



Board of Commissioners

April 18, 2013

Meeting Material

Meeting Materials



Joint Meeting Agenda Board of Commissioners & Board of Education

Thursday, April 18, 2013 – 8: 00 a.m.
Greater Raleigh Chamber of Commerce
South Salisbury Street, Raleigh NC 27601



MEETING CALLED TO ORDER

MEETING OBJECTIVES:

- I. Receive and Consider Scenarios for an Upcoming Capital Plan
- II. Understand the Program and Fiscal Implications of the Scenarios

ITEMS OF BUSINESS:

- I. Opening Remarks
Joe Bryan, Chair - Wake County Board of Commissioners
Keith Sutton, Chair - Wake County Board of Education
Agenda (1)
- II. Follow-Up Information from March 21, 2013 Joint Board Meeting
Joe Desormeaux, Assistant Superintendent for Facilities
Nicole Kreiser, Debt and Capital Director
Presentation (2): Pages 2-10
Attachment (3): Benchmarking of Triple A Counties
- III. WCPSS Building Program Scenarios
Joe Desormeaux, Assistant Superintendent for Facilities
Presentation (2): Pages 11-27
Attachment (4): Scenario 1 by Program Item
Attachment (5): Scenario 2 by Program Item
Attachment (6): Scenario 3 by Program Item

Attachment (7): Scenario 4 by Program Item
Attachment (8): Other Line Items by Scenario

IV. Fiscal Impact of Scenarios

Nicole Kreiser, Debt and Capital Director

Presentation (2): Pages 28-37

V. Discussion: Priorities, Choices and Trade-offs – Next Steps to Arrive at a Consensus on a Capital Plan

Joe Bryan, Chair - Wake County Board of Commissioners

Keith Sutton, Chair - Wake County Board of Education

Presentation (2): Page 38

VI. Wrap-up

Building Program Scenarios & Fiscal Impact

April 18, 2013

Wake County Board of Education and
Wake County Board of Commissioners
Joint Meeting

Joe Desormeaux, WCPSS Assistant Superintendent for Facilities
Nicole Kreiser, Wake County Debt and Capital Director

Presentation Overview

- ▶ Follow-Up Information from March 21, 2013 Joint Meeting
- ▶ WCPSS Building Program Scenarios
- ▶ Review of Wake County Approach to Capital Finance
 - ▶ Financial Policies
 - ▶ Debt Overview
 - ▶ County's Debt and Capital Financial Model
- ▶ Fiscal Impact of Scenarios

Follow-Up Information from March 21, 2013 Joint Meeting

Security Costs By School

	SRO (State)	SRO (Local)	Contract Security (Local)	Security Dept. (Salary/Benefits) (Local)	Operational Expenses (Local)	Total
High Schools	\$908,112	\$42,000	\$654,820	\$0	\$0	\$1,604,932
Middle Schools	\$0	\$28,379	\$75,899	\$0	\$0	\$104,278
Elementary Schools	\$0	\$0	\$87,739	\$0	\$0	\$87,739
All Schools/ Central Services	\$0	\$0	\$592,042	\$685,074	\$78,049	\$1,355,165
Total	\$908,112	\$70,379	\$1,410,500	\$685,074	\$78,049	\$3,152,114

WCPSS currently spends approximately \$500,000 a year on maintenance of security equipment. An average of \$3,000 per school.

Prior Capital Investments in Proposed Major Renovation Projects: Whole Campus

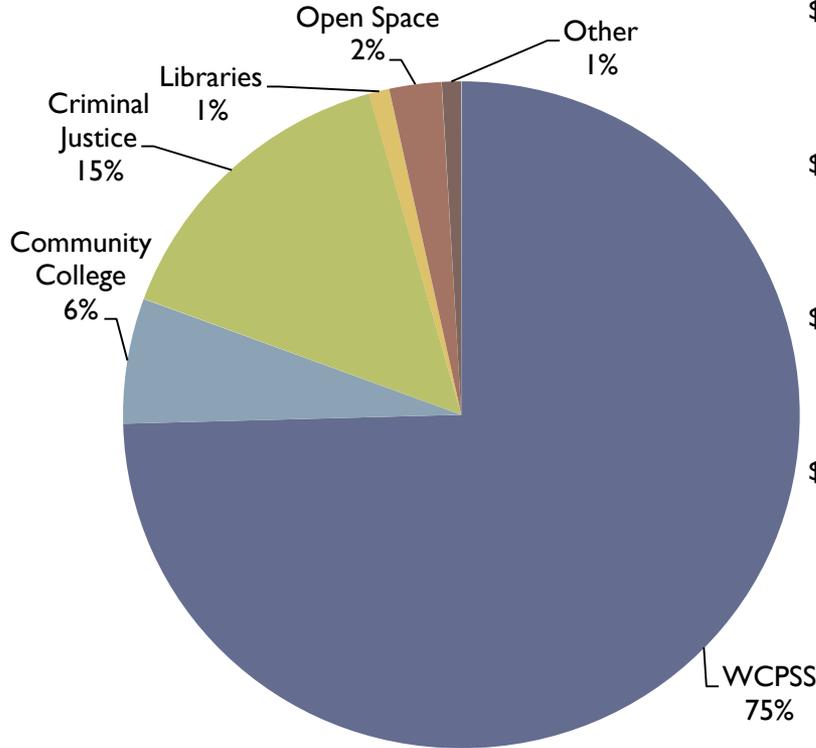
<u>Project</u>	<u>Proposed Cost</u>	<u>Prior Investments</u>	<u>Plan</u>
Green Elementary	\$ 25,421,016	\$ 3,000,000	IIIA
Vandora Springs Elementary	\$ 26,554,825	\$ 2,000,000	IIIA
Lincoln Heights Elementary	\$ 25,314,581	\$ 5,000,000	IIIB
Wiley Elementary	\$ 14,724,019	\$ 3,000,000	IIIB, 2000
Brooks Elementary	\$ 26,421,295	\$ 5,000,000	IIIB
Garner High	\$ 74,103,499	\$ 4,000,000	IIIB, 2000
Stough Elementary	\$ 26,209,038	\$ 3,000,000	IIIA, 2000
East Wake Middle	\$ 46,068,587	\$ 3,000,000	2000, 2004, 2006
West Millbrook Middle	\$ 35,394,283	\$ 7,000,000	IIIB, 2000, 2006
Apex High	\$ 55,362,700	\$ 9,000,000	IIIB
North Ridge Elementary	\$ 26,521,016	\$ -	
Fuquay Varina High	\$ 82,418,716	\$ 8,000,000	IIIB, 2006
Total	\$464,513,576	\$52,000,000	

Prior Capital Investments in Proposed Major Renovation Projects: Partial Campus

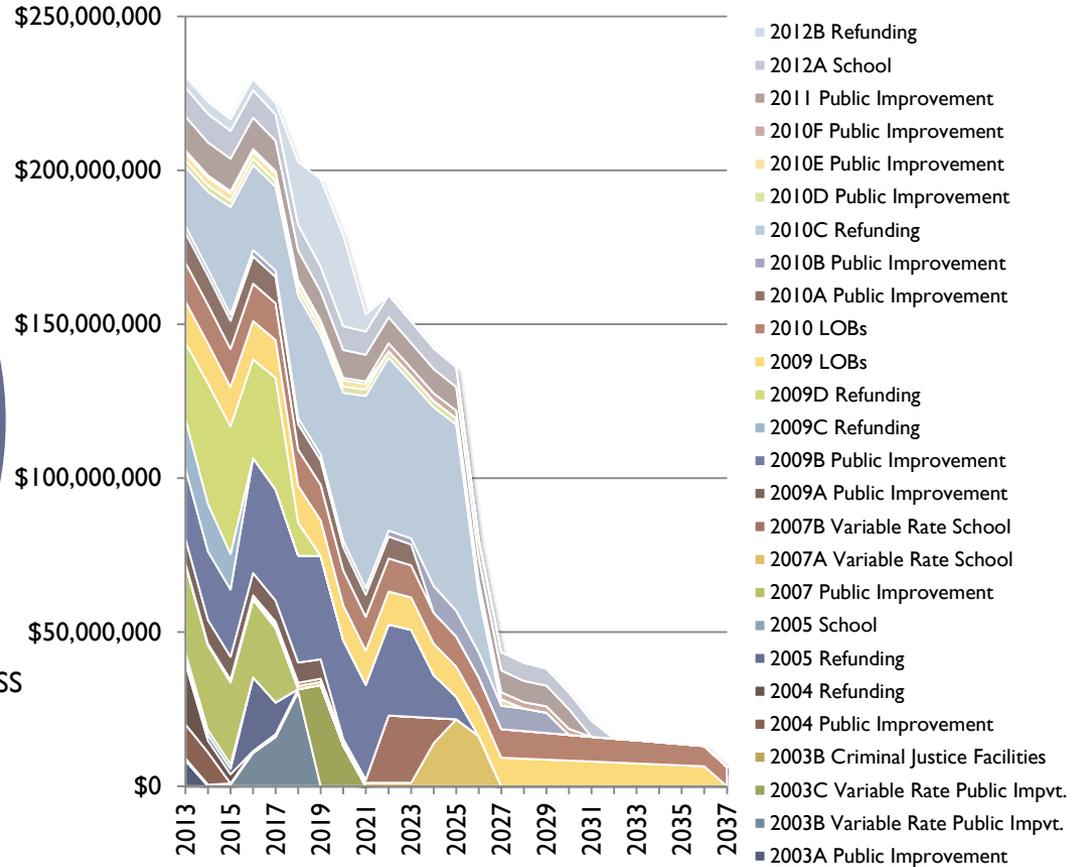
<u>Project</u>	<u>Proposed Cost</u>	<u>Previous Investments</u>	<u>Plan</u>
East Garner Middle	\$ 19,642,965	\$ 12,000,000	IIIA, 2000, 2006
Conn Elementary	\$ 12,298,619	\$ 10,000,000	IIIA, IIIB, 2006
Rolesville Elementary	\$ 9,724,922	\$ 3,000,000	IIIB, 2000
Wendell Elementary	\$ 16,211,981	\$ 1,000,000	2000
Washington Elementary	\$ 3,231,599	\$ 8,000,000	IIIA, IIIB
Broughton High	\$ 13,908,265	\$ 22,000,000	IIIB, 2000, 2004
Swift Creek Elementary	\$ 7,914,479	\$ 1,000,000	2000
Fuller Elementary	\$ 15,931,375	\$ 3,000,000	IIIB, 2006
York Elementary	\$ 11,359,771	\$ 5,000,000	IIIA, 2006
Cary High	\$ 37,559,005	\$ 42,000,000	IIIA, 2004, 2006
Millbrook High	\$ 20,561,019	\$ 32,000,000	IIIB, 2004
Hunter Elementary	\$ 12,539,264	\$ 6,000,000	IIIB, 2006
Knightdale Elementary	\$ 3,297,161	\$ 7,000,000	IIIB, 2000
Fuquay Varina Middle	\$ 9,840,646	\$ 15,000,000	IIIB, 2000
Sanderson High	\$ 8,007,537	\$ 20,000,000	IIIB
Enloe High	\$ 30,859,903	\$ 52,000,000	IIIA, IIIB, 2000, 2004, 2006
Total	\$232,888,511	\$ 239,000,000	

Wake County Debt Service Obligations

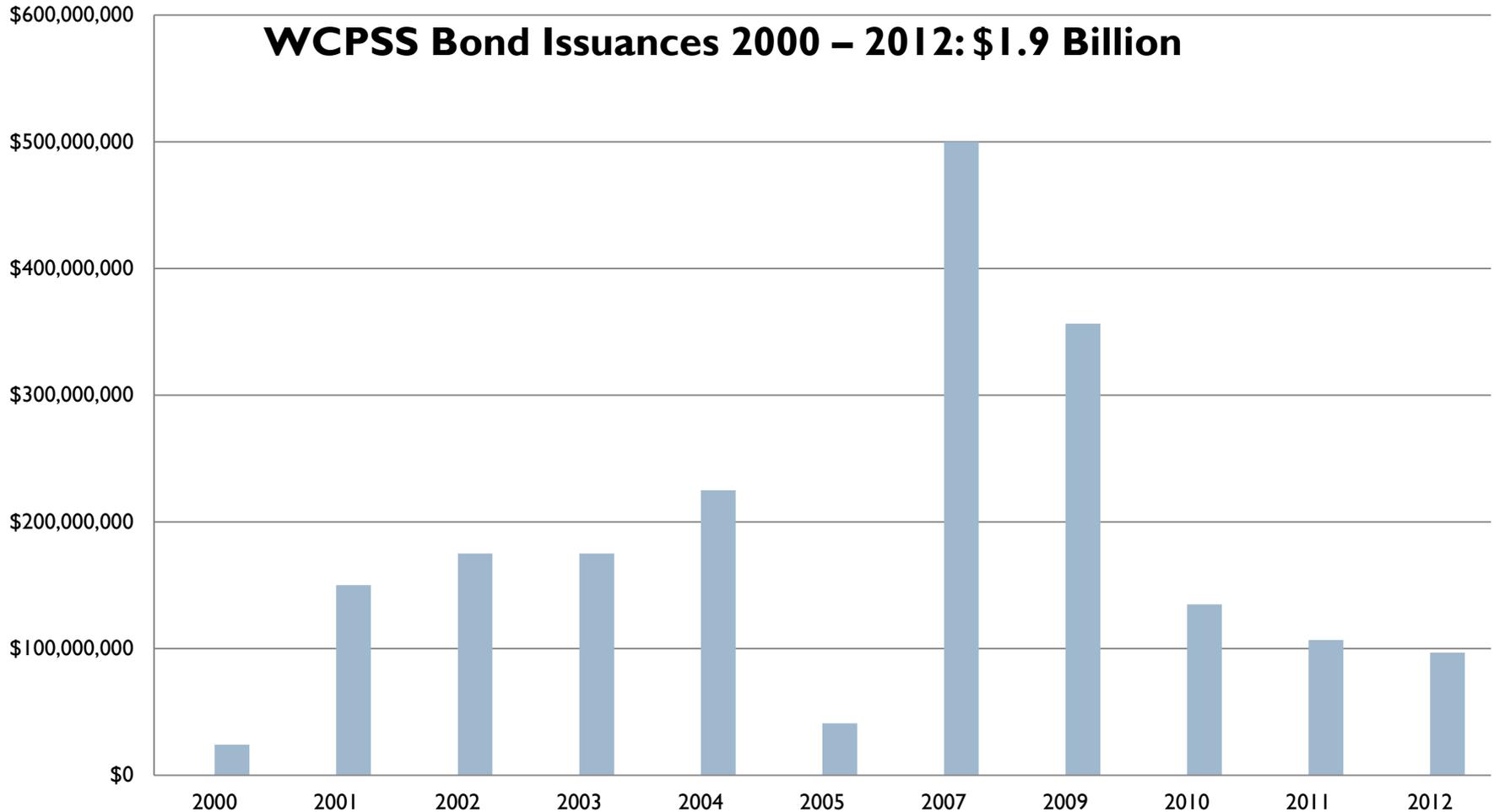
Debt Outstanding By Purpose



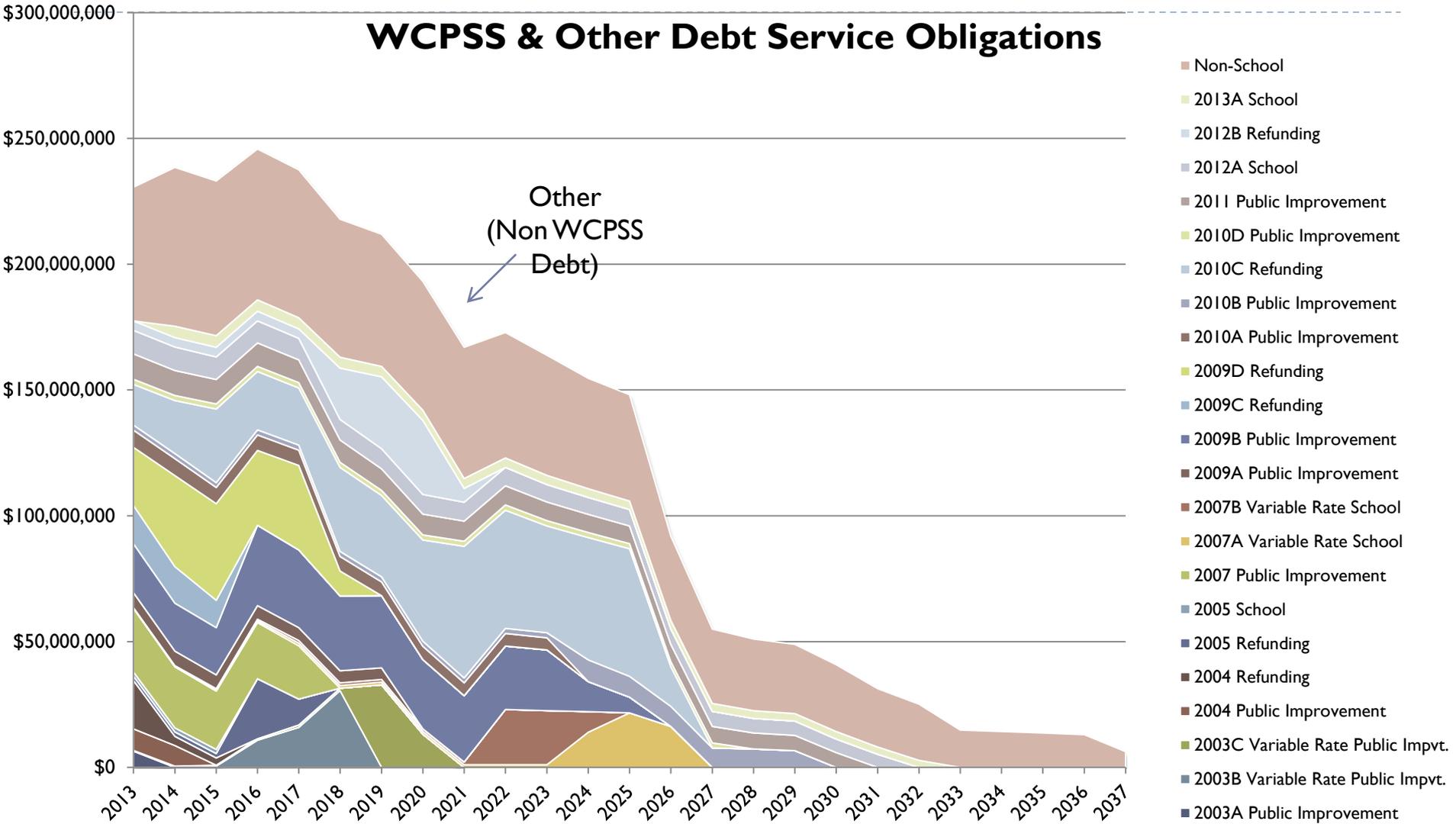
Debt Service Principal and Interest



History of WCPSS Debt Issuances



WCPSS Debt Service Obligations



Benchmarking Wake County & Triple A Counties That Fund School Construction

- ▶ **Wake County: Fourth highest overall debt to assessed value, third highest overall debt per capita. Second highest assessed value, second fastest population growth 2000-2010, second highest student enrollment.**

Triple A Counties & Debt Service for K-12 Public School Construction (Sorted by Overall Debt to Assessed Value)

	Direct	School Share	Overall Debt to	Overall	Debt Service	Fund Balance	2000 - 2010	FY 2013 Tax Rate			Assessed Value	U.S. Census Info		Enrollment ⁴
	Debt as of		Assessed	Debt	as % of	as a %	Population	County	Largest		06/30/12	2010	07/01/12	2011-2012
	6/30/12 ¹		Value ²	Per Capita ²	Expend. ²	of Expend. ²	Growth	Only	City ³	Total	(\$ Mil.)	Population	Estimate	School Year
	(\$ Mil.)													
Moody's median - Aaa counties ⁵	\$289	n/a	2.1%	2,293	6%	20%	12.5%	n/a	n/a	n/a	\$60,946	583,151	n/a	n/a
S&P's median - AAA counties ⁶	424	n/a	2.2%	2,611	n/a	30%	14.6%	n/a	n/a	n/a	66,795	424,663	n/a	n/a
Average of two rating agencies	357	n/a	2.2%	2,452	n/a	25%	13.6%	n/a	n/a	n/a	63,871	503,907	n/a	n/a
Median - NC & VA below	982	65%	2.0%	2,622	10%	24%	19.4%	\$0.9100	n/a	\$1.1200	53,150	376,336	394,213	68,461
Guilford County NC	901	74%	2.7%	2,458	9%	24%	16.0%	0.7804	0.6325	1.4129	44,029	488,406	500,879	71,337
Forsyth County NC	586	69%	2.4%	2,321	16%	22%	14.6%	0.6740	0.4910	1.1650	33,909	350,670	358,137	52,298
Mecklenburg County NC	1,861	69%	2.3%	2,810	20%	36%	32.2%	0.7922	0.4370	1.2292	115,745	919,628	969,031	136,672
Wake County NC	2,059	75%	2.2%	2,877	19%	35%	43.5%	0.5340	0.3826	0.9166	120,555	900,993	952,151	145,028
Prince William County VA	946	59%	2.0%	2,247	12%	19%	43.2%	1.2090	n/a	1.2090	41,654	402,002	430,289	81,937
Loudoun County VA	1,018	82%	1.9%	3,766	9%	23%	84.1%	1.2350	n/a	1.2350	62,271	312,311	336,898	65,585
Arlington County VA	1,275	28%	1.6%	4,384	6%	17%	9.6%	0.9710	n/a	0.9710	64,394	207,627	221,045	21,892
Fairfax County VA	3,333	39%	1.5%	2,785	8%	12%	11.5%	1.0750	n/a	1.0750	194,758	1,081,726	1,118,602	177,606
Henrico County VA	700	62%	1.5%	1,735	8%	40%	17.0%	0.8700	n/a	0.8700	35,083	306,935	314,932	49,654
Chesterfield County VA	591	57%	1.5%	1,692	10%	37%	21.7%	0.9500	n/a	0.9500	34,754	316,236	323,856	59,200

WCPSS Building Program Scenarios

Joe Desormeaux, WCPSS Assistant Superintendent for Facilities

2012-2013 Facility Utilization

School Level	Number of Schools	Optimum Temporary Classrooms	Long-Range School Capacity (LRSCC)	Total Temporary Classrooms	Program Adjustment	Annual School Campus Capacity (ASCC)	20th-Day Actual Membership	LRSCC Percent Crowding (Inc. Program Adjustment)	ASCC Percent Crowding	Percent Of Capacity in Temporary Classrooms
Elementary Schools	104	378	74,900	579	(4,457)	74,256	71,160	101.0%	95.8%	17.7%
Middle Schools	33	65	36,616	207	(899)	38,352	34,505	96.6%	90.0%	13.2%
High Schools	25	68	38,822	349	(585)	44,171	43,435	113.6%	98.3%	18.4%
Special Schools	4	1	407	1	0	407	408	100.2%	100.2%	2.5%
Total	169	512	150,745	1,136	(5,941)	157,186	149,508	103.2%	95.1%	16.9%
Multi-Grade Schools	3	Data included in school level totals								

Membership Projection By Grade Level

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Elementary Membership	71,190	72,458	73,459	75,398	77,171	79,348	81,857	84,653	87,557
Middle Membership	34,631	35,572	36,399	36,360	36,992	37,666	38,968	39,836	40,715
High Membership	43,687	44,654	46,076	47,587	48,847	50,283	51,090	52,085	53,280
Total	149,508	152,684	155,934	159,345	163,010	167,297	171,915	176,574	181,552

Capital Improvement Programs and Funding

- ▶ Projections of Growth Continue Past 2020
 - ▶ Capital Improvement Programs (CIP) are Continuous
 - ▶ Funding of CIPs is Incremental
 - ▶ The Following Scenarios Reflect Need for:
 - ▶ Bond Approval in October 2013/Funding Available August 2014
 - ▶ Elementary Schools Opening Summers of 2015-17
 - ▶ Middle and High Schools Opening Summers of 2016-18
 - ▶ Startup Designs Begin in 2016 in Expectation of Another Bond
 - ▶ Bond Approval in Fall 2016/Funding Available August 2017
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Comparison of WCPSS Scenarios

Scenarios	1	2	3	4
Cost FY15-17	\$2.30 B	\$1.14 B	\$911.6 M	\$663.2 M
New Schools	32	15	11	8
Renovations	28	9	7	3

Scenario 1: \$2.30 Billion

- ▶ 21 Elementary, 6 Middle, 5 High
 - ▶ LRSCC crowding rate
 - ▶ Elementary: 93.7% as of 2017-18 from 101.1% in 2012-13
 - ▶ Middle: 96.2% as of 2018-19 from 96.8% in 2012-13
 - ▶ High: 99.0% as of 2018-19 from 112.9% in 2012-13
 - ▶ Reduces Temporary Classrooms by ~500 from ~1,100
 - ▶ Percent Capacity in Temporary Classrooms
 - ▶ Elementary: 8.5% as of 2017-18 from 17.7% in 2012-13
 - ▶ Middle: 10.8% as of 2018-19 from 13.2% in 2012-13
 - ▶ High: 5.3% as of 2018-19 from 18.4% in 2012-13
 - ▶ No more additional Year Round Schools (except M8 which opens as YR)
 - ▶ Eliminates all Identified Deferred Major Renovation and Lifecycle
-

Scenario 1: \$2.30 Billion

- ▶ 21 Elementary, 6 Middle, 5 High
 - ▶ 32 Schools: 28,276 Seats as of 2017 for elementary and 2018 for middle & high (New Students as of 2017-2018 - 19,898)
 - ▶ 21 Elementary Schools: 14,976 seats, with 1,404 seats later
 - New Students - 8,158 (Richland Creek will provide 708 seats)
 - ▶ 6 Middle Schools: 5,376 seats, with 2,304 seats later
 - New Students - 4,337
 - ▶ 5 High Schools: 7,924 seats, with 3,396 seats later
 - New Students - 7,403 (Rolesville, H-10 and CTE will provide 5,146 seats)
 - ▶ 28 Major Renovations and 4,007 seats
 - ▶ 25 New School Sites and 662 Acres

Scenario 1 By Cost Category

New School Construction	\$1.055 B
Renovations*	\$792.2 M
Support Facilities & Other Items	\$453.9 M
TOTAL	\$2.30 B

*Life-cycle Replacements included in Renovations category.

Scenario 2: \$1.14 Billion

- ▶ 10 Elementary, 3 Middle, 2 High
 - ▶ LRSCC crowding rate
 - ▶ Elementary: 101.4% as of 2017-18 from 101.1% in 2012-13
 - ▶ Middle: 101.7% as of 2018-19 from 96.8% in 2012-13
 - ▶ High: 111.2% as of 2018-19 from 112.9% in 2012-13
 - ▶ Increases Temporary Classrooms by ~80 from ~1,100
 - ▶ Percent Capacity in Temporary Classrooms
 - ▶ Elementary: 17.5% as of 2017-18 from 17.7% in 2012-13
 - ▶ Middle: 16.6% as of 2018-19 from 13.2% in 2012-13
 - ▶ High: 17.8% as of 2018-19 from 18.4% in 2012-13
 - ▶ No more additional Year Round Schools (except M8 which opens as YR)
 - ▶ Deferred Major Renovation and Lifecycle does not improve
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Scenario 2: \$1.14 Billion

- ▶ 10 Elementary, 3 Middle, 2 High
- ▶ 15 Schools: 12,512 Seats as of 2017 for elementary and 2018 for middle & high (New Students as of 2017-2018 - 19,898)
 - ▶ 10 Elementary Schools: 7,176 seats, with 624 seats later
 - New Students - 8,158 (Richland Creek will provide 708 seats)
 - ▶ 3 Middle Schools: 3,072 seats, with 768 seats later
 - New Students - 4,337
 - ▶ 2 High Schools: 2,264 seats, with 2,264 seats later
 - New Students - 7,403 (Rolesville, H-10 and CTE will provide 5,146 seats)
- ▶ 9 Major Renovations and 1,724 seats
- ▶ 10 New School Sites and 332 Acres

Scenario 2 By Cost Category

New School Construction	\$514.2 M
Renovations*	\$315.3 M
Support Facilities & Other Items	\$306.4 M
TOTAL	\$1.14 B

*Life-cycle Replacements included in Renovations category.

Scenario 3: \$911.6 Million

- ▶ 6 Elementary, 3 Middle, 2 High
 - ▶ LRSCC crowding rate
 - ▶ Elementary: 104.9% as of 2017-18 from 101.1% in 2012-13
 - ▶ Middle: 101.9% as of 2018-19 from 96.8% in 2012-13
 - ▶ High: 111.2% as of 2018-19 from 112.9% in 2012-13
 - ▶ Increases Temporary Classrooms by ~195 from ~1,100
 - ▶ Percent Capacity in Temporary Classrooms
 - ▶ Elementary: 21.5% as of 2017-18 from 17.7% in 2012-13
 - ▶ Middle: 16.8% as of 2018-19 from 13.2% in 2012-13
 - ▶ High: 17.8% as of 2018-19 from 18.4% in 2012-13
 - ▶ No more additional Year Round Schools (except M8 which opens as YR)
 - ▶ Deferred Major Renovation and Lifecycle increases

Scenario 3: \$911.6 Million

- ▶ 6 Elementary, 3 Middle, 2 High
 - ▶ 11 Schools: 10,016 Seats as of 2017 for elementary and 2018 for middle & high (New Students as of 2017-2018 - 19,898)
 - ▶ 10 Elementary Schools: 4,680 seats
 - New Students - 8,158 (Richland Creek will provide 708 seats)
 - ▶ 3 Middle Schools: 3,072 seats, with 768 seats later
 - New Students - 4,337
 - ▶ 2 High Schools: 2,264 seats, with 2,264 seats later
 - New Students - 7,403 (Rolesville, H-10 and CTE will provide 5,146 seats)
 - ▶ 7 Major Renovations and 1,558 seats
 - ▶ 10 New School Sites and 332 Acres

Scenario 3 By Cost Category

New School Construction	\$424.7 M
Renovations*	\$265.9 M
Support Facilities & Other Items	\$221.0 M
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TOTAL	\$911.6 M

*Life-cycle Replacements included in Renovations category.

Scenario 4: \$663.2 Million

- ▶ 4 Elementary, 2 Middle, 2 High
 - ▶ LRSCC crowding rate
 - ▶ Elementary: 108.0% as of 2017-18 from 101.1% in 2012-13
 - ▶ Middle: 104.9% as of 2018-19 from 96.8% in 2012-13
 - ▶ High: 111.2% as of 2018-19 from 112.9% in 2012-13
 - ▶ Increases Temporary Classrooms by ~330 from ~1,100
 - ▶ Percent Capacity in Temporary Classrooms
 - ▶ Elementary: 25.1% as of 2017-18 from 17.7% in 2012-13
 - ▶ Middle: 19.9% as of 2018-19 from 13.2% in 2012-13
 - ▶ High: 17.8% as of 2018-19 from 18.4% in 2012-13
 - ▶ No more additional Year Round Schools (except M8 which opens as YR)
 - ▶ Deferred Major Renovation and Lifecycle significantly increases

Scenario 4: \$663.2 Million

- ▶ 4 Elementary, 2 Middle, 2 High
 - ▶ 8 Schools: 7,688 Seats as of 2017 for elementary and 2018 for middle & high (New Students as of 2017-2018 - 19,898)
 - ▶ 4 Elementary Schools: 3,120 seats
 - New Students - 8,158 (Richland Creek will provide 708 seats)
 - ▶ 2 Middle Schools: 2,304 seats, with 256 seats later
 - New Students - 4,337
 - ▶ 2 High Schools: 2,264 seats, with 2,264 seats later
 - New Students - 7,403 (Rolesville, H-10 and CTE will provide 5,146 seats)
 - ▶ 3 Major Renovations and 658 seats
 - ▶ 8 New School Sites and 248 Acres

Scenario 4 By Cost Category

New School Construction	\$338.5 M
Renovations*	\$143.3 M
Support Facilities & Other Items	\$181.4 M
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TOTAL	\$663.2 M

*Life-cycle Replacements included in Renovations category.

Fiscal Impact of WCPSS Building Program Scenarios

Nicole Kreiser, Wake County Debt and Capital Director

Changes Since March Joint Meeting

- ▶ Model updated to reflect April 9, 2013 Schools 2/3 Bonds, Wake Tech and Open Space Bond Sale
- ▶ Model assumed 3% Total Interest Cost (TIC), Actual results 2.3% Total Interest Cost (TIC)
- ▶ Sale Tax Growth (30% of Article 40 and 60% of Article 42) Updated for FY13 & FY14

Scenario 1 Fiscal Impact

- ▶ Assume \$2.30 billion Summer 2014 – Spring 2017
- ▶ Total tax increase: 14.74 cents (13.27 capital, 1.47 cents operating impacts)

April 2013 \$2.30 Billion Scenario

	August 2014	January 2016	January 2017	Total
Debt	\$ 637,337,000	\$ 590,175,000	\$ 673,629,000	\$ 1,901,141,000
Cash	139,489,000	120,779,000	139,927,000	400,195,000
Total	\$ 776,826,000	\$ 710,954,000	\$ 813,556,000	\$ 2,301,336,000

Scenario 2 Fiscal Impact

- ▶ Assume \$1.14 billion Summer 2014 – Spring 2017
- ▶ Total tax increase: 6.50 cents (5.86 capital, 0.64 cents operating impacts)

April 2013 \$1.14 Billion Scenario (Scenario 2)

	August 2014	January 2016	January 2017	Total
Debt	\$ 383,238,000	\$ 291,668,000	\$ 299,335,000	\$ 974,241,000
Cash	74,282,000	42,494,000	44,852,000	161,628,000
Total	\$ 457,520,000	\$ 334,162,000	\$ 344,187,000	\$ 1,135,869,000

Scenario 3 Fiscal Impact

- ▶ Assume \$911.6 million Summer 2014 – Spring 2017
- ▶ Total tax increase: 5.14 cents (4.59 capital, 0.55 cents operating impacts)

April 2013 \$911.6 Million Scenario (Scenario 3)

	August 2014	January 2016	January 2017	Total
Debt	\$ 356,277,000	\$ 176,257,000	\$ 256,958,000	\$ 789,492,000
Cash	66,461,000	20,596,000	35,070,000	122,127,000
Total	\$ 422,738,000	\$ 196,853,000	\$ 292,028,000	\$ 911,619,000

Scenario 4 Fiscal Impact

- ▶ Assume \$663.2 million Summer 2014 – Spring 2017
- ▶ Total tax increase: 4.0 cents (3.60 capital, 0.40 cents operating impacts)

April 2013 \$663.2 Million Scenario (Scenario 4)

	August 2014	January 2016	January 2017	Total
Debt	\$ 305,750,000	\$ 129,429,000	\$ 127,416,000	\$ 562,595,000
Cash	53,874,000	17,980,000	28,789,000	100,643,000
Total	\$ 359,624,000	\$ 147,409,000	\$ 156,205,000	\$ 663,238,000

Summary of Fiscal Impacts

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Scenario 1 (\$2.30 B)	13.27	0.07	0.57	0.57	0.26	14.74
Scenario 2 (\$1.14 B)	5.86	0.07	0.16	0.40	0.00	6.49
Scenario 3 (\$911.6 M)	4.59	0.07	0.16	0.32	0.00	5.14
Scenario 4 (\$663.2 M)	3.60	0.07	0.10	0.23	0.00	4.00

For Context...

- ▶ **Average Assessed Value of a Home in Wake County equals \$263,500**

- ▶ **Average Property Tax Increase...**
 - ▶ Scenario 1 (\$2.30 B) : \$388.40
 - ▶ Scenario 2 (\$1.14 B) : \$171.01
 - ▶ Scenario 3 (\$911.6 M): \$135.44
 - ▶ Scenario 4 (\$663.2M): \$105.40

Issues...

► Ratios/Metrics for triple-A rated Counties

Projected Debt Outstanding as of 2017							
	Projected as of 6/30/2013	Projected with \$0 Program 6/30/2017	Projected with \$663.2 Million Program 6/30/2017	Projected with \$911.6 Million Program 6/30/2017	Projected with \$1.14 Billion Program 6/30/2017	Projected with \$2.30 Billion Program 6/30/2017	
Wake County debt 6/30/13	1,916,046,195	1,586,981,789	2,110,580,526	2,329,694,263	2,505,531,000	3,389,972,842	
County municipalities debt (estimated.)	835,369,862	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	
Overall debt	2,751,416,057	2,586,981,789	3,110,580,526	3,329,694,263	3,505,531,000	4,389,972,842	
Projected assessed value	122,486,723,850	135,424,881,000	135,424,881,000	135,424,881,000	135,424,881,000	135,424,881,000	
Overall debt to assessed value	2.2%	1.9%	2.3%	2.5%	2.6%	3.2%	
As compared to average "AAA" median	104%	89%	107%	114%	120%	151%	
Projected population	963,593	1,041,571	1,041,571	1,041,571	1,041,571	1,041,571	
Overall debt per capita	\$ 2,855	\$ 2,484	\$ 2,986	\$ 3,197	\$ 3,366	\$ 4,215	
As compared to average "AAA" median	116%	101%	122%	130%	137%	172%	

Questions?

Discussion...

- ▶ **Priorities**
- ▶ **Choices & Tradeoffs**
- ▶ **Next Steps to Arrive at a Consensus on a Capital Plan**

**Benchmarking of Triple A Counties:
Triple A Counties & Debt Service for K-12 Public School Construction (Sorted by Overall Debt to Assessed Value)**

	Direct Debt as of 6/30/12 ¹ (\$ Mil.)	School Share	Overall Debt to	Overall Debt	Debt Service as % of Expend. ²	Fund Balance as a % of Expend. ²	2000 - 2010 Population Growth	FY 2013 Tax Rate			Assessed Value 06/30/12 (\$ Mil.)	U.S. Census Info		Enrollment ⁴
			Assessed Value ²	Debt Per Capita ²	as % of Expend. ²	as a % of Expend. ²	County Only	Largest City ³	Total	2010 Population	07/01/12 Estimate	2011-2012 School Year		
Moody's median - Aaa counties ⁵	\$289	n/a	2.1%	2,293	6%	20%	12.5%	n/a	n/a	n/a	\$60,946	583,151	n/a	n/a
S&P's median - AAA counties ⁶	424	n/a	2.2%	2,611	n/a	30%	14.6%	n/a	n/a	n/a	66,795	424,663	n/a	n/a
Average of two rating agencies	357	n/a	2.2%	2,452	n/a	25%	13.6%	n/a	n/a	n/a	63,871	503,907	n/a	n/a
Median - NC & VA below	982	65%	2.0%	2,622	10%	24%	19.4%	\$0.9100	n/a	\$1.1200	53,150	376,336	394,213	68,891
Guilford County NC	901	74%	2.7%	2,458	9%	24%	16.0%	0.7804	0.6325	1.4129	44,029	488,406	500,879	72,196
Forsyth County NC	586	69%	2.4%	2,321	16%	22%	14.6%	0.6740	0.4910	1.1650	33,909	350,670	358,137	52,606
Mecklenburg County NC	1,861	69%	2.3%	2,810	20%	36%	32.2%	0.7922	0.4370	1.2292	115,745	919,628	969,031	138,012
Wake County NC	2,059	75%	2.2%	2,877	19%	35%	43.5%	0.5340	0.3826	0.9166	120,555	900,993	952,151	146,687
Prince William County VA	946	59%	2.0%	2,247	12%	19%	43.2%	1.2090	n/a	1.2090	41,654	402,002	430,289	81,937
Loudoun County VA	1,018	82%	1.9%	3,766	9%	23%	84.1%	1.2350	n/a	1.2350	62,271	312,311	336,898	65,585
Arlington County VA	1,275	28%	1.6%	4,384	6%	17%	9.6%	0.9710	n/a	0.9710	64,394	207,627	221,045	21,892
Fairfax County VA	3,333	39%	1.5%	2,785	8%	12%	11.5%	1.0750	n/a	1.0750	194,758	1,081,726	1,118,602	177,606
Henrico County VA	700	62%	1.5%	1,735	8%	40%	17.0%	0.8700	n/a	0.8700	35,083	306,935	314,932	49,654
Chesterfield County VA	591	57%	1.5%	1,692	10%	37%	21.7%	0.9500	n/a	0.9500	34,754	316,236	323,856	59,200

¹Source: S&P Creditstats Direct

²Source: Most recent S&P rating report for each issuer.

³Under Virginia law, all municipalities incorporated as cities are independent cities and are not part of any county.

⁴VA Department of Education Report of Fall Membership & 20th Day Enrollment for NC Counties

⁵Source: Ted Damutz, Moody's Investor Service, 11/2/12. Note that Moody's uses Fund Balance as a % of Revenues (instead of Expenditures).

⁶Source: S&P RatingsDirect, published 1/5/11 (S&P has not updated while working on new criteria).

Scenario 1 by Program Item

Scenario 1 (\$2.30 B)	FY 2015	FY 2016	FY 2017	Total
Total Whole Campus	\$ 25,414,661	\$ 155,763,429	\$ 281,252,834	\$ 462,430,924
Total Partial Campus	\$ -	\$ 33,773,355	\$ 202,207,818	\$ 235,981,173
New Elementary	\$ 256,729,667	\$ 201,330,623	\$ -	\$ 458,060,290
New Middle	\$ 36,345,362	\$ 85,485,481	\$ 132,075,069	\$ 253,905,912
New High	\$ 271,240,177	\$ 71,921,649	\$ -	\$ 343,161,826
Life Cycle Replacements	\$ 30,364,804	\$ 31,275,748	\$ 32,214,020	\$ 93,854,571
Life Cycle Furniture Replacement	\$ 3,563,342	\$ 3,670,243	\$ 3,780,350	\$ 11,013,935
Educational Equipment Replacement	\$ 2,756,803	\$ 2,839,507	\$ 2,924,692	\$ 8,521,002
Environmental and ADA	\$ 1,880,445	\$ 1,936,859	\$ 1,994,964	\$ 5,812,268
Technology Replacements	\$ 31,437,417	\$ 32,380,540	\$ 33,351,956	\$ 97,169,913
Security	\$ 7,429,735	\$ 7,555,459	\$ 4,508,294	\$ 19,493,488
Mobile Classroom Relocation and Leasing	\$ 2,594,524	\$ 2,752,035	\$ 2,175,852	\$ 7,522,410
Assessment of Existing Facilities	\$ 372,062	\$ 383,224	\$ 394,720	\$ 1,150,006
Public Infrastructure	\$ 33,414,093	\$ 24,265,455	\$ 13,696,315	\$ 71,375,863
Property Acquisition	\$ 31,565,777	\$ 10,489,415	\$ 16,908,526	\$ 58,963,718
Start-up Design for Next Program	\$ -	\$ 18,593,804	\$ 6,383,873	\$ 24,977,677
Four Regional Bus Transportation Centers	\$ -	\$ -	\$ 36,105,108	\$ 36,105,108
Athens Stadium Upgrade	\$ -	\$ -	\$ 4,964,452	\$ 4,964,452
Track upgrades (53 Elementaries)	\$ -	\$ -	\$ 2,256,569	\$ 2,256,569
Convert 3 HS to Artificial Turf	\$ -	\$ -	\$ 3,384,854	\$ 3,384,854
Energy Savings Initiative	\$ 15,952,747	\$ -	\$ -	\$ 15,952,747
Rock Quarry Upgrades/Repairs	\$ -	\$ -	\$ 5,641,423	\$ 5,641,423
Regional Athletic Stadiums	\$ -	\$ -	\$ -	\$ -
Program Contingency	\$ 11,041,345	\$ 11,372,585	\$ 11,713,763	\$ 34,127,693
Program Management	\$ 14,723,401	\$ 15,165,103	\$ 15,620,056	\$ 45,508,560
Total	\$ 776,826,361	\$ 710,954,514	\$ 813,555,508	\$ 2,301,336,383

Cash	\$ 139,489,000	\$ 120,779,000	\$ 139,927,000	\$ 400,195,000
Bonds	\$ 637,337,000	\$ 590,175,000	\$ 673,629,000	\$ 1,901,141,000
Total	\$ 776,826,000	\$ 710,954,000	\$ 813,556,000	\$ 2,301,336,000

Scenario 2 by Program Item

Scenario 2 (\$1.14 B)	FY 2015	FY 2016	FY 2017	Total
Total Whole Campus	\$ 25,477,340	\$ 26,452,557	\$ 126,413,359	\$ 178,343,256
Total Partial Campus	\$ -	\$ -	\$ 43,107,552	\$ 43,107,552
New Elementary	\$ 126,418,585	\$ 89,480,277	\$ 18,432,937	\$ 234,331,798
New Middle	\$ 36,345,362	\$ 85,485,481	\$ 9,024,586	\$ 130,855,429
New High	\$ 134,205,233	\$ -	\$ 14,779,410	\$ 148,984,642
Life Cycle Replacements	\$ 30,364,804	\$ 31,275,748	\$ 32,214,020	\$ 93,854,571
Life Cycle Furniture Replacement	\$ 890,836	\$ 917,561	\$ 945,087	\$ 2,753,484
Educational Equipment Replacement	\$ 2,067,602	\$ 2,129,630	\$ 2,193,519	\$ 6,390,752
Environmental and ADA	\$ 1,880,445	\$ 1,936,859	\$ 1,994,964	\$ 5,812,268
Technology Replacements	\$ 31,437,417	\$ 32,380,540	\$ 33,351,956	\$ 97,169,913
Security	\$ 7,429,735	\$ 7,555,459	\$ 4,508,294	\$ 19,493,488
Mobile Classroom Relocation and Leasing	\$ 4,752,097	\$ 2,752,035	\$ 2,175,852	\$ 9,679,983
Assessment of Existing Facilities	\$ 372,062	\$ 383,224	\$ 394,720	\$ 1,150,006
Public Infrastructure	\$ 18,520,366	\$ 12,856,723	\$ 3,015,335	\$ 34,392,424
Property Acquisition	\$ 23,674,333	\$ 7,867,061	\$ 12,681,395	\$ 44,222,788
Start-up Design for Next Program	\$ -	\$ 18,593,804	\$ 6,383,873	\$ 24,977,677
Four Regional Bus Transportation Centers	\$ -	\$ -	\$ 18,052,554	\$ 18,052,554
Athens Stadium Upgrade	\$ -	\$ -	\$ -	\$ -
Track upgrades (53 Elementaries)	\$ -	\$ -	\$ -	\$ -
Convert 3 HS to Artificial Turf	\$ -	\$ -	\$ -	\$ -
Energy Savings Initiative	\$ -	\$ -	\$ -	\$ -
Rock Quarry Upgrades/Repairs	\$ -	\$ -	\$ -	\$ -
Regional Athletic Stadiums	\$ -	\$ -	\$ -	\$ -
Program Contingency	\$ 5,401,310	\$ 5,563,349	\$ 5,730,249	\$ 16,694,908
Program Management	\$ 8,282,913	\$ 8,531,400	\$ 8,787,342	\$ 25,601,655
Total	\$ 457,520,438	\$ 334,161,707	\$ 344,187,005	\$ 1,135,869,150

Cash	\$ 74,282,000	\$ 42,494,000	\$ 44,852,000	\$ 161,628,000
Bonds	\$ 383,238,000	\$ 291,668,000	\$ 299,335,000	\$ 974,241,000
Total	\$ 457,520,000	\$ 334,162,000	\$ 344,187,000	\$ 1,135,869,000

Scenario 3 by Program Item

Scenario 3 (\$911.6M)	FY 2015	FY 2016	FY 2017	Total
Total Whole Campus	\$ 25,414,661	\$ 26,387,478	\$ 162,532,472	\$ 214,334,610
Total Partial Campus	\$ -	\$ -	\$ -	\$ -
New Elementary	\$ 126,418,585	\$ -	\$ 18,432,937	\$ 144,851,522
New Middle	\$ 36,345,362	\$ 85,485,481	\$ 9,002,383	\$ 130,833,227
New High	\$ 134,205,233	\$ -	\$ 14,815,860	\$ 149,021,092
Life Cycle Replacements	\$ 16,700,642	\$ 17,201,661	\$ 17,717,711	\$ 51,620,014
Life Cycle Furniture Replacement	\$ 534,501	\$ 550,536	\$ 567,052	\$ 1,652,090
Educational Equipment Replacement	\$ 1,378,402	\$ 1,419,754	\$ 1,462,346	\$ 4,260,501
Environmental and ADA	\$ 940,223	\$ 968,429	\$ 997,482	\$ 2,906,134
Technology Replacements	\$ 18,862,450	\$ 19,428,324	\$ 20,011,174	\$ 58,301,948
Security	\$ 7,429,735	\$ -	\$ -	\$ 7,429,735
Mobile Classroom Relocation and Leasing	\$ 4,752,097	\$ 2,752,035	\$ 13,103,437	\$ 20,607,569
Assessment of Existing Facilities	\$ 372,062	\$ 383,224	\$ 394,720	\$ 1,150,006
Public Infrastructure	\$ 21,740,970	\$ 6,222,278	\$ 5,570,550	\$ 33,533,799
Property Acquisition	\$ 15,782,888	\$ 5,244,707	\$ 8,454,263	\$ 29,481,859
Start-up Design for Next Program	\$ -	\$ 18,593,804	\$ 6,383,873	\$ 24,977,677
Four Regional Bus Transportation Centers	\$ -	\$ -	\$ -	\$ -
Athens Stadium Upgrade	\$ -	\$ -	\$ -	\$ -
Track upgrades (53 Elementaries)	\$ -	\$ -	\$ -	\$ -
Convert 3 HS to Artificial Turf	\$ -	\$ -	\$ -	\$ -
Energy Savings Initiative	\$ -	\$ -	\$ -	\$ -
Rock Quarry Upgrades/Repairs	\$ -	\$ -	\$ -	\$ -
Regional Athletic Stadiums	\$ -	\$ -	\$ -	\$ -
Program Contingency	\$ 4,338,690	\$ 4,468,851	\$ 4,602,917	\$ 13,410,458
Program Management	\$ 7,521,218	\$ 7,746,854	\$ 7,979,260	\$ 23,247,332
Total	\$ 422,737,718	\$ 196,853,417	\$ 292,028,438	\$ 911,619,573

Cash	\$ 66,461,000	\$ 20,596,000	\$ 35,070,000	\$ 122,127,000
Debt	\$ 356,277,000	\$ 176,257,000	\$ 256,958,000	\$ 789,492,000
Total	\$ 422,738,000	\$ 196,853,000	\$ 292,028,000	\$ 911,619,000

Scenario 4 by Program Item

Scenario 4 (\$663.2 M)	FY 2015	FY 2016	FY 2017	Total
Total Whole Campus	\$ 25,414,661	\$ 26,387,478	\$ 39,874,936	\$ 91,677,075
Total Partial Campus	\$ -	\$ -	\$ -	\$ -
New Elementary	\$ 43,437,028	\$ -	\$ 18,432,937	\$ 101,414,494
New Middle	\$ -	\$ 42,742,741	\$ 9,024,586	\$ 88,112,688
New High	\$ 134,205,233	\$ -	\$ 14,815,860	\$ 149,021,092
Life Cycle Replacements	\$ 16,700,642	\$ 17,201,661	\$ 17,717,711	\$ 51,620,014
Life Cycle Furniture Replacement	\$ 534,501	\$ 550,536	\$ 567,052	\$ 1,652,090
Educational Equipment Replacement	\$ 1,378,402	\$ 1,419,754	\$ 1,462,346	\$ 4,260,501
Environmental and ADA	\$ 940,223	\$ 968,429	\$ 997,482	\$ 2,906,134
Technology Replacements	\$ -	\$ 16,190,270	\$ 16,675,978	\$ 48,584,957
Security	\$ -	\$ -	\$ -	\$ 7,429,735
Mobile Classroom Relocation and Leasing	\$ -	\$ 2,752,035	\$ 13,103,437	\$ 20,607,569
Assessment of Existing Facilities	\$ -	\$ 383,224	\$ 394,720	\$ 1,150,006
Public Infrastructure	\$ 12,078,626	\$ 7,052,661	\$ -	\$ 19,131,286
Property Acquisition	\$ -	\$ 3,671,295	\$ 5,917,984	\$ 20,637,301
Start-up Design for Next Program	\$ -	\$ 18,593,804	\$ 6,383,873	\$ 24,977,677
Four Regional Bus Transportation Centers	\$ -	\$ -	\$ -	\$ -
Athens Stadium Upgrade	\$ -	\$ -	\$ -	\$ -
Track upgrades (53 Elementaries)	\$ -	\$ -	\$ -	\$ -
Convert 3 HS to Artificial Turf	\$ -	\$ -	\$ -	\$ -
Energy Savings Initiative	\$ -	\$ -	\$ -	\$ -
Rock Quarry Upgrades/Repairs	\$ -	\$ -	\$ -	\$ -
Regional Athletic Stadiums	\$ -	\$ -	\$ -	\$ -
Program Contingency	\$ 3,170,620	\$ 3,265,739	\$ 3,363,711	\$ 9,800,070
Program Management	\$ -	\$ 6,749,930	\$ 6,952,428	\$ 20,255,689
Total	\$ 359,623,780	\$ 147,929,556	\$ 155,685,043	\$ 663,238,379

Cash	\$ 53,874,000	\$ 17,980,000	\$ 28,789,000	\$ 100,643,000
Bonds	\$ 305,750,000	\$ 129,429,000	\$ 127,416,000	\$ 562,595,000
Total	\$ 359,624,000	\$ 147,409,000	\$ 156,205,000	\$ 663,238,000

Other Line Items by Scenario

	Scenario 1 \$2.30 B	Scenario 2 \$1.14 B	Scenario 3 \$911.6 M	Scenario 4 \$663.2
Life Cycle Furniture Replacement	\$ 11,013,935	\$ 2,753,484	\$ 1,652,090	\$ 1,652,090
Educational Equipment Replacement	\$ 8,521,002	\$ 6,390,752	\$ 4,260,501	\$ 4,260,501
Environmental and ADA	\$ 5,812,268	\$ 5,812,268	\$ 2,906,134	\$ 2,906,134
Technology Replacements	\$ 97,169,913	\$ 97,169,913	\$ 58,301,948	\$ 48,584,957
Security	\$ 19,493,488	\$ 19,493,488	\$ 7,429,735	\$ 7,429,735
Mobile Classroom Relocation and Leasing	\$ 7,522,410	\$ 9,679,983	\$ 20,607,569	\$ 20,607,569
Assessment of Existing Facilities	\$ 1,150,006	\$ 1,150,006	\$ 1,150,006	\$ 1,150,006
Public Infrastructure	\$ 71,375,863	\$ 34,392,424	\$ 33,533,799	\$ 19,131,286
Property Acquisition	\$ 58,963,718	\$ 44,222,788	\$ 29,481,859	\$ 20,637,301
Start-up Design for Next Program	\$ 24,977,677	\$ 24,977,677	\$ 24,977,677	\$ 24,977,677
Four Regional Bus Transportation Centers	\$ 36,105,108	\$ 18,052,554	\$ -	\$ -
Athens Stadium Upgrade	\$ 4,964,452	\$ -	\$ -	\$ -
Track upgrades (53 Elementaries)	\$ 2,256,569	\$ -	\$ -	\$ -
Convert 3 HS to Artificial Turf	\$ 3,384,854	\$ -	\$ -	\$ -
Energy Savings Initiative	\$ 15,952,747	\$ -	\$ -	\$ -
Rock Quarry Upgrades/Repairs	\$ 5,641,423	\$ -	\$ -	\$ -
Regional Athletic Stadiums	\$ -	\$ -	\$ -	\$ -
Program Contingency	\$ 34,127,693	\$ 16,694,908	\$ 13,410,458	\$ 9,800,070
Program Management	\$ 45,508,560	\$ 25,601,655	\$ 23,247,332	\$ 20,255,689
Total	\$ 453,941,687	\$ 306,391,901	\$ 220,959,107	\$ 181,393,015