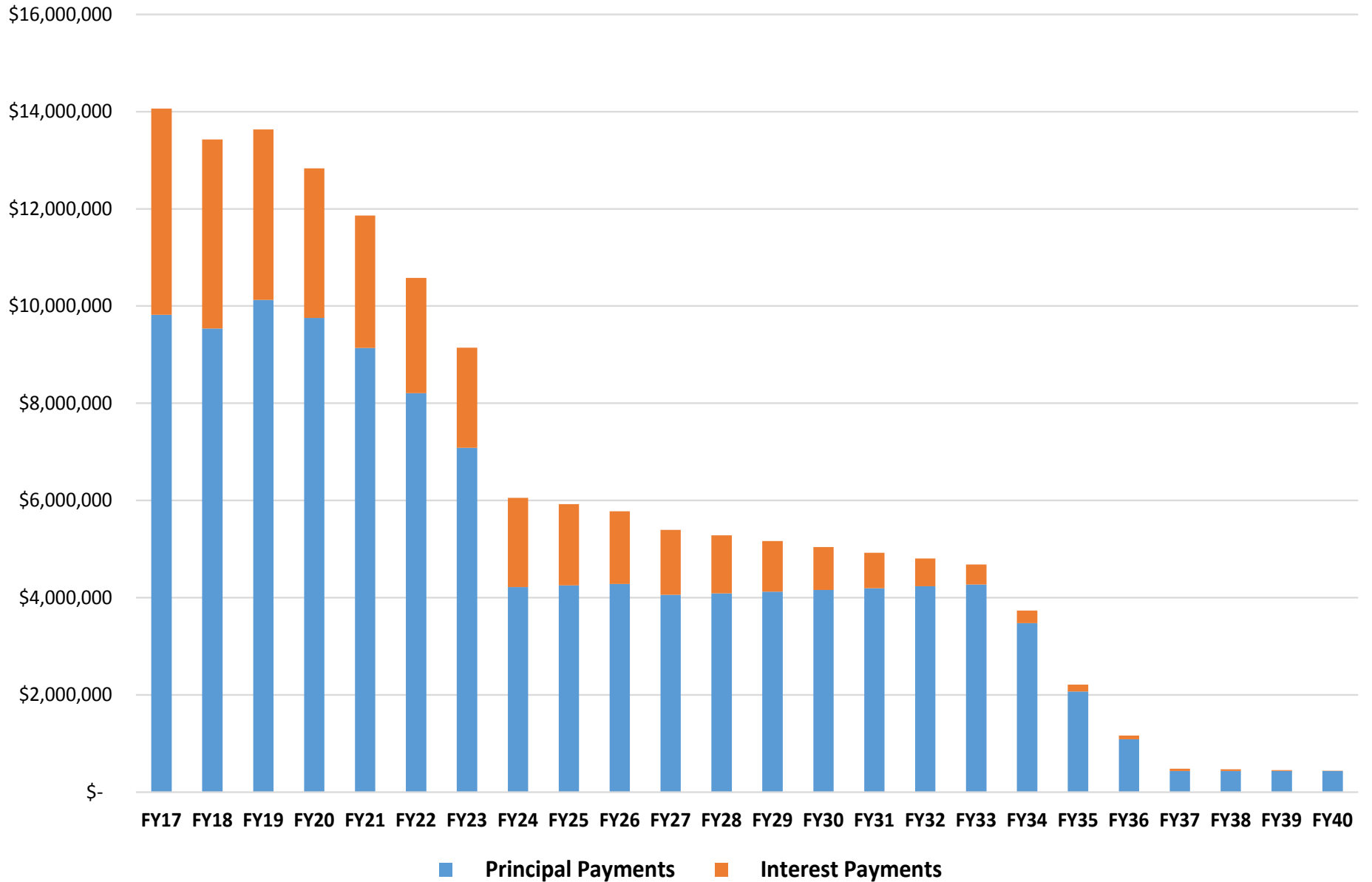
Future Debt Capacity

- While the Charter would allow substantially higher total debt, the P&I policy effectively limits the total borrowing.
- The County has a practice of issuing relatively short term debt (bond maturity generally of 20 years rather than 25 or 30 years).

Capital Improvement Program

<u>Project Category</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public Works & Urban Services & Roads	\$ 1,949,623	\$ 200,000	\$ 200,000	\$ 1,100,000	\$ 1,100,000
K-12 Schools.....	23,615,000	10,247,000	125,000	1,674,000	0
Community College	3,151,905	0	2,748,670	31,727,345	1,252,260
Health.....	0	247,000	300,000	0	0
Election, Courts & Library.....	1,449,000	0	0	0	0
Recreation, Parks and Tourism	3,160,500	4,340,000	99,000	110,000	0
Airport.....	4,600,000	7,700,000	4,100,000	1,400,000	3,000,000
Public Safety	11,378,656	11,250,000	425,000	0	0
Contingency	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Budget	<u>\$49,504,684</u>	<u>\$32,719,000</u>	<u>\$9,874,000</u>	<u>\$6,145,000</u>	<u>\$5,732,000</u>
<u>Source of Funding</u>					
County.....	\$23,763,279	\$15,046,000	\$6,143,000	\$3,713,000	\$2,274,000
State/Federal/Private	<u>25,741,405</u>	<u>17,673,000</u>	<u>3,731,000</u>	<u>2,432,000</u>	<u>3,458,000</u>
Total Funding	<u>\$49,504,684</u>	<u>\$32,719,000</u>	<u>\$9,874,000</u>	<u>\$6,145,000</u>	<u>\$5,732,000</u>

Wicomico County General Obligation Debt Service Schedule



FY18 Largest Capital Requests to date

- Board of Education \$13.5 Million
- Airport Runway Extension \$ 6 Million
- Public Works Landfill Cell \$ 5 Million
- Airport Public Water Service \$ 2.4 Million
- Parks and Rec Projects \$ 2.2 Million
- Westside Collector Phase 3 \$ 2 Million
- WCDC Center Roof replacement \$ 1.3 Million
- EMS Radio Project Completion \$ 750,000
- Public Safety Building A&E \$ 600,000
- Barren Creek Road Restoration \$ 500,000
- WCDC Shower replacement \$ 425,000

The floor is open to your suggestions
for new capital spending.

Thank you