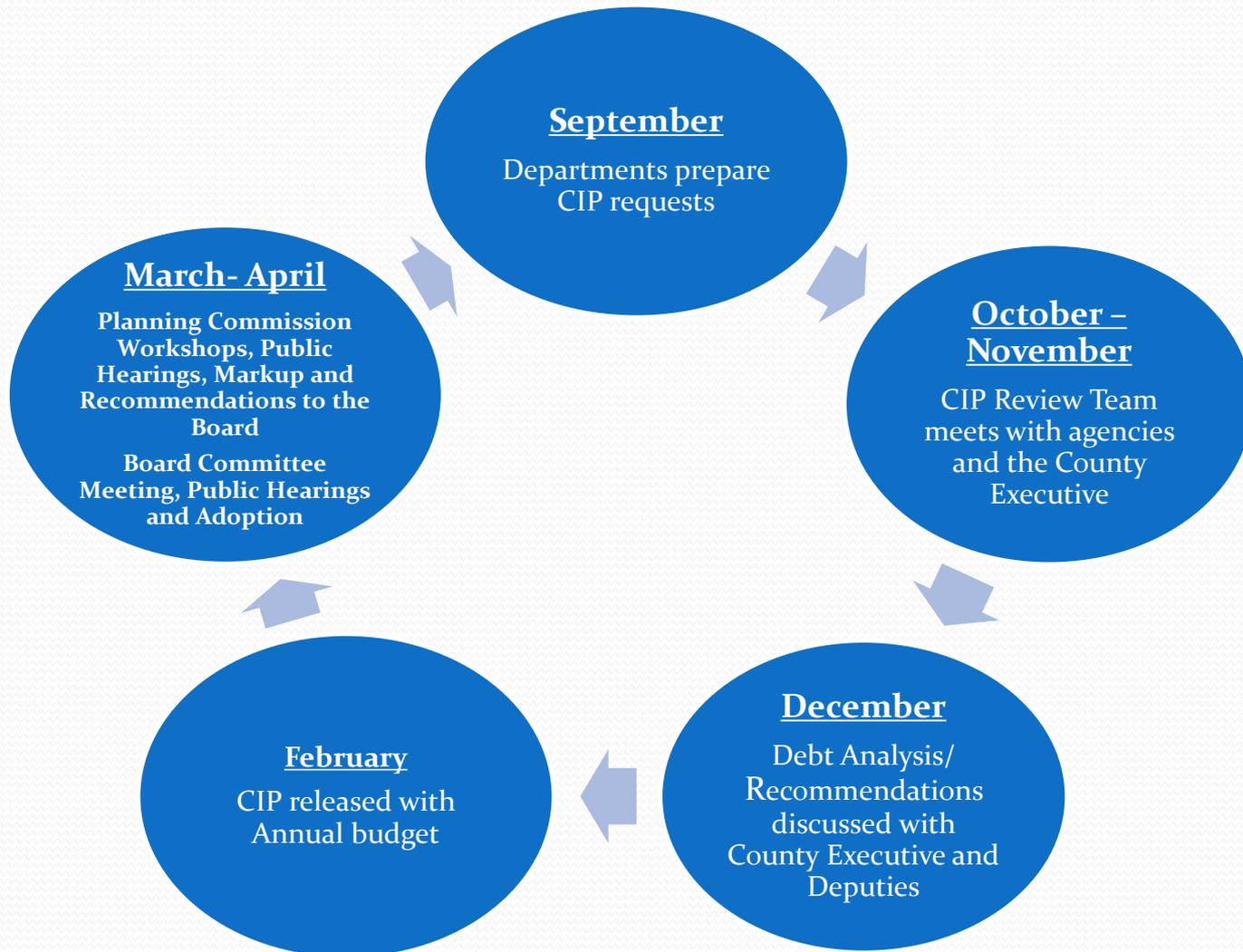




# **FY 2019 – FY 2023 Capital Improvement Program**

February 21, 2018

# CIP Annual Process



# CIP Process/Dates

- CIP on County website February 20
- PC CIP Committee Meeting February 21
- Printed copies of CIP Distributed N/A
- PC Workshop/Public Hearing March 7
- CIP Discussed at BOS Committee March 13
- PC CIP Committee Meeting March 14
- PC CIP Mark-up March 22
- BOS Public Hearings April 10,11,12
- BOS Mark-up/CIP Adoption April 24

# Bond Referendum Plan

- Annual review of Bond Referendum Plan (CIP, Page 25)
  - A detailed and long-range plan, outlining specific projects and schedules
  - More predictable plan for the Board, County agencies, the public (great benefit for FMD work plans)
  - Includes County bond referenda in alternate years
  - Includes FCPS bond referenda at \$360 million every other year, reflecting a recommended \$25 million increase to the FCPS annual bond sales limit (from \$155m to \$180m)
  - Includes adjustments to project costs to reflect increased construction escalation

# Next Bond Referendum

Fall 2018 County Bond Referendum Proposed at \$182 million

## **Fire and Rescue: \$73 million**

Mt Vernon Fire Station (Built in 1969, last renovated 1980)

Fairview Fire Station (Built in 1981)

Gunston Fire Station (Built in 1976)

Seven Corners Fire Station (Built in 1977)

Volunteer Station

## **Police Department: \$59 million**

Police Evidence Storage (Annex) (Built in 1960)

Mason Police Station (Built in 1975, last renovated 1994)

Criminal Justice Academy (Acquired in 1995)

## **Courts/Adult Detention Center : \$50 million**

Includes Infrastructure upgrades, renovation and security system at ADC

(Projecting a Total project cost of \$62 million, \$45 million bonds, \$17 million General Fund)

Includes \$5 million to continue courtroom renovations

# Financing Plan

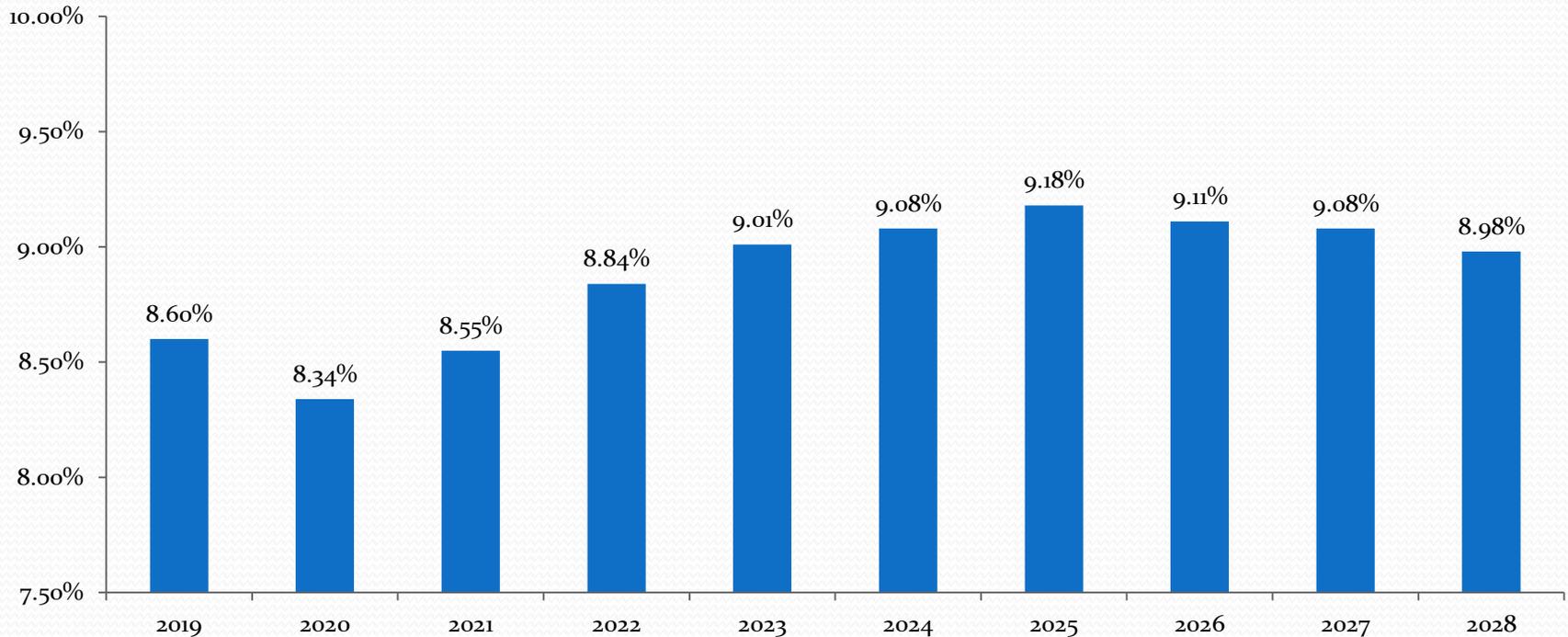
- Assumes FCPS General Obligation bond sales at \$180 million annually
  - Board directed staff to analyze a possible increase in the \$155 million bond sale limit for FCPS
  - Sales limits were last increased in 2007
- Assumes County General Obligation bond sales at \$120 million
- Assumes Other Financing for Public Private Partnership Projects (North County Redevelopment, Original MVHS)
- Plan exceeds sales of \$300 million in some years but is conservative and can be managed annually
  - Conservative cashflow projections
  - Analysis is based on conservative 2 percent growth

# Bond Plan Link to Debt Analysis

- Total Bond Plan includes General Obligation Bonds and Other Financing (Public Private Partnerships funded by EDA Bonds/other sources) (CIP, page 24)
- Ten Principles of Sound Financial Management
  - Below 10 percent debt to General Fund Disbursements (currently 7.82 percent)
  - Below 3 percent debt to market value (currently 1.16 percent)
  - Sales limit recommended to increase from \$275 million to \$300 million per year
  - Debt Service affordability

# 10 Percent Ratio Policy

**Debt Ratio Projections Benchmarked Against Out Year Revenues**  
*County Policy 10% Limit*



# Results of Last Bond Sale

- January 9, 2018 Bond Sale
  - Interest rate of 2.66 percent
  - A differential of 0.78 percent under the Bond Buyer Index, which stood at 3.44 percent
  - The County's triple-A bond rating was affirmed by Moody's, Fitch and Standard and Poor's
  - The County has held a Aaa rating from Moody's since 1975, a AAA rating from Standard and Poor's since 1978 and a AAA rating from Fitch Ratings since 1997
  - The County has saved an estimated \$815.9 million from County bond and refunding sales due to the AAA rating

# General Fund Program

- General Fund Capital Program
  - \$18,462,076 in FY 2019
  - Includes \$11,871,476 in commitments, contributions and maintenance (64 percent)
  - Includes \$6,590,600 in capital improvements (36 percent)
- For several years the Annual Paydown Program has included adjustments at the Third Quarter or Carryover Reviews – Anticipated again in FY 2018
- Annual Baseline funding has not increased significantly
- Sinking Fund established in FY 2014 has been extremely successful in bridging the gap

# Capital Sinking Fund

- Capital Sinking Fund was created by the Infrastructure Financing Committee (IFC)
- Populated at year end based on 20 percent of Carryover balances after funding critical requirements
- Began at FY 2014 Carryover Review (To date, \$26.8 million has been set aside for capital reinvestment)
- Allocation is based on a percentage of the total annual reinvestment requirements as presented to the IFC including: 55 percent for FMD, 20 percent for Parks, 10 percent for County-owned Roads, 10 percent for County Trails and 5 percent for revitalization
- December status memo depicts projects completed and underway

# Self Supporting Programs

- Stormwater rate proposed to increase from \$0.0300 to \$0.0325 per \$100 of assessed real estate value (1/4 penny increase consistent with the 5 year plan approved by the Board)
- Wastewater rates are consistent with 5-year plan
  - Base Charge from \$27.62 to \$30.38 (recovers fixed costs)
  - Availability Charges remains at \$8,100 (connection fee)
  - Service Charges from \$6.75 to \$7.00 per 1,000 gallons
- Solid Waste rates
  - Refuse disposal rate from \$64 to \$66 per ton
  - Refuse Collection from \$345 to \$350 per household unit
  - Leaf Collection remains at \$0.13 per \$100 of assessed value

# New for the CIP in FY 2019

- Infrastructure Replacement and Upgrades (new section)
  - Requested by Planning Commission and Board of Supervisors as part of the FY 2018 – FY 2022 CIP
  - Provides a compilation of the Infrastructure Replacement and Upgrade requirements associated with the various program areas
  - Anticipated to evolve over time
- Reorganized some sections of the CIP
- Included list of potential shared-use opportunities with FCPS (by District and Year)
- Improved CIP maps

# CIP Next Steps and Challenges

- Staff will continue to work with FCPS staff to identify opportunities for shared use facilities
- Staff will be working to strengthen County strategic planning efforts as they relate to the CIP
- Staff will be monitoring cost of construction increases

# Planning Commission March 7<sup>th</sup>

## Workshop Participants

- CIP Overview - Martha Reed
- Fire and Rescue – Asst. Chief John Caussin
- Human Services – Lee Ann Pender
- Sanitary Sewers – Michael Goodrich
- Stormwater – Craig Carinci
- Fairfax County Public Library – Jessica Hudson
- Police – Major Edward O’Carroll
- Fairfax County Park Authority – David Bowden
- Department of Transportation – Mike Lake
- Housing and Community Development – Ahmed Rayyan
- Fairfax County Public Schools – TBD