



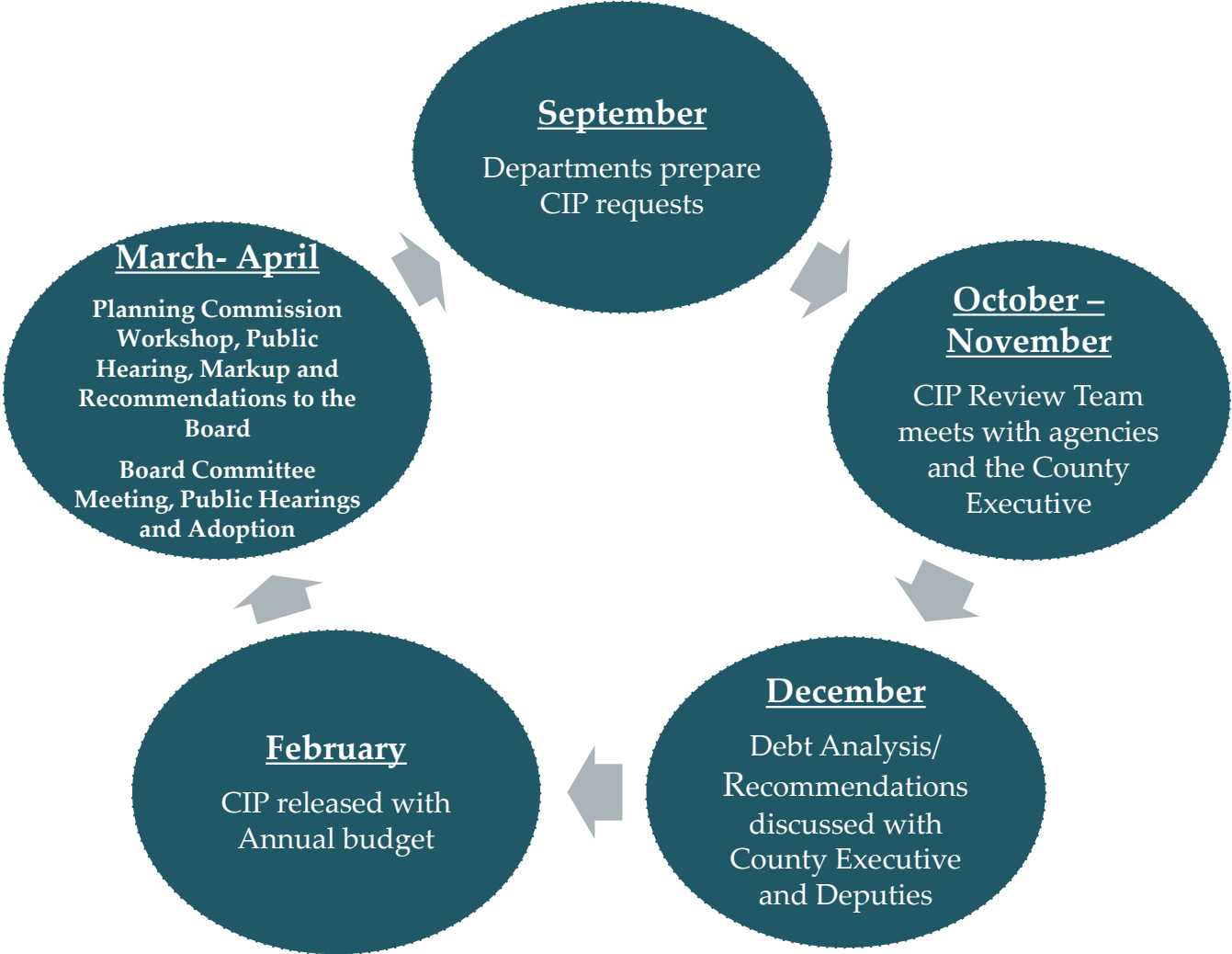
# FY 2022 – FY 2026 Capital Improvement Program (with Future Fiscal Years to 2031)

Planning Commission CIP  
Workshop  
March 11, 2021

[www.fairfaxcounty.gov/budget](http://www.fairfaxcounty.gov/budget)



# CIP Annual Process



# CIP Development Process

- Rates for self supporting funds developed (Stormwater, Wastewater, Solid Waste) as part of the Annual Budget
- General Fund supported Capital Program developed as part of the Annual Budget
- Bond Referendum Plan developed based on priority projects and *Ten Principles of Sound Financial Management*

# Self-Supporting Funds Capital Programs

- Stormwater rate proposed to remain at \$0.0325 per \$100 of assessed real estate value
- Wastewater rates are consistent with 5-year plan
  - Base Charge from \$32.91 to \$36.54 (recovers fixed costs)
  - Availability Charges from \$8,340 to \$8,507 (connection fee)
  - Service Charges from \$7.28 to \$7.72 per 1,000 gallons
- Solid Waste rates
  - Refuse disposal move to a single rate of \$66 per ton (no separate discounted rate)
  - Refuse Collection rate from \$370 to \$400 per household unit
  - Leaf Collection remains at \$0.012 per \$100 of assessed value

# General Fund Capital Program

- General Fund Capital Program
  - \$18,678,045 in FY 2022
  - Includes \$13,188,045 in commitments, contributions and maintenance (71 percent)
  - Includes \$5,490,000 in capital improvements (29 percent)
  - Slight increase over FY 2021 of \$605,000 for previously approved maintenance of FCPS athletic fields
- For several years, the Annual Paydown Program has been supplemented by adjustments at the Third Quarter or Carryover Reviews (anticipated again in FY 2021) and the Sinking Fund

# Capital Sinking Fund

- Capital Sinking Fund was created by the Infrastructure Financing Committee (IFC)
- Populated at year end based on 20 percent of Carryover balances after funding critical requirements
- Began at *FY 2014 Carryover Review* (To date, over \$64 million has been set aside for capital reinvestment)
- Allocation is based on a percentage of the total annual reinvestment requirements as presented to the IFC including 55 percent for FMD, 20 percent for Parks, 10 percent for County-owned Roads, 10 percent for County Walkways and 5 percent for Revitalization improvements

# Bond Referendum Plan

- Annual review of Bond Referendum Plan
  - Details the long-range plan, outlining specific projects and schedules
  - More predictable plan for the Board, County agencies, the public
  - Includes County/FCPS bond referenda in alternate years
  - Includes FCPS bond referenda at \$360 million every other year, reflecting the current FCPS annual bond sales limit of \$180 million

# Up-Coming Bond Referenda

Year	Category	Description			Total
Fall 2021	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$360 m
Fall 2022	County	Public Safety	\$72 m	Welfit Performance Testing Center, Chantilly Fire Station, Fox Mill Fire Station, Oakton Fire Station	\$97 m
		Human Services	\$25 m	Early Childhood Facilities	
Fall 2023	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$360 m
Fall 2024	County	Human Services	\$89 m	Early Childhood Facilities, Tim Harmon Campus, Springfield Community Resource Center	\$381 m
		Parks	\$112 m	County Park Authority, Northern Virginia Regional Park Authority	
		Transportation	\$180 m	Metro Contribution	
Fall 2025	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$360 m

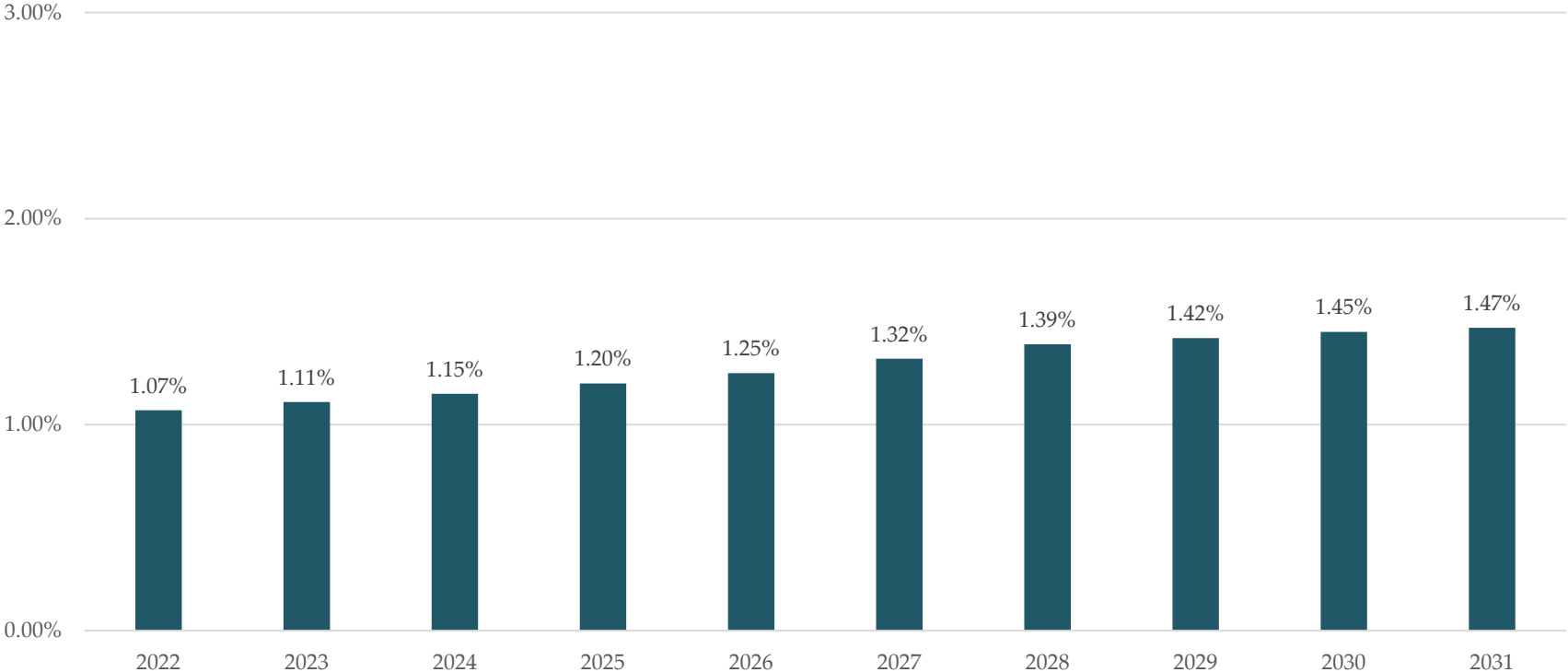


# Bond Plan Link to Debt Policies

- Total Bond Plan includes General Obligation Bonds and EDA Bonds/other financing sources
- *Ten Principles of Sound Financial Management*
  - Below 3 percent debt to market value (currently 1.06 percent)
  - Below 10 percent debt to General Fund Disbursements (currently 7.47 percent)
  - Total sales limit is \$300 million per year
  - Debt Service affordability
- Note: Bond sales continue to benefit from the County's triple-A bond rating. On January 26, 2021, the County conducted a General Obligation bond sale at an interest rate of 1.23 percent. This borrowing rate represents the lowest interest rate ever received for a new money bond deal in the County's history. It is also 77 basis points below the previous low interest rate of 2.00 percent that the County received in January 2020.

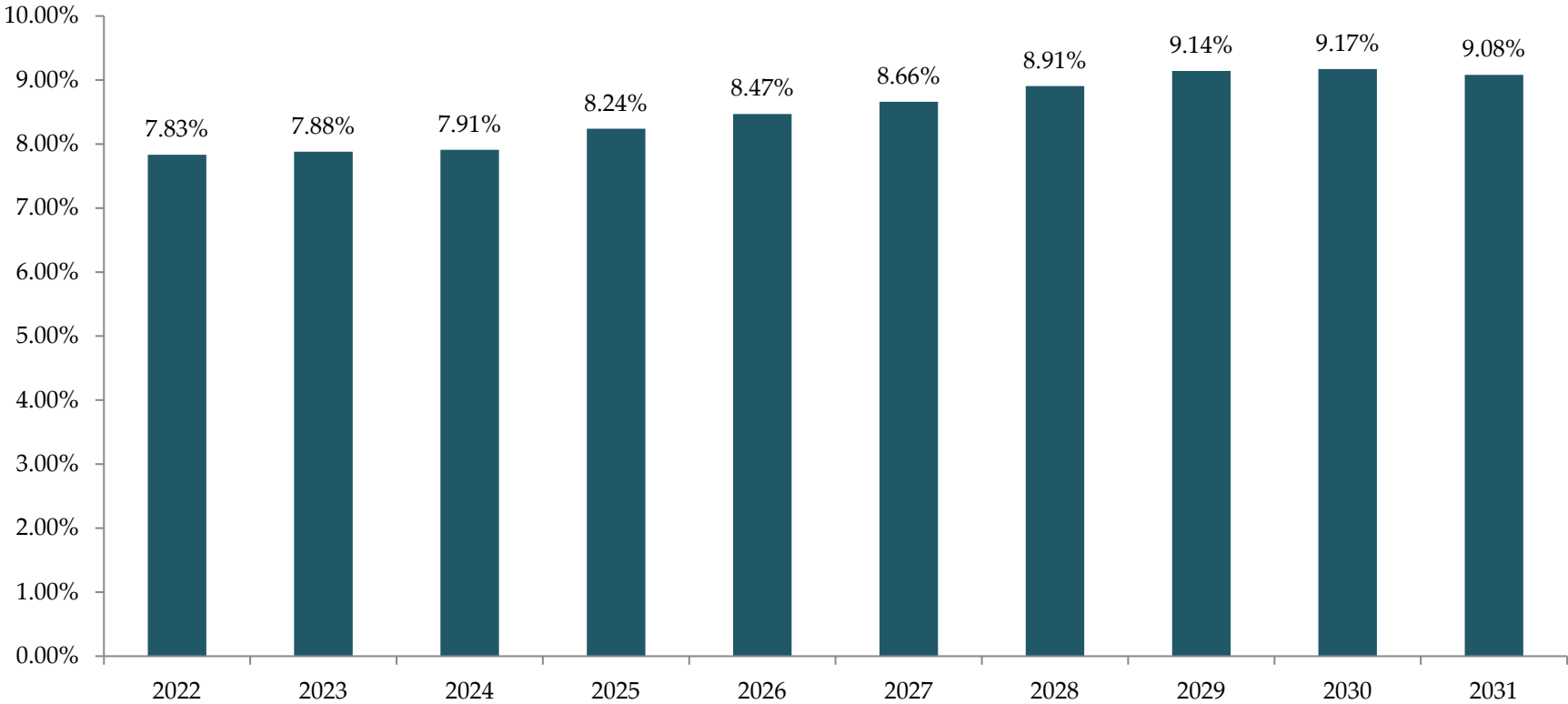
# Debt to Market Value

**Debt Ratio Projections**  
**Net Outstanding Debt**  
**Benchmarked Against Out Year Total Assessed Value**  
*County Limit 3%*



# Debt to General Fund Disbursements

**Debt Ratio Projections**  
**Estimated Debt Service Payments**  
**Benchmarked Against Out Year Revenues**  
*County Policy 10% Limit*



# \$300m Sales Limit

- Annual sale limit of \$300m is beginning to present some capacity challenges
  - \$180m for FCPS (last increased in FY 2019)
  - \$120m for County (last increased in FY 2007)
- County challenges include:
  - Metro capital requirements are increasing and are projected to continue to increase in future years. In 2011 the Metro bond sale was \$20m and in January 2021 it was \$42m, more than double what it was 10 years ago
  - More complex colocation projects are taking longer to complete, delaying bond sales, and creating a backlog of sale requirements
  - Most recently, existing Library and Public Safety bonds have required a 2-year extension from the Circuit Court to provide a total of 10 years in which to sell the bonds after the initial date of the voter approved referendum
- FCPS is interested in increasing the \$180m School's sale limit

# Affordability of Bond Program

- Funding debt service for both the County and FCPS capital programs is only one of the many operational demands on the County budget
- In these uncertain economic times, it may be necessary to reevaluate all aspects of the Bond Program including both the timing and size of future referenda in order to maintain affordability of the program
- Currently, staff is working closely with the members of the Joint County and Schools CIP committee, and it is anticipated that there will be a review of the entire debt program, including debt capacity, bonding versus paydown options, timing and sizing of future referenda, and the assumptions used in future year CIP projections
  - The new Joint County Board/School Board CIP committee includes 2 members of the Board of Supervisors (Supervisor Foust and Smith), 2 School Board members (School Board members Omeish and Cohen) and 2 ex-officio members from the Planning Commission (Commissioner Sargeant and Niedzielski-Eichner)

# Next Steps/CIP Dates

- CIP on County website February 23
- PC CIP Committee Meeting February 25
- PC Workshop/Public Hearing March 11
- CIP Discussed at BOS Committee March 16
- PC CIP Committee Meeting March 25
- PC CIP Mark-up April 7
- BOS Public Hearings April 13,14,15
- BOS Mark-up/CIP Adoption April 27