

Response to Questions on the FY 2006 Advertised Budget Plan

Request By: Supervisor DuBois

Question: What is the anticipated full capitalization of Fund 317, Capital Renewal Construction, in future budgets? What future opportunities exist for floating additional General Obligation Bonds to meet some of the anticipated \$80 million in identified needs? Will the use of General Fund monies be limited to any specific kind of improvements and restorations?

Response: Fund 317, Capital Renewal Construction, is a new fund established in FY 2006 to support the long-term needs of the County's capital assets to maximize the life of County facilities, avoid their obsolescence, and provide for planned repairs, improvements and restorations to make them suitable for organizational needs. Capital renewal is the planned replacement of building subsystems such as roofs, electrical systems, HVAC, plumbing systems, carpet replacement, parking lot resurfacing, fire alarm replacement, and emergency generator replacement that have reached the end of their useful life. Without significant reinvestment in building subsystems, older facilities can fall into a state of ever-decreasing condition and functionality, and the maintenance and repair costs necessary to operate the facilities increase.

Fairfax County presently has a facility inventory of 155 buildings (excluding schools, parks, housing and human services residential facilities), with over 7.3 million square feet of space throughout the County. This inventory is expanding both with the addition of newly constructed facilities and by the acquisition of additional property. With such a large inventory, and the acquisition of additional facilities, it is critical that a planned program of repairs and restorations be maintained. In addition, the age of a major portion of this inventory of facilities is reaching a point where major reinvestments are required in the building subsystems.

In order to better define the County's capital renewal needs, a comprehensive facilities condition assessment was conducted on 92 selected Fairfax County facilities (approximately 4.2 million square feet of space). The purpose of assessing the 92 oldest County facilities was to establish a baseline of current asset conditions for those facilities at least 15-years-old that would likely require the greatest investment in capital renewal over the next ten years. The assessment included a complete visual inspection of roofs and all mechanical and electrical components for each facility. Maintenance and repair deficiencies were identified and funding requirements identified. The results indicate that a multi-million dollar investment is needed over time. Specifically, the facility condition assessment indicated an estimated total of \$80 million will be needed over the next ten years to repair facilities and meet expected repair and equipment replacement needs.

Funding for capital renewal has historically been provided by the General Fund. In FY 2006 however, \$5 million in bond funding is included to address capital renewal needs for libraries and human services/juvenile facilities. This funding was approved as part of the Fall 2004 Bond Referendum. As estimates are developed for County Bond Referenda in the future, staff will continue to evaluate opportunities to include funding to be dedicated to capital renewal. For example, the FY 2006 Public Safety Bond Referendum could include funding to address capital renewal requirements in Public Safety facilities. Whenever possible, staff will attempt to address the County's capital

renewal needs with bond funds. General Fund monies will continue to be used as they have been in the past to address needs. This funding has not been limited to any specific kinds of improvements. The amount of General Fund monies dedicated to capital renewal is reviewed annually, and only the most critical projects are funded. Currently no County policy indicates a specific level or amount of funding that should be included each fiscal year for capital renewal. Projects are funded as critical needs arise.