

**FAIRFAX COUNTY
BOARD OF SUPERVISORS
May 2, 2023**

AGENDA

- 9:30 Board Decision on the County and Schools' FY 2023 Third Quarter Review
- 9:30 Board Markup of the County Executive's FY 2024 Advertised Budget Plan and the FY 2024 Add-On Package
- 9:30 Board Decision on the Fairfax County Capital Improvement Program (CIP) for Fiscal Years 2024-2028 (with Future Fiscal Years to 2033)

Board Agenda Item
May 2, 2023

9:30 a.m.

Board Decision on the County and Schools' FY 2023 Third Quarter Review

ISSUE:

Board decision on the County's and Schools' *FY 2023 Third Quarter Review* to include Supplemental Appropriation Resolution (SAR) AS 23190 and Amendment to the Fiscal Planning Resolution (FPR) AS 23901.

RECOMMENDATION:

The County Executive recommends that the Board approve staff recommendations including the County's and Schools' *FY 2023 Third Quarter Review*.

TIMING:

The public hearings on the *FY 2023 Third Quarter Review* were held April 11, 12, and 13, 2023. Action should be taken on the *FY 2023 Third Quarter Review* prior to the mark-up of the FY 2024 Advertised Budget Plan so that a revised FY 2023 General Fund ending balance will be known.

ENCLOSED DOCUMENTS:

The *FY 2023 Third Quarter Review* was sent electronically on March 20, 2023, and is available online at: www.fairfaxcounty.gov/budget/fy-2023-third-quarter-review.

STAFF:

Bryan J. Hill., County Executive
Christina Jackson, Chief Financial Officer
Philip Hagen, Director, Department of Management and Budget
Katie Horstman, Deputy Director, Department of Management and Budget
Joe LaHait, Deputy Director, Department of Management and Budget

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9:30 a.m.

Board Markup of the County Executive's FY 2024 Advertised Budget Plan and the FY 2024 Add-On Package

ISSUE:

Board markup of the County Executive's FY 2024 Advertised Budget Plan and the FY 2024 Add-On Package.

RECOMMENDATION:

The County Executive recommends that the Board approve staff recommendations in the FY 2024 Advertised Budget Plan and the FY 2024 Add-On Package.

TIMING:

The public hearings on the FY 2024 Advertised Budget Plan were held on April 11, April 12, and April 13, 2023, and the markup is scheduled for today, May 2, 2023.

ENCLOSED DOCUMENTS:

Memorandum to the Board of Supervisors from Bryan J. Hill, County Executive, with attachments transmitting the FY 2024 Add-On Package, is available online at:

<https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/fy2024/fy2024-addon-package.pdf>

The FY 2024 Advertised Budget Plan is available online at:

<https://www.fairfaxcounty.gov/budget/fy-2024-advertised-budget-plan>.

STAFF:

Bryan J. Hill, County Executive

Christina Jackson, Chief Financial Officer

Philip Hagen, Director, Department of Management and Budget

Katie Horstman, Deputy Director, Department of Management and Budget

Joe LaHait, Deputy Director, Department of Management and Budget

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9:30 a.m.

Board Decision on the Fairfax County Capital Improvement Program (CIP) for Fiscal Years 2024-2028 (with Future Fiscal Years to 2033)

ISSUE:

Board decision on the Fairfax County Capital Improvement Program (CIP) for Fiscal Years 2024-2028 (with Future Fiscal Years to 2033).

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors approve the FY 2024 – FY 2028 Advertised Capital Improvement Program (with Future Fiscal Years to 2033), as presented on February 21, 2023, and discussed at the March 14, 2023, budget committee meeting. The following motions are recommended:

- Support the Planning Commission motions as approved on March 29, 2023.
- Make all necessary adjustments to reflect actions taken during the Board's decision on the *FY 2023 Third Quarter Review* and the FY 2024 Adopted Budget Plan that impact the CIP.

TIMING:

The Advertised Capital Improvement Program was discussed at the Board's Budget Committee meeting on March 14, 2023, and final adoption of the CIP is scheduled for May 2, 2023.

BACKGROUND:

The Board of Supervisors considered the FY 2024 – FY 2028 Advertised Capital Improvement Program (with Future Fiscal Years to 2033) at a budget committee meeting on March 14, 2023. The Planning Commission held several CIP work sessions and conducted its markup of the CIP on March 29, 2023. The Planning Commissioners proposed several CIP motions, all of which were approved unanimously. A summary of the Planning Commission action on the CIP is included as Attachment I.

Therefore, the following actions are recommended to the Board of Supervisors:

- Approve the FY 2024 – FY 2028 Advertised Capital Improvement Program (with Future Fiscal Years to 2033);

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- Direct Fairfax County staff to identify and aggressively pursue opportunities for Build Back Better/Infrastructure Investment funding to realize Fairfax County planned but unfunded construction and major maintenance needs;
- Direct staff in the Department of Management and Budget to work with the Fairfax County Park Authority (FCPA) staff to: 1) Determine specific bonding and cash flow requirements for upcoming bond cycles, review the amounts of future Park Authority Bond Referendums, and explore all financing options available to support the renovation of the Park Authority Rec Center facilities immediately in need of renovation (Audrey Moore, Providence, George Washington, and Franconia); 2) Identify options to address projected cash flow limitations for the fiscal years of FY 2024 through FY 2026, to allow for investment in Recreation Center facilities now as a bridge to future renovation projects; and 3) Encourage CIP planning staff to more regularly coordinate with FCPA staff to ensure that major park projects are considered in planning and scheduling bond capacity. Staff should continue to work together to identify and prioritize specific Park capital needs; and
- Direct CIP planning staff to revisit and evaluate the Bond Referendum Plan on an annual basis to determine if the causes of the bond-sale backlog are mitigated and a return to the 4-year cycle is desirable and direct CIP planning staff to identify any significant systemic causes of the backlog in unsold bonds that, if addressed, might expedite bond sales and facility construction.

FISCAL IMPACT:

As shown on page 24 of the FY 2024 – FY 2028 Advertised Capital Improvement Program (with Future Fiscal Years to 2033), the total CIP cost including all program elements, is \$13.625 billion (including \$1.054 billion for Non-County Managed Programs such as the Northern Virginia Regional Park Authority and the Water Supply). This includes \$2.064 billion authorized or expended through FY 2023, \$8.158 billion scheduled over the FY 2024 – FY 2028 period, and \$3.403 billion projected in the FY 2029 – FY 2033 period. These estimates may be adjusted slightly to accommodate actions taken during the Board's decision on the *FY 2023 Third Quarter Review* and the FY 2024 Adopted Budget Plan that impact the CIP.

ENCLOSED DOCUMENTS:

Attachment I – Planning Commission Summary

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STAFF:

Bryan J. Hill, County Executive
Christina Jackson, Chief Financial Officer
Phil Hagen, Director, Department of Management and Budget
Joe LaHait, Department of Management and Budget
Martha Reed, Department of Management and Budget

**County of Fairfax, Virginia
Planning Commission Meeting
March 29, 2023
Planning Commission Action**

CAPITAL IMPROVEMENT PROGRAM (CIP) – FISCAL YEARS 2024 – 2028
ADVERTISED (WITH FUTURE FISCAL YEARS TO 2033)
(Countywide)

PLANNING COMMISSION RECOMMENDATIONS:

On March 29, 2023, the Planning Commission voted 11-0 (Commissioner Lagana was absent from the meeting) to recommend to the Board of Supervisors the following:

- Approval of the advertised Fairfax County Capital Improvement Program for Fiscal Years 2024 through 2028, With Future Fiscal Years to 2033;
- That the Board of Supervisors direct Fairfax County staff to identify and aggressively pursue opportunities for Build Back Better/Infrastructure Investment funding to realize Fairfax County planned but unfunded construction and major maintenance needs;
- That the Board of Supervisors direct staff from the Department of Management and Budget to work with the Fairfax County Park Authority (FCPA) staff to:
 - Determine specific bonding and cash flow requirements for upcoming bond cycles, review the amounts of future Park Authority Bond Referendums, and explore all financing options available to support the renovation of the Park Authority Recreation Center facilities immediately in need of renovation (Audrey Moore, Providence, George Washington, and Franconia);
 - Identify options to address projected cash flow limitations for the fiscal years of FY 2024 through FY 2026, to allow for investment in Recreation Center facilities now as a bridge to future renovation projects;
 - Encourage CIP planning staff to more regularly coordinate with FCPA staff to ensure that major park projects are considered in planning and scheduling bond capacity. Staff should continue to work together to identify and prioritize specific park capital needs;
 - Direct CIP planning staff to revisit and evaluate the bond referendum plan on an annual basis to determine if the causes of the bond-sale backlog are mitigated and if a return to the four-year cycle is desirable; and

- Direct CIP Planning staff to identify any significant systemic causes of the backlog in unsold bonds that, if addressed, might expedite bond sales and facility construction.

ATTACHED DOCUMENTS:

None

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