



2018 Public Safety Bond Referendum Information

Bond Issue on the Ballot on Nov. 6

In the Nov. 6 general election, **Fairfax County voters will be asked to vote YES or NO on a public safety bond referendum question.** The referendum question asks voters to allow the county to **borrow up to \$182 million to fund** the cost of constructing, reconstructing, enlarging, renovating, equipping and acquiring land for **public safety facilities.**

If the majority of voters approves the question, the county currently plans to issue general obligation bonds to fund improvements to:

- **Five fire stations**
- **Three police facilities**
- Adult Detention Center
- Existing **courtrooms** as described below

The county may in the future alter these specific plans, but in such a case the county would have to use the funds for a purpose described in the ballot question.

Fire Stations, \$73 Million

Mount Vernon, Fire Station #9 - \$16 Million

Built in 1969, the existing 9,000-square-foot station is one of the oldest and busiest in the county. The station needs major building systems replaced, apparatus bays are undersized, bunkrooms and locker facilities for female personnel should be enhanced, and space is needed for support functions. The Mount Vernon response area includes the Richmond Highway Corridor, which is one of the revitalization areas in the county targeted for mixed-use development. A renovated, expanded, or replaced fire station would have capacity to add emergency responders and apparatus to meet increased service demand resulting from projected population growth.

Gunston, Fire Station #20 - \$13 Million

The existing 7,782-square-foot fire station opened in 1976 and needs to be renovated and expanded or replaced to upgrade building systems and infrastructure that currently rely on equipment well beyond the end of its life cycle. An additional apparatus bay is needed to house the station's fireboat and water rescue equipment, bunkrooms and locker facilities for female personnel need enhancement, and space is needed for support functions.

Seven Corners, Fire Station #28 - \$13 Million

Built in 1977, the existing 8,572-square-foot fire station needs to be renovated, expanded, or replaced to upgrade building systems, expand undersized apparatus bays, enhance the bunkrooms and locker facilities for female personnel, and provide space for support functions. The Seven Corners station's response area includes Bailey's Crossroads, which is projected to experience population growth and mixed-use development. A larger fire station would have capacity to meet increased service demand for emergency medical and fire suppression services.

Fairview, Fire Station #32 - \$16 Million

The existing 8,200-square-foot fire station opened in 1981 and needs to be renovated and expanded or replaced to upgrade building systems, and to provide an additional apparatus bay, enhanced living facilities for female personnel, and space for support functions. The additional apparatus bay is needed because department plans include locating a tanker at the Fairview Station to respond to areas of the county that do not have hydrants. A tanker is needed to significantly improve response times and effectiveness of fire suppression resources in these areas that lack sufficient water resources.

Volunteer Fire Station - \$15 Million

This project is for a future volunteer fire station transfer to the county. The cost estimate is based on the cost of prior transfers of ownership of the Great Falls Volunteer Fire Station, the Bailey's Crossroads Volunteer Fire Station, and the Lorton Volunteer Fire Station to Fairfax County. There are eight remaining volunteer fire and rescue stations, which are approximately 40 years old or older. If a transfer were to occur, the major building systems would be well beyond their intended life cycles and the station would require significant upgrades to meet fire and rescue operational needs. Staff is currently working on several potential transfers.

Police Facilities, \$59 Million

Police Evidence Storage Building - \$18 Million

Built in 1960, the Police Evidence Storage Building currently houses the Warrant Desk, the Victim Services Section, and the main Property and Evidence Section. The second and third floors are not able to adequately support high-density storage, thus limiting storage above the first level of the building. Expansion of the storage area for the Police Property and Evidence Section is critical as the storage facility is nearing capacity. Preservation of evidence stored in the facility is essential for court presentations. Additionally, extensive upgrades are required to building systems and infrastructure, including adequate climate control and air ventilation/filtration. The warrant desk area is undersized to support current operations and visiting officers. The facility must satisfy strict accountability and oversight requirements to meet accreditation standards.

Criminal Justice Academy - \$18 Million

Purchased in 1989, the Criminal Justice Academy currently provides training for 2,300 annual recruits and incumbents from the Fairfax County Police and Sheriff, and the towns of Herndon and Vienna. Renovation would provide for innovative training capabilities to recruits and incumbent officers in academic and scenario-based environments. Renovation also would address operational requirements and replace or upgrade major building systems, such as HVAC and electrical systems, that have far exceeded their intended life cycles.

Mason District Police Station - \$23 Million

Built in 1975, the Mason District Police Station currently supports 129 officers and 19 non-sworn personnel. The 23,000-square-foot station needs renovations and expansion to meet current operational needs. Extensive upgrades to building systems and infrastructure are needed, as the current systems are past their intended life cycles. Current locker rooms are at capacity and lack adequate ventilation. The renovation would provide a more efficient layout for the station, including interview rooms, storage, wellness/exercise room, and office space.

Adult Detention Center and Courts, \$50 Million

Adult Detention Center - \$45 Million

The county's Adult Detention Center has three wings, each originally constructed at different times. The North Wing is approximately 93,000 square feet and was constructed in 1989. The East Wing is approximately 106,000 square feet and was constructed in 1978. The West Wing, the largest wing at approximately 310,000 square feet, was constructed in 1995. An outside engineering firm conducted a mechanical, plumbing, electrical, and building systems assessment of each wing, the results of which indicate that most of the major building systems, including plumbing, electrical, HVAC, fire protection systems, and elevators, have exceeded their expected useful lives and are overdue for replacement or upgrades. In addition, exterior work is required, including weather stripping and roof repairs. The security systems are outdated and no longer meet industry standards. System equipment repairs and maintenance have become increasingly difficult as manufacturers no longer support certain equipment and replacement parts become less available. Proposed improvements would integrate and upgrade mechanical and security systems to increase operational efficiencies. Concurrent implementation of the major building systems replacement and upgrades with the security system replacement would minimize the disruption to the critical operations of the facility.

Jennings Judicial Center - \$5 Million

The original Jennings Building was completed in the early 1980s and its courtrooms have been in constant use since that time. To keep them operational and enhance their efficiency, these courtrooms need better lighting, ductwork realignment, ADA upgrades, carpeting, wall and ceiling replacement or repairs, refinishing of the gallery benches, renovation of the jury rooms and technology upgrades.

Some pro and con arguments about financing capital projects through bond funding.

PRO

Some people think that bond financing is a vital part of the county's comprehensive approach to the challenge of funding needed infrastructure and capital facilities. Here are some of the arguments used by proponents of bond funding:

- Bonding spreads the cost of major projects of general benefit to county residents over future years and ensures that both current and future residents and users share in the payment.
- Spreading the cost of major projects permits the county to accomplish more projects sooner than would pay-as-you-go using only current tax revenues.
- Constructing the proposed county facility improvement projects from current general tax dollars cannot be accomplished without substantial cuts to current programs or increased revenues from taxes and fees.
- Prudent use of long-term debt can be accomplished without having any adverse impact on the county's bond ratings or the tax rate.

CON

Some people think that the issuing of general obligation bonds is neither justified nor a viable solution to the county's capital infrastructure and facility needs. Here are some of the arguments used by opponents of bond funding:

- Issuing general obligation bonds results in a long-term future obligation for the county that may create an unmanageable burden on future taxpayers. Pay-as-you-go financing would not create long-term debt.
- Costs for infrastructure and facilities should be borne by those directly using or benefiting from them, not by all taxpayers.
- These facilities could be fully or partially paid for out of the current revenues by cutting or eliminating other programs.
- The funds otherwise spent on debt service could support a substantial pay-as-you-go program of capital construction adequate to meet the county's needs.

What Are Bonds?

Bonds are a form of long-term borrowing used by most local governments to finance public facilities and infrastructure. Bond financing makes it possible to build facilities and infrastructure based on future population estimates and to spread the cost equitably over the useful life of the facilities. This kind of financing allows the cost of a facility to be spread over a number of years so that each generation of taxpayers contributes a proportionate share for the use of these long-term investments.

Q Why a referendum?

A Virginia law requires that voters in Fairfax County approve general obligation bonds through a referendum. You have the opportunity to vote either YES or NO on the question. If a majority votes YES on a question, then the Fairfax County Board of Supervisors will be authorized to sell bonds for the purpose described in the ballot question. If a majority votes NO on a question, the county cannot issue general obligation bonds to finance the purpose described in the question unless authorized in another referendum.

Q Will these bonds cause a property tax rate increase?

A The bond program is designed not to contribute to an increase in your property tax rate. Fairfax County has adopted a prudent financial management policy designed to protect its triple-A bond rating. Under the program, the county's net long-term debt is not to exceed 3 percent of the total market value of taxable real and personal property in the county. It also provides that annual debt service (the cost of principal and interest payments) be kept below 10 percent of annual combined general fund disbursements, and that bond sales shall not exceed an average principal amount of \$300 million per year or \$1.5 billion over five years.

For FY 2019, the county's projected actual net long-term debt is 1.14 percent of the market value of all taxable real and personal property. Debt service costs in FY 2019 are projected to be 8.5 percent of the combined general fund disbursements. The FY 2019-2023 Capital Improvement Program adopted by the Fairfax County Board of Supervisors on April 24, 2018, anticipates issuance of an average of \$300 million of general obligation bonds per year. Of this amount, approximately \$180 million (60 percent) is for the Fairfax County Public Schools and \$120 million (40 percent) is for the county. This policy is expected to keep debt service at or slightly above 9 percent of general fund disbursements, which will maintain a balance between operating expenses and long-term capital needs.

Q Can the bonds on the Nov. 6 ballot be used for other purposes?

A Proceeds of the sale of bonds authorized for a specific purpose may not, by law, be used for any purpose other than the purpose specified in the referendum question. In other words, the proceeds of the sale of parks bonds may not be used to finance other projects, such as transportation projects. Although this pamphlet describes the county's current plans for the use of the bond proceeds, the county would be permitted to issue bonds for any purpose described in the ballot questions.

Q What is the cost of borrowing?

A Borrowing always entails interest costs. Since the interest earned by holders of municipal bonds is usually exempt from federal taxes, interest rates for these bonds generally are lower than the rate charged for private loans. Fairfax County has the highest credit rating possible for any government: triple-A from Moody's Investors Service Inc.; from S & P Global Ratings; and from Fitch Ratings. As of January 2018, Fairfax County is one of only 12 states, 46 counties and 32 cities to hold a triple-A bond rating from all three rating agencies. For this reason, Fairfax County's bonds sell at relatively low interest rates compared to other tax-exempt bonds.

Q Why not pay for capital improvements on a pay-as-you-go basis?

A If capital construction were financed on a pay-as-you-go basis out of current tax revenues, expenditures would be paid for in a much shorter time frame, which could necessitate tax rate increases or a significant reduction in other county services. Bonding spreads the cost of major projects of general benefit to the county over future years and ensures that both current and future residents and users share in the payment. Without bond funding, capital improvement budgeting is less predictable.

Q What is the county's total bonded indebtedness?

A As of July 2018, the total of general obligation bond and other tax-supported debt outstanding from FY 2018 through FY 2048 is \$2.833 billion in principal and \$0.976 billion in interest. During the next five years, \$1.422 billion, or approximately 37 percent of the total debt, is scheduled to be paid off.

Q What percentage of my taxes goes toward paying for the bonds?

A During the past 20 years, the share of taxes used to pay debt service has fluctuated from 7.5 percent to a high of 9.3 percent. For FY 2019, it is projected to be 8.52 percent and is projected to remain at or slightly above 9 percent based on current market and conservative revenue forecasts while assuming passage of the bond referendum this fall for public safety.

Q What are the benefits from the county's triple-A bond ratings?

A The county's triple-A bond ratings lower the county's borrowing costs. The county's policy of rapid debt retirement and strong debt management guidelines serves to keep debt per capita and net debt as a percentage of estimated market value of taxable property at low levels. Since 1978, the county has saved over \$815.91 million on bond and refunding sales as a result of the triple-A rating when compared to industry benchmarks of other municipal bond issuers.

Q Why put forth additional referenda if there are still unsold bonds?

A Fairfax County bond packages are planned to fund specific projects. This means that all previous bond authorizations were planned for or are obligated to specific projects. These projects often take several years to complete. Bonds are sold only as the money is needed, resulting in substantial amounts of authorized, but unsold, bonds. Prudent financial management dictates that the proportionate amount of bonds be sold to coincide with the annual cash flow requirements for construction costs associated with the respective capital projects.

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In-Person Absentee Voting for 2018 Election

Fairfax County has several locations available for absentee voting in person, including hours some Saturdays. There are 20 reasons you may be eligible to vote absentee. Last day is Saturday, Nov. 3.

Go to www.fairfaxcounty.gov/elections/absentee for more information, including addresses and hours.

In-Person Absentee Voting Locations

- Fairfax County Government Center
- Providence Community Center
- Franconia Governmental Center
- McLean Governmental Center
- North County Governmental Center
- West Springfield Governmental Center
- Mason Governmental Center
- Mount Vernon Governmental Center
- Sully Governmental Center
- Lorton Library

Votación Ausente en Persona para las Elecciones del 2018

El Condado de Fairfax tiene varias ubicaciones disponibles para votar ausente en persona, incluyendo algunos los sábados. Hay 20 razones por las que usted puede calificar para votar en ausencia. El último sábado es el 3 de noviembre.

Para mayor información incluyendo direcciones y horas de oficina vaya a: www.fairfaxcounty.gov/elections/absentee.

Ubicación de las Oficinas para la Votación en Ausencia

- Fairfax County Government Center
- Providence Community Center
- Franconia Governmental Center
- McLean Governmental Center
- North County Governmental Center
- West Springfield Governmental Center
- Mason Governmental Center
- Mount Vernon Governmental Center
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To request this information in an alternate format, call the Office of Public Affairs at 703-324-7329, TTY 711.

Fall 2018

2018 Bond Referendum Information for Residents

FAIRFAX COUNTY BOARD OF SUPERVISORS

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