



Infrastructure Financing Committee (IFC) History and Successes

Board of Supervisors/School Board CIP
Committee

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January 7, 2021

Background

- Joint Board of Supervisors/School Board CIP Committee established in April 2013
- Establish to collaborate and review both the County and School's Capital Improvement Program (CIP) and capital requirements
- Initiated as a result of Chairman Sharon Bulova's consideration of the School Board's request for an additional \$25 million per year in capital funding and County infrastructure needs
 - Bond sales for FCPS increased from \$155m to \$180m per year beginning in FY 2019



Members

John Cook, Fairfax County Board of Supervisors (Co-Chair)

John Foust, Fairfax County Board of Supervisors

Jeff McKay, Fairfax County Board of Supervisors

Kathy Smith, Fairfax County School Board (Co-Chair)

Sandy Evans, Fairfax County School Board

Patty Reed, Fairfax County School Board

The Committee Goals

- Achieve a common understanding of the opportunities and challenges regarding the CIP process, existing capital infrastructure, and opportunities for financing;
- Develop long term maintenance plans for both County and Schools, including annual requirements and reserves;
- Evaluate ways to further reduce capital project costs for both County and School infrastructure;
- Better coordinate the use of facilities by considering options for joint County/School use;
- Consider all forms of financing to begin to close the gap between the requirements for both County and School facilities and available funding, specifically considering the request from schools for additional bonds sales.

Final Recommendations

Common understanding of the opportunities/challenges of the CIP

- County's Ten Principles of Sound Financial Management and maintaining their established debt ratios are critical and directly influence the County's Triple A bond rating
- Capital requirements must become a funding priority
- Condition assessments should be conducted to enable staff to define and focus on the most pressing requirements

Develop long term maintenance plans and reserves

- Adopt common definitions of capital projects
- Funding of Operations and Maintenance should be a budgetary priority
- Establish a Capital Sinking Fund
- Limit the practice of funding Infrastructure Replacement and Upgrades (major maintenance) through bond or proffer funding

Final Recommendations

Evaluate ways to further reduce capital project costs

- County and Schools staff should continue to employ Value Engineering (VE)
- Staff should highlight significant project savings and reallocations to their Boards

Better Coordinate use of Facilities

- Reaffirm the September 24, 2007 resolution outlining cooperation between the County and Schools in coordinating the planning and delivery of both facilities and services
- County and school staff should enhance their collaboration efforts on CIP projects, exploring opportunities for joint use

Final Recommendations

Consider all forms of financing

- Establish a goal of additional Pay-as-you-go funding of approximately \$20 million annually
- Review the use of proffers
- Consider retaining a consultant to develop a program of private fundraising for major capital projects such as school renovations and park facilities
- Staff should, when possible, outline for the Boards and the public the operational funding impacts when new or renovation/expansion projects are considered in the CIP

Transfer to FCPS Construction Fund

- FCPS had used an average of \$13.1 million in bond funding each year for the previous 5 years to meet Infrastructure Replacement and Upgrade requirements
- The County has transferred at least \$13.1 million annually beginning in FY 2016
- This increase in the transfer was *not* to affect the County transfer to the School Operating Fund
- To date an amount of \$81.1 million has been transferred to the FCPS construction fund

County Capital Sinking Fund

- Capital Sinking Fund is populated at year-end based on 20 percent of Carryover balances after funding critical requirements
- First installment was included in the *FY 2014 Carryover Review*
- To date, over \$64 million has been set aside for capital reinvestment
- The allocation is based on a percentage of the total annual reinvestment requirements at the time, including, 55 percent for Facilities Management, 20 percent for Parks, 10 percent for County-owned Roads, 10 percent for County Walkways and 5 percent for Revitalization improvements
- The Board has made some one-time adjustments to the percentages based on requirements

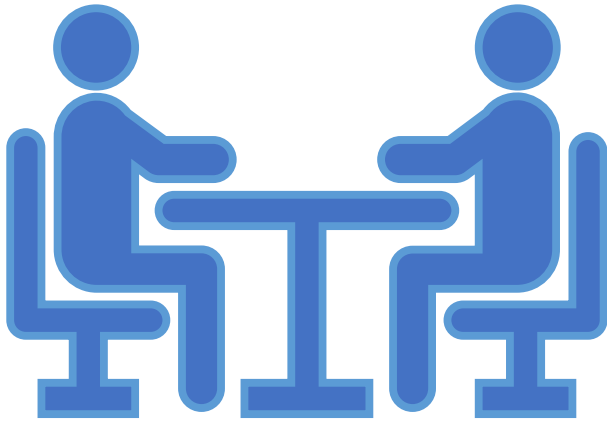


Appendix:

County Sinking Fund Project Examples

- Included on the Joint CIP Committee Website
- Includes Before and After pictures of completed County Sinking Fund projects

Committee Meeting Information



- All meeting information can be found at:
- <https://www.fairfaxcounty.gov/budget/joint-board-supervisorsschool-board-cip-committee>.
 - Agendas
 - Presentations
 - Policies
 - Links to CIP documents
 - IFC Final Report
 - Schools Committee Report