

Fairfax County: Capital Improvement Program and Debt Capacity



**BOARD OF SUPERVISORS
BUDGET COMMITTEE MEETING
MARCH 12, 2013**

CIP Enhancements

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- **CIP Enhancements in the next year**
 - Prepare for the impact of development (Tysons, Reston, etc..)
 - Identify infrastructure and facility gaps Countywide
 - Identify and plan for required reinvestment and maintenance of existing infrastructure (roads/service drives, trails, bus shelters, landscaping)
 - Continue to plan for renewal of building subsystems in County facilities (HVAC, Electrical Systems, Roof replacements)
 - Develop long term plan for Stormwater rates and requirements
- **Joint County Board/School Board CIP Committee – Future Bond Sales**
- **Individual meetings with Board members about CIP needs in their districts**

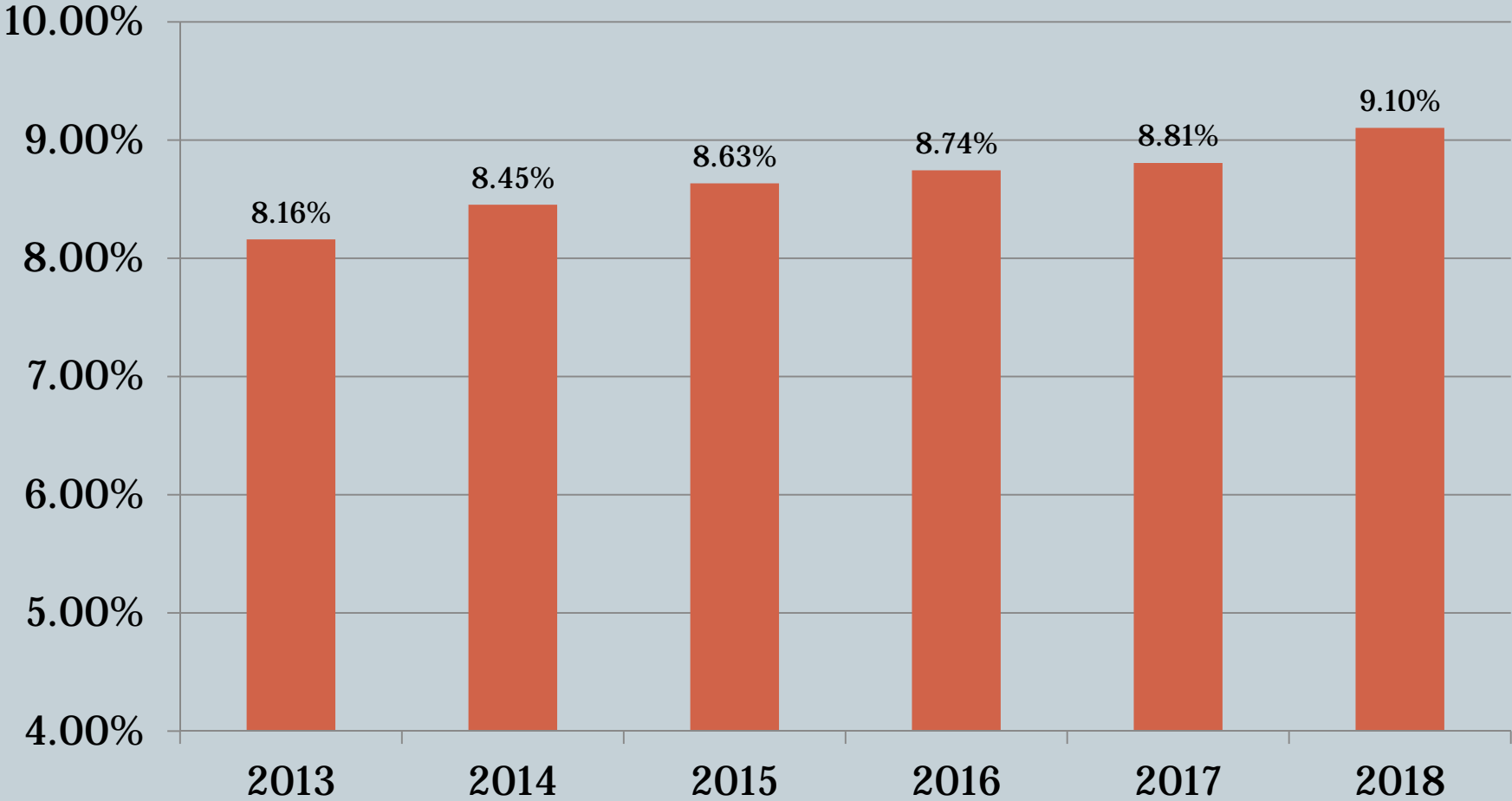
FY 2014 – FY 2018 CIP

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- **Managed Debt Capacity**
 - The 5-year CIP period maintains an upper limit of \$155 million annually in bond sales for Fairfax County Public Schools
 - County planned sales of \$120 million annually
 - Capacity is evaluated in the context of both debt ratios and affordability

Debt Ratio*: Current CIP

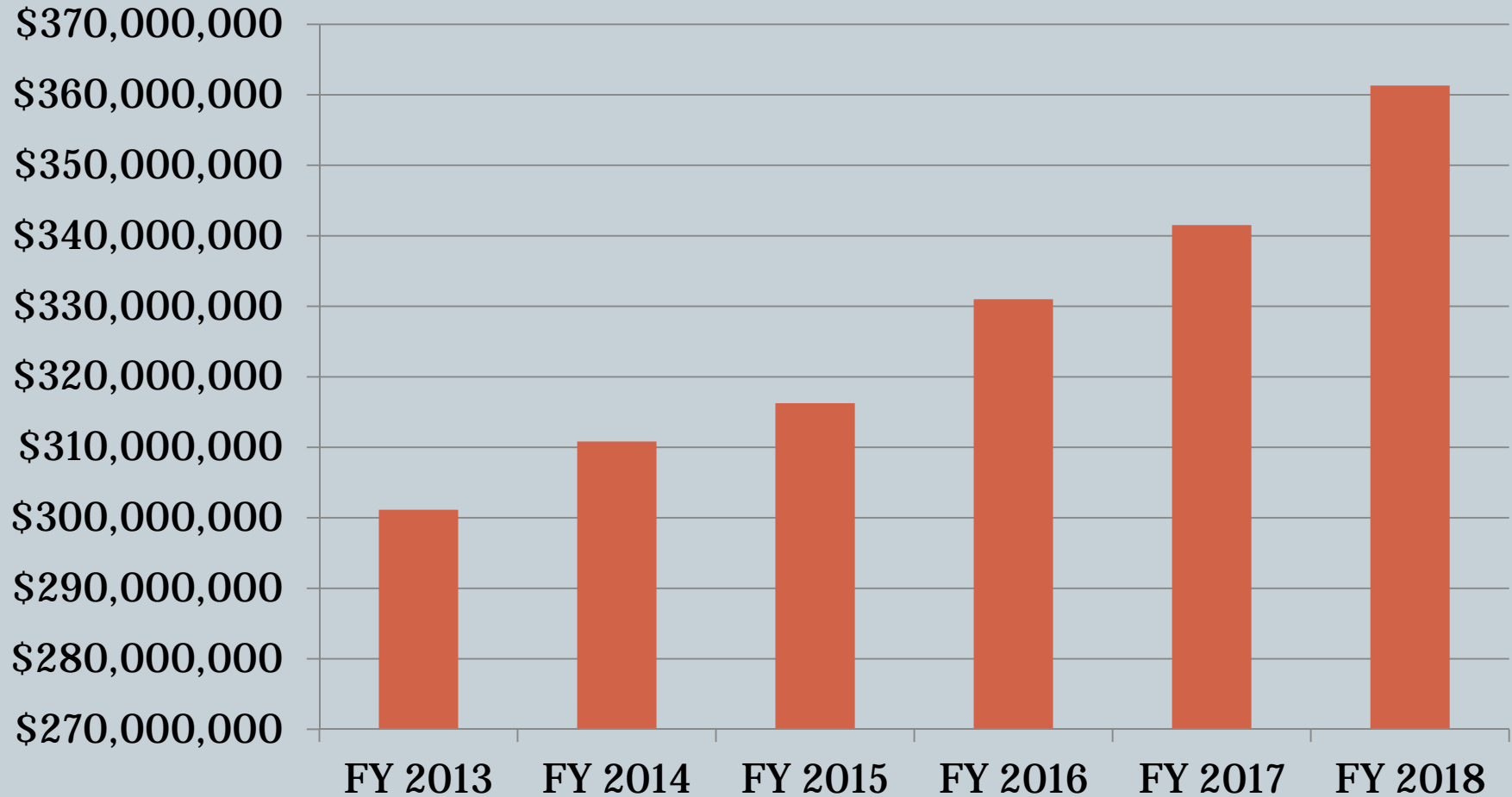
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*County policy is annual disbursements, but for this model using revenues to be conservative

Projected Annual Debt Service Payments: Current CIP

4



FY 2014 – FY 2018 CIP

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- **Continues the monitoring of capital renewal requirements**
- **Funds a limited Paydown Program for critical projects and continues to address Department of Justice requirements for ADA improvements. Total ADA unfunded is greater than \$6 million and must be completed by July 2018**

Bond Referenda

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➤ Currently Planned Referenda

- Fall 2013 FCPS \$250 million
- Fall 2014 Road Construction \$100 million
- Fall 2015 FCPS \$250 million
- Fall 2016 Parks, Public Facilities \$250 million
- Fall 2017 FCPS \$250 million

➤ Referenda Not yet Scheduled

- County Share of Tysons-wide Road Improvements, estimated to require \$25 million in sales annually beginning in FY 2018
- Expanded County Program to address additional facility improvements and renewals, currently under review (Lorton Community Center, Boys Probation House Expansion, Adult Detention Center security upgrades, Courthouse computer center improvements)

County-Schools Bond Sales (CONTINUED)

(millions)

7

FY	County	School	Total	Comments
1997	\$75	\$75	\$150	
1999	\$50	\$100	\$150	
2000	\$50	\$130	\$180	Board approved one time \$30m increase for Schools funded by transferring State lottery funds to cover debt service
2001	\$50	\$130	\$180	Board approved second one time \$30m increase for Schools funded by State lottery funds to cover debt service

County-Schools Bond Sales (CONTINUED)

(millions)

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FY	County	School	Total	Comments
2002	\$50	\$130	\$180	<p>Board agreed to assume the FY 2002 debt service requirements of approximately \$5m for the additional \$60m increase sold for Schools in 2000 and 2001 in exchange for the Pine Ridge school site.</p> <p>FCPS was to resume paying the cost of the debt service for the \$60m sold in 2000 and 2001 in FY 2003.</p> <p>Beginning in FY 2002, the Board increased the annual FCPS bond sale limit to \$130m permanently with the General Fund assuming the cost of debt service.</p>

County-Schools Bond Sales (CONTINUED)

(millions)

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FY	County	School	Total	Comments
2003	\$70	\$130	\$200	Board increased total annual bond sales to \$200m. Board eliminated the requirement for the transfer of the State lottery funds permanently to accommodate increased FCPS operating needs.
2007-2012	\$120	\$155	\$275	Board increased annual Bond sales to \$275m. Board provided additional \$25m for bonds annually for <u>six-year period</u> . School bond sales to revert back to \$130m in FY 2013.
2013-Present	\$120	\$155	\$275	Board decision during the FY 2012 Adopted Budget to permanently increase the annual FCPS bond sale limit to \$155M.