



Fairfax County, Virginia

FY 2019 – FY 2023

Capital Improvement Program

March 13, 2018

<https://www.fairfaxcounty.gov/budget/capital-improvement-program-cip>



FY 2019 CIP Objectives

- Review and revise the long-range Bond Referendum Plan
- Conduct an analysis of debt service requirements, sales limitations, and debt ratios in conformance with the County's Ten Principles of Sound Financial Management
- Develop a General Fund Supported Capital Program distinguishing between commitments, contributions and on-going capital maintenance and infrastructure replacement and upgrade projects
- Review the progress on the use of Capital Sinking Funds
- Review the 5-year Stormwater Service District Spending Plan, developing an FY 2019 program consistent with the recommended increase of $\frac{1}{4}$ penny in the tax rate per year to address stormwater management regulations
- Develop a new Countywide Infrastructure Replacement and Upgrades component of the CIP
- Identify future efforts and challenges that will directly impact the CIP

FY 2019 CIP

- **The total FY 2019 – FY 2023 Capital Improvement Program totals \$10.66 billion (FY 2019 = \$1.05 billion)**
 - **The CIP includes County managed and non-County managed (NVRPA, Water Supply) Capital Programs**
 - **County Managed programs include:**
 - **Self-Supported Capital Programs (Stormwater, Solid Waste, Transportation, Wastewater) developed and approved as part of the Annual Budget**
 - **General Fund Supported Capital Program (Commitments/Contributions/Maintenance and Infrastructure Replacement and Upgrades-Paydown Capital), developed and approved as part of the Annual Budget**
 - **General Obligation Bond/EDA Bond Plan, developed as part of the 5-10 year CIP**

Self Supported Programs

- **Stormwater rate is proposed to increase from \$0.0300 to \$0.0325 per \$100 of assessed real estate value (1/4 penny increase, consistent with the 5th year of a 5-year plan approved by the Board)**
 - Staff will return to the Board of Supervisors at a future Environmental Committee meeting to discuss requirements going forward
- **Wastewater rates proposed to increase consistent with the approved 5-year plan:**
 - Base Charge from \$27.62 to \$30.38 per quarter (recovers fixed costs)
 - Availability Charges remains at \$8,100 (connection fee)
 - Service Charges from \$6.75 to \$7.00 per 1,000 gallons of water
- **Solid Waste rates proposed to change:**
 - Refuse disposal rate from \$64 to \$66 per ton
 - Refuse Collection from \$345 to \$350 per household unit
 - Leaf Collection remains at \$0.013 per \$100 of assessed value

General Fund Supported Capital Program

- **The FY 2019 General Fund Capital Program is \$18,462,076**
 - Includes \$11,871,476 in commitments, contributions and maintenance (64 percent)
 - Includes \$6,590,600 in Infrastructure Replacement and Upgrades (Paydown) capital improvements (36 percent)
- **Unable to increase Paydown Program in FY 2019**
- **In recent years, the Board has approved one-time capital project funding as part of the *Third Quarter and Carryover Reviews***
 - Several capital reinvestment projects are anticipated to be funded as part of the *FY 2018 Third Quarter*
- **The Board established Capital Sinking Fund has been extremely successful in bridging the gap**

Capital Sinking Fund

- **Capital Sinking Fund was created by the Infrastructure Financing Committee (IFC)**
- **Represents 20 percent of year end balances not needed for critical requirements**
- **Since FY 2014, \$26.8 million has been set aside for capital reinvestment**
- **December 2017 status memo depicts projects completed and underway**

Bond Referendum Plan

- **The Bond Referendum Plan is reviewed annually based on prioritized projects in conformance with the 10 Principles of Sound Financial Management**
- **More detailed and long-range plan, outlining specific projects and schedules**
- **Provides for enhanced coordination between agencies, the Planning Commission, the Board, and the public**
- **Includes County and School bond referenda in alternate years**
- **Includes FCPS bond referenda at \$360 million, reflecting a recommended \$25 million increase to the FCPS annual bond sales limit (from \$155 million to \$180 million)**
- **Includes adjustments to project costs to reflect increased construction escalation (such as public safety, parks, library projects)**

Up-Coming Bond Referenda

Fall 2018 County Public Safety Bond Referendum: Proposed at \$182 million

Fire and Rescue: \$73 million

Mt Vernon Fire Station (Built in 1969, last renovated 1980)

Fairview Fire Station (Built in 1981)

Gunston Fire Station (Built in 1976)

Seven Corners Fire Station (Built in 1977)

Volunteer Station

Police Department: \$59 million

Police Evidence Storage (Annex) (Built in 1960)

Mason Police Station (Built in 1975, last renovated 1994)

Criminal Justice Academy (Acquired in 1995)

Courts/Adult Detention Center: \$50 million

Includes Infrastructure upgrades, renovation and security system at ADC

(Projecting a total project cost of \$62 million, \$45 million bonds, \$17 million General Fund)

Includes \$5 million to continue courtroom renovations

Up-Coming Bond Referenda

- **Fall 2019 Fairfax County Public Schools**
- **Fall 2020 County:**
 - Health and Human Services
 - Northern Virginia Regional Park Authority
 - County Park Authority
 - Metro
- **Fall 2021 Fairfax County Public Schools**
- **Fall 2022 County:**
 - Public Safety
 - Libraries
- **Fall 2023 Fairfax County Public Schools**

Up-Coming EDA/Other Financing

FY 2019: \$5 million, Original Mt. Vernon High School

- *To support initial potential uses at the site, including early childhood education classrooms. Work is underway, bonds scheduled to be sold in FY 2019*

FY 2020: \$15 million, Reston Town Center North

- *Partial County share of the Comprehensive Real Estate and Infrastructure Development Agreement with Inova that will provide for the real estate exchange, and design and construction of the campus site infrastructure*

FY 2020: \$40 million, Stormwater/Wastewater Facility

- *Partial funding for the Public Works Complex to consolidate functions and operations and maximize efficiencies between Stormwater and Wastewater Divisions. EDA bonds will finance the facility with the Stormwater Services Fund and Wastewater Fund supporting the debt service*

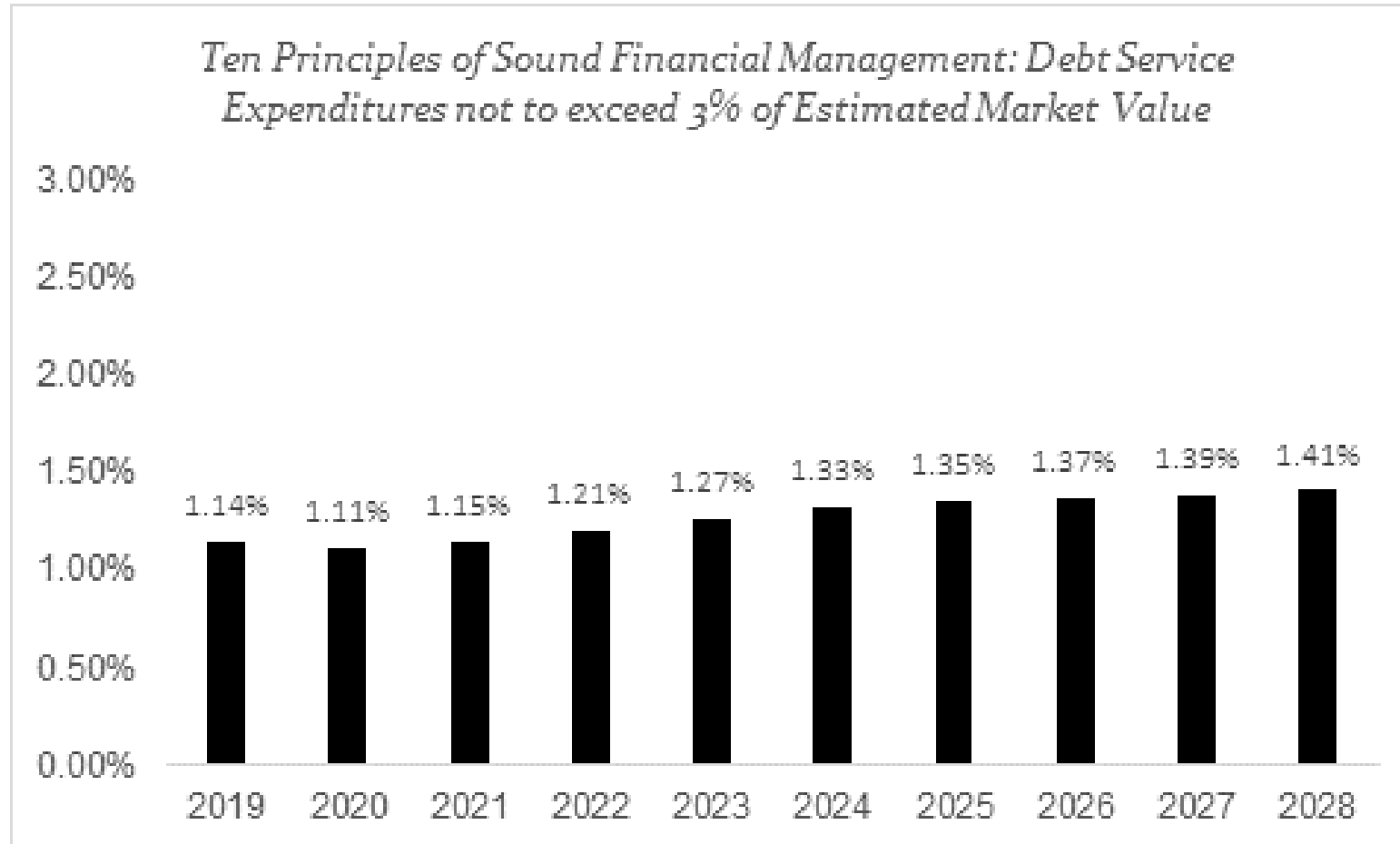
Bond Plan Link to Debt Analysis

- Total Bond Plan includes General Obligation Bonds and EDA Bonds
- Ten Principles of Sound Financial Management
 - Below 3 percent debt to market value (currently 1.16 percent)
 - Below 10 percent debt to General Fund Disbursements (currently 7.82 percent)
 - Total sales limit recommended to *increase from \$275 million to \$300 million per year*
 - Debt Service affordability

Financing Plan Affordability

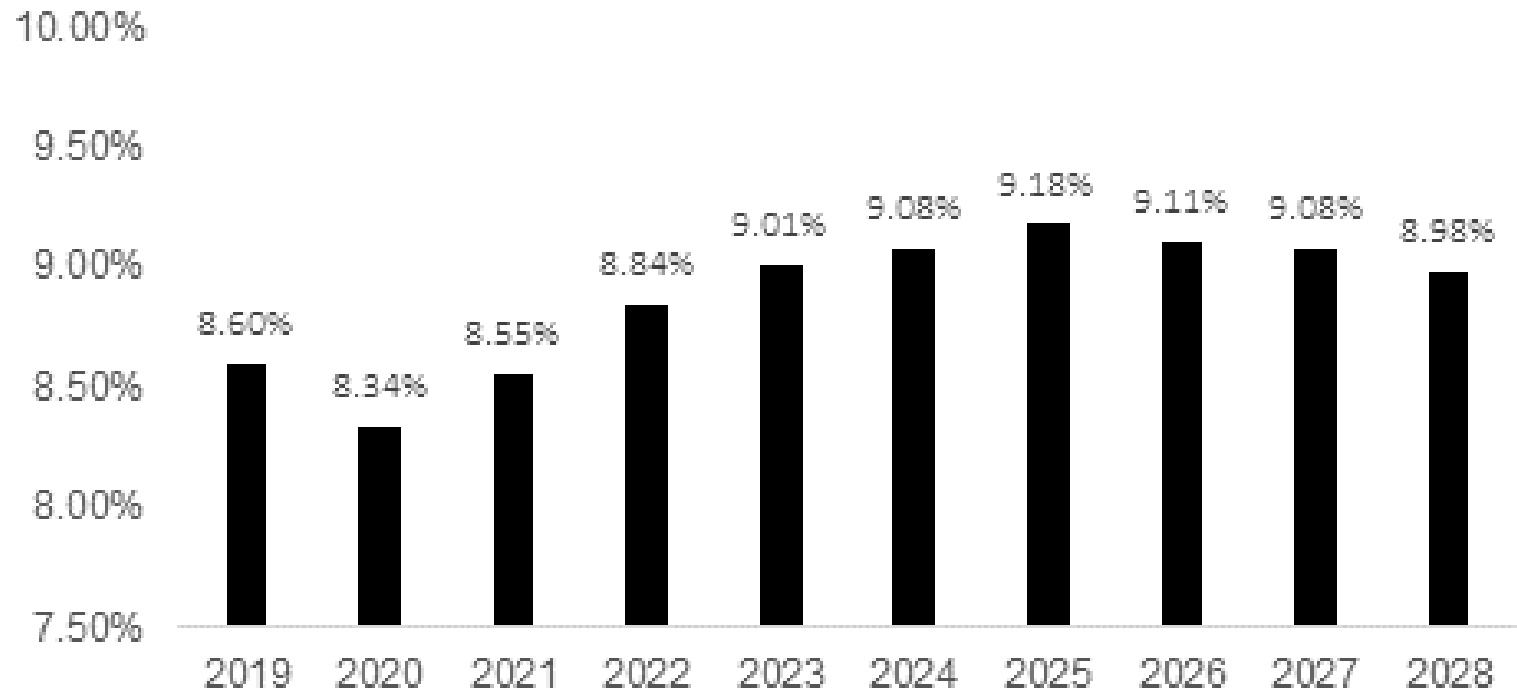
- Board directed staff to analyze a possible increase in the \$155 million sales limit for FCPS
- The Board last approved an increase in FCPS bond sales from \$130 million to \$155 million annually in FY 2007
 - In addition, the Board first approved as part of the *FY 2015 Carryover Review* and built into the budget going forward, a transfer of \$13.1 million to FCPS to support infrastructure replacement and upgrades
- CIP reflects an increase of \$25 million to FCPS bond sales from \$155 million to \$180 million

Debt Analysis



Debt Analysis

*Ten Principles of Sound Financial Management: Debt Service Expenditures not to exceed 10% of General Fund Disbursements
Debt Ratio Projections Benchmarked Against Out Year Revenues*



New for the CIP in FY 2019

- **Countywide Infrastructure Replacement and Upgrades (new section)**
 - Requested by Planning Commission and Board of Supervisors as part of the FY 2018 – FY 2022 CIP
 - Provides a compilation of the Infrastructure Replacement and Upgrade requirements associated with various program areas
 - Anticipated to evolve over time
- **Reorganized some sections of the CIP**
- **Included list of potential shared-use opportunities with FCPS (by District and Year)**
- **Improved CIP maps**

CIP Next Steps and Challenges

- **Staff will continue to work with FCPS staff to identify opportunities for shared use facilities**
- **Staff will be working to strengthen County strategic planning efforts as they relate to the CIP**
- **Staff will be monitoring cost of construction increases**

CIP Approval Process

- CIP on County website February 20
- PC CIP Committee Meeting February 21
- PC Workshop/Public Hearing March 7
- CIP Discussed at BOS Committee March 13
- PC CIP Committee Meeting March 14
- PC CIP Mark-up March 22
- BOS Public Hearings April 10,11,12
- BOS Mark-up/CIP Adoption April 24