



# **FY 2018 – FY 2022 Capital Improvement Program**

February 15, 2017

# CIP Process/Dates

- CIP on County website February 14
- PC CIP Committee Meeting February 15
- Printed copies of CIP Distributed February 21
- PC Workshop/Public Hearing March 9
- PC CIP Committee Meeting March 15
- CIP Discussed at BOS Committee March 21
- PC CIP Mark-up March 23
- BOS Public Hearings April 4, 5, 6
- BOS Mark-up/CIP Adoption April 25

# Bond Referendum Plan

- Annual review of Bond Referendum Plan (CIP, Page 26)
  - A more detailed and long-range plan, outlining specific projects and schedules
  - More predictable plan for the Board, County agencies, the public (great benefit for FMD work plans)
  - Includes FCPS bond referenda at \$310 million every other year
  - Includes County bond referenda in alternate years

# Up-coming Bond Referendum

Fall 2017 Fairfax County Public Schools Proposed at \$310 million

Fall 2018 County Public Safety Bond Referendum Proposed at \$140 million

**Fire and Rescue: \$60 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)

Fox Mill Fire Station (Built in 1979)

**Police Department: \$45 million**

Police Evidence Storage (Annex) (Built in 1960)

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

Criminal Justice Academy (Acquired in 1995)

**Adult Detention Center : \$35 million**

Includes Infrastructure upgrades, renovation and security system improvements

Projecting a Total project cost of \$50-60 million

Staff is working out the details

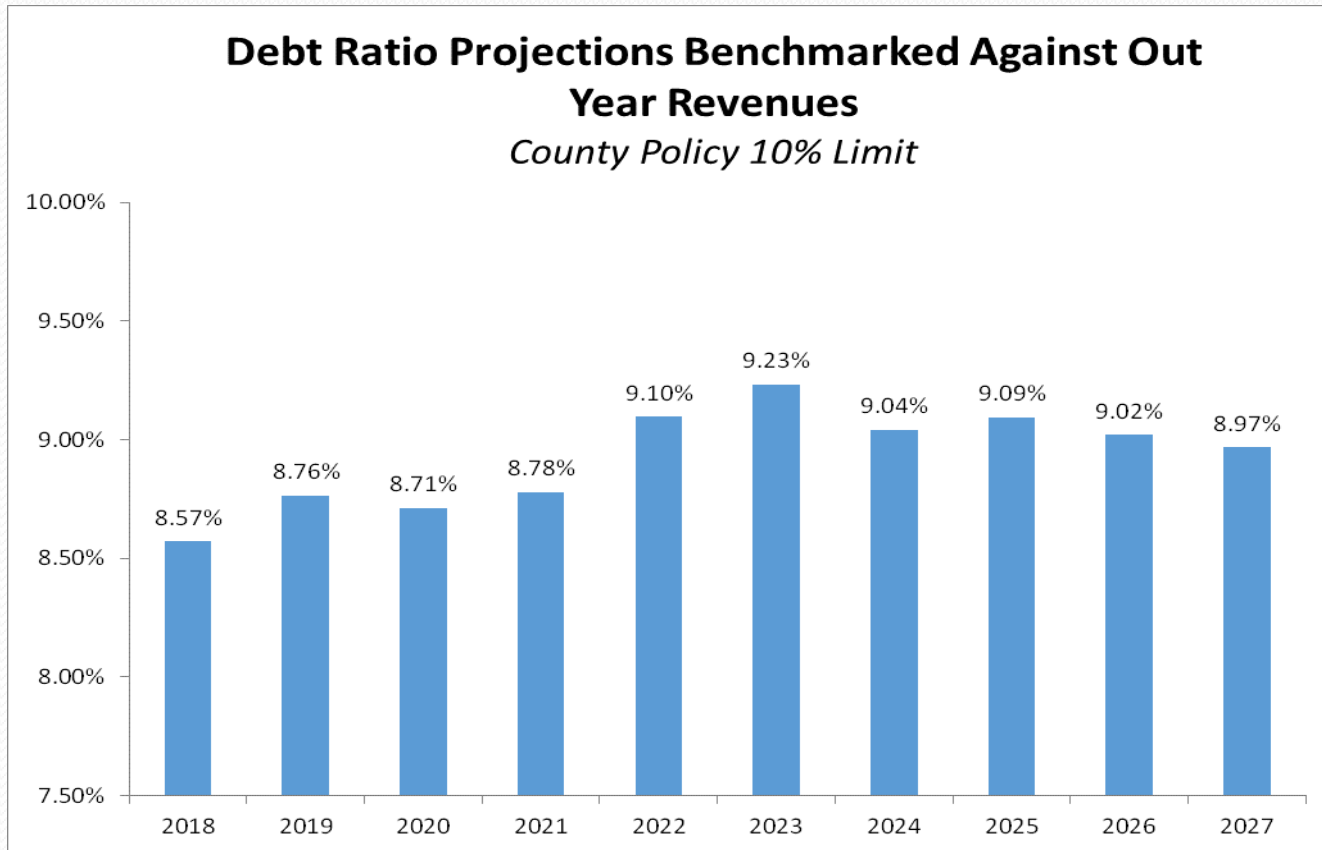
# Financing Plan

- Assumes FCPS sales at \$155 million annually
- Assumes County sales at an average of \$140 million
- Assumes Other Financing for Public Private Partnership Projects (North County Redevelopment, Original MVHS)
- Plan exceeds sales of \$275 million in some years but is conservative and can be managed annually
- Board directed staff to analyze a possible increase in the \$155 million sales limit for FCPS
- Sales limits were last increased from \$200m to \$275m in 2007, and will need to be reviewed again in FY 2019
- No change recommended in FY 2018, based on the lack of funding for increased debt service payments

# Bond Plan Link to Debt Analysis

- Total Bond Plan includes General Obligation Bonds and Other Financing (Public Private Partnerships funded by EDA Bonds/other sources) (CIP, page 25)
- Ten Principles of Sound Financial Management
  - Below 10 percent debt to General Fund Disbursements (currently 8.39 percent)
  - Below 3 percent debt to market value (currently 1.19 percent)
  - Sales limit of \$275 million per year
  - Debt Service affordability

# 10 Percent Ratio Policy



# County Debt Updates

- January 24, 2017 County Bond Sales
  - Interest rate of 2.87 percent
  - A differential of 0.96 percent under the Bond Buyer Index, which stood at 3.83 percent
  - The County's triple-A bond rating was affirmed by Moody's, Fitch and Standard and Poor's
  - Moody's also retained its stable outlook on the County after revising it last December from negative outlook
  - The County has held a Aaa rating from Moody's since 1975, a AAA rating from Standard and Poor's since 1978 and a AAA rating from Fitch Ratings since 1997.
  - The County has saved an estimated \$795.44 million from County bond and refunding sales due to the AAA rating



# General Fund Program

- Level funding for General Fund Capital Program
  - \$19,441,876 in FY 2018
    - Includes \$12,925,923 in commitments, contributions and maintenance
    - Includes \$6,515,953 in capital improvements
  - Unable to increase Paydown Program in FY 2018
  - Several capital reinvestment projects are anticipated to be funded at Third Quarter

# Capital Sinking Funds

- Capital Sinking Fund was created by the Infrastructure Financing Committee (IFC).
- Populated at year end beginning in FY 2014 (To date, \$14.8 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 Trails and 5 percent for revitalization
- Several projects are underway or complete

# Self Supporting Programs

- Stormwater rate proposed to increase from \$0.0275 to \$0.0300 per \$100 of assessed real estate value (1/4 penny increase consistent with the 5 year plan approved by the Board)
- Wastewater rates to increase consistent with 5-year plan
  - Base Charge from \$24.68 to \$27.62 (recovers fixed costs)
  - Availability Charges from \$7,750 to \$8,100 (connection fee)
  - Service Charges from \$6.68 to \$6.75 per 1,000 gallons
- Solid Waste rates
  - Refuse disposal rate from \$62 to \$64 per ton
  - Leaf Collection from \$0.15 to \$0.13 per \$100 of assessed value

# CIP Next Steps and Challenges

- In the next year staff will be working with FCPS staff to identify opportunities for shared use facilities, as directed by the Joint Board of Supervisors/School Board Work Group
- Continue to evaluate the potential for raising the sales limits beyond \$275 million per year
- Evaluate the requirements for the WMATA capital program, both in terms of timing and amounts and the effect on the County Bond referendum Plan

# Planning Commission March 9<sup>th</sup>

## Workshop Participants

- CIP Overview - Martha Reed
- Fairfax County Public Schools – Kevin Sneed
- Park Authority – David Bowden
- Fire and Rescue – Asst. Chief John Caussin
- Department of Transportation – Mike Lake
- Sanitary Sewers – Jeff Kent
- Stormwater – Craig Carinci
- Human Services – TBD
- Fairfax County Public Library – Jessica Hudson
- Police – Major Edward O’Carroll
- Housing and Community Development – Hossein Malayeri