

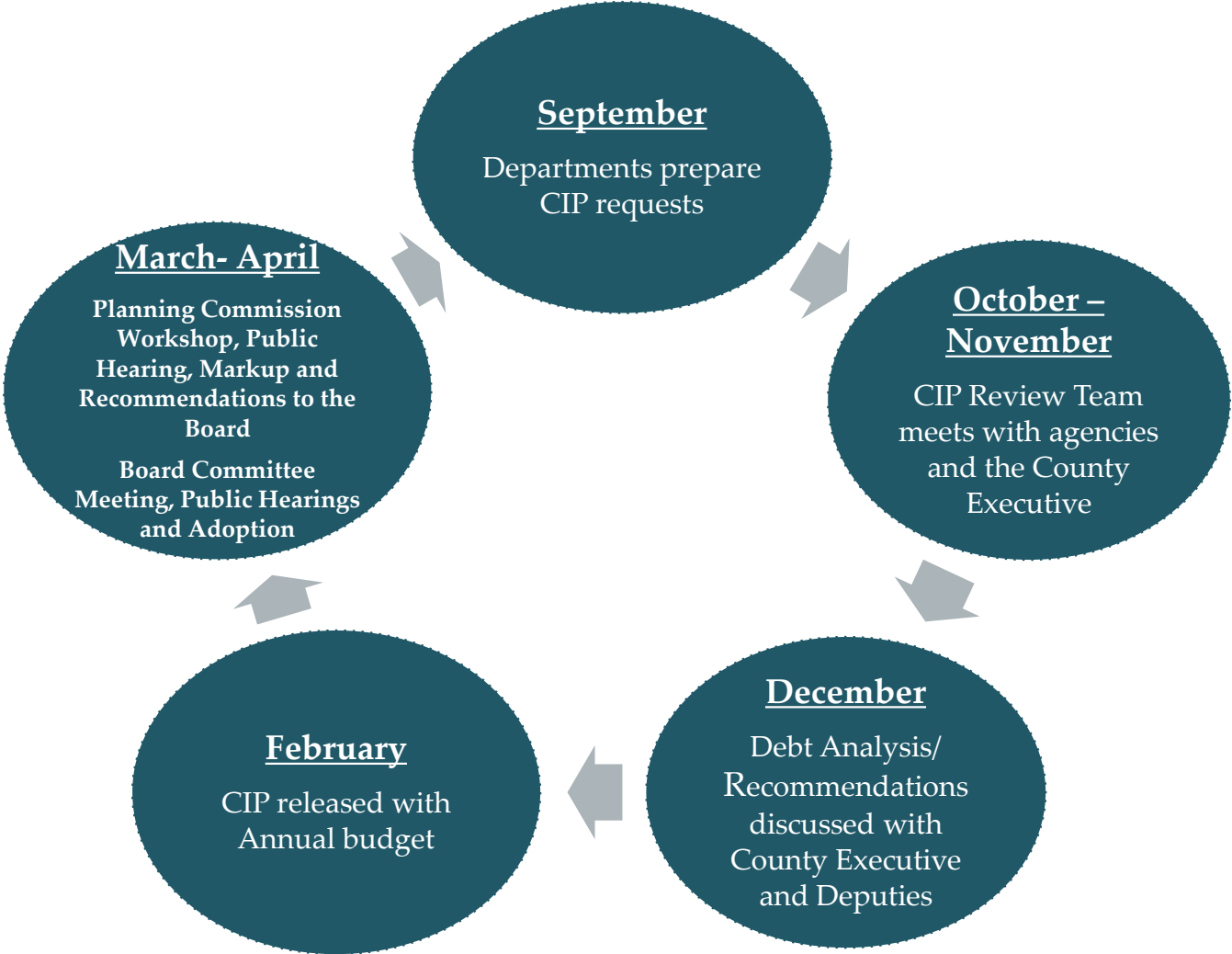


FY 2022 – FY 2026 Capital Improvement Program (with Future Fiscal Years Planning to 2031) Commission CIP Committee February 25, 2021

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CIP Annual Process



CIP Development Process

- Rates for self supporting funds developed (Stormwater, Wastewater, Solid Waste) as part of the Annual Budget
- General Fund supported Capital Program developed as part of the Annual Budget
- Bond Referendum Plan developed based on priority projects and *Ten Principles of Sound Financial Management*

Self-Supporting Funds Capital Programs

- Stormwater rate proposed to remain at \$0.0325 per \$100 of assessed real estate value
- Wastewater rates are consistent with 5-year plan
 - Base Charge from \$32.91 to \$36.54 (recovers fixed costs)
 - Availability Charges from \$8,340 to \$8,507 (connection fee)
 - Service Charges from \$7.28 to \$7.72 per 1,000 gallons
- Solid Waste rates
 - Refuse disposal move to a single rate of \$66 per ton (no separate discounted rate)
 - Refuse Collection rate from \$370 to \$400 per household unit
 - Leaf Collection remains at \$0.012 per \$100 of assessed value

General Fund Capital Program

- General Fund Capital Program
 - \$18,678,045 in FY 2022
 - Includes \$13,188,045 in commitments, contributions and maintenance (71 percent)
 - Includes \$5,490,000 in capital improvements (29 percent)
 - Slight increase over FY 2021 of \$605,000 for previously approved maintenance of FCPS athletic fields
- For several years, the Annual Paydown Program has been supplemented by adjustments at the Third Quarter or Carryover Reviews (anticipated again in FY 2021) and the Sinking Fund

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, over \$64 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 Walkways and 5 percent for Revitalization improvements

Bond Referendum Plan

- Annual review of Bond Referendum Plan
 - Details the long-range plan, outlining specific projects and schedules
 - More predictable plan for the Board, County agencies, the public
 - Includes County/FCPS bond referenda in alternate years
 - Includes FCPS bond referenda at \$360 million every other year, reflecting the current FCPS annual bond sales limit of \$180 million

Up-Coming Bond Referenda

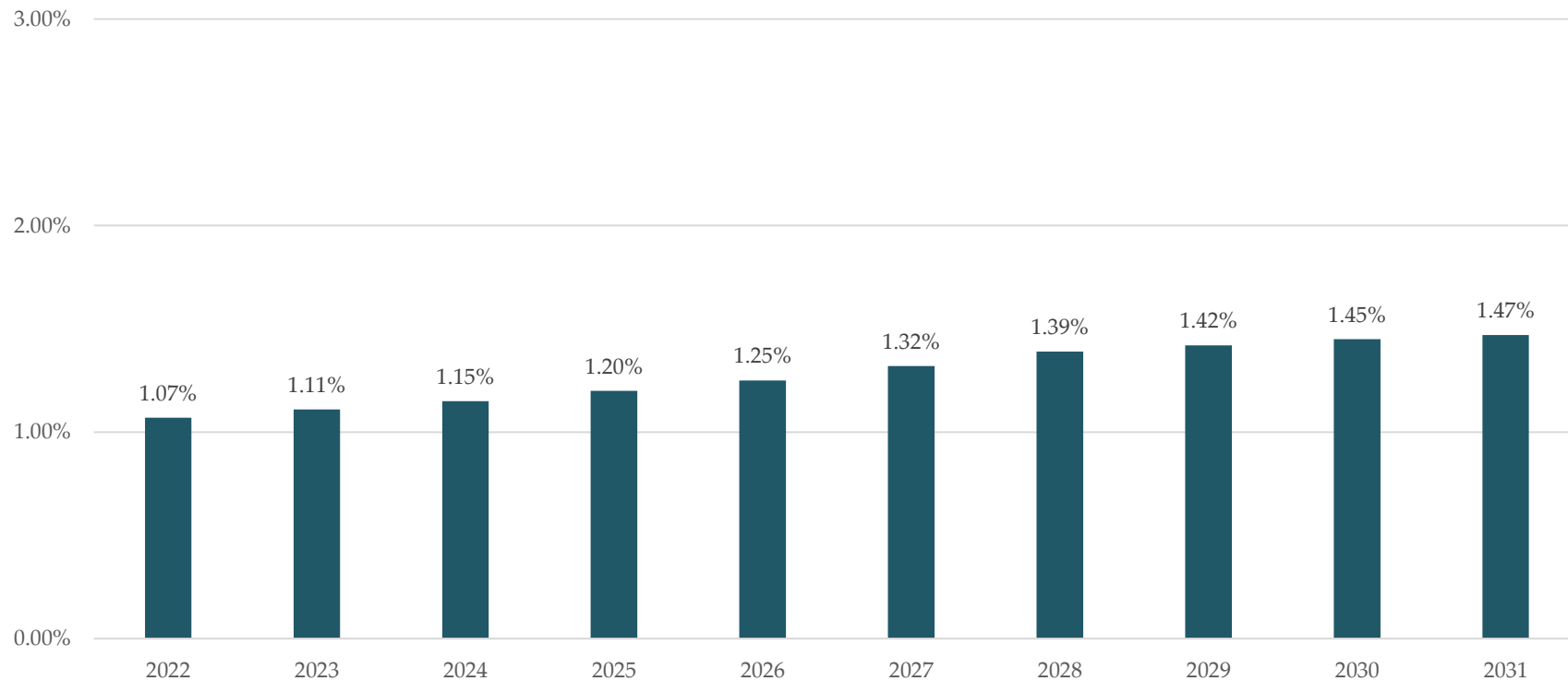
Year	Category	Description	Total
Fall 2021	Schools	Capital Enhancement, Renovation, Infrastructure Management	\$360 m
Fall 2022	County	Public Safety \$72 m Welfit Performance Testing Center, Chantilly Fire Station, Fox Mill Fire Station, Oakton Fire Station Human Services \$25 m Early Childhood Facilities	\$97 m
Fall 2023	Schools	Capital Enhancement, Renovation, Infrastructure Management	\$360 m
Fall 2024	County	Human Services \$89 m Early Childhood Facilities, Tim Harmon Campus, Springfield Community Resource Center Parks \$112 m County Park Authority, Northern Virginia Regional Park Authority Transportation \$180 m Metro Contribution	\$381 m
Fall 2025	Schools	Capital Enhancement, Renovation, Infrastructure Management	\$360 m

Bond Plan Link to Debt Policies

- Total Bond Plan includes General Obligation Bonds and EDA Bonds/other financing sources
- *Ten Principles of Sound Financial Management*
 - Below 3 percent debt to market value (currently 1.06 percent)
 - Below 10 percent debt to General Fund Disbursements (currently 7.47 percent)
 - Total sales limit is \$300 million per year
 - Debt Service affordability
- Note: Bond sales continue to benefit from the County's triple-A bond rating. On January 26, 2021, the County conducted a General Obligation bond sale at an interest rate of 1.23 percent. This borrowing rate represents the lowest interest rate ever received for a new money bond deal in the County's history. It is also 77 basis points below the previous low interest

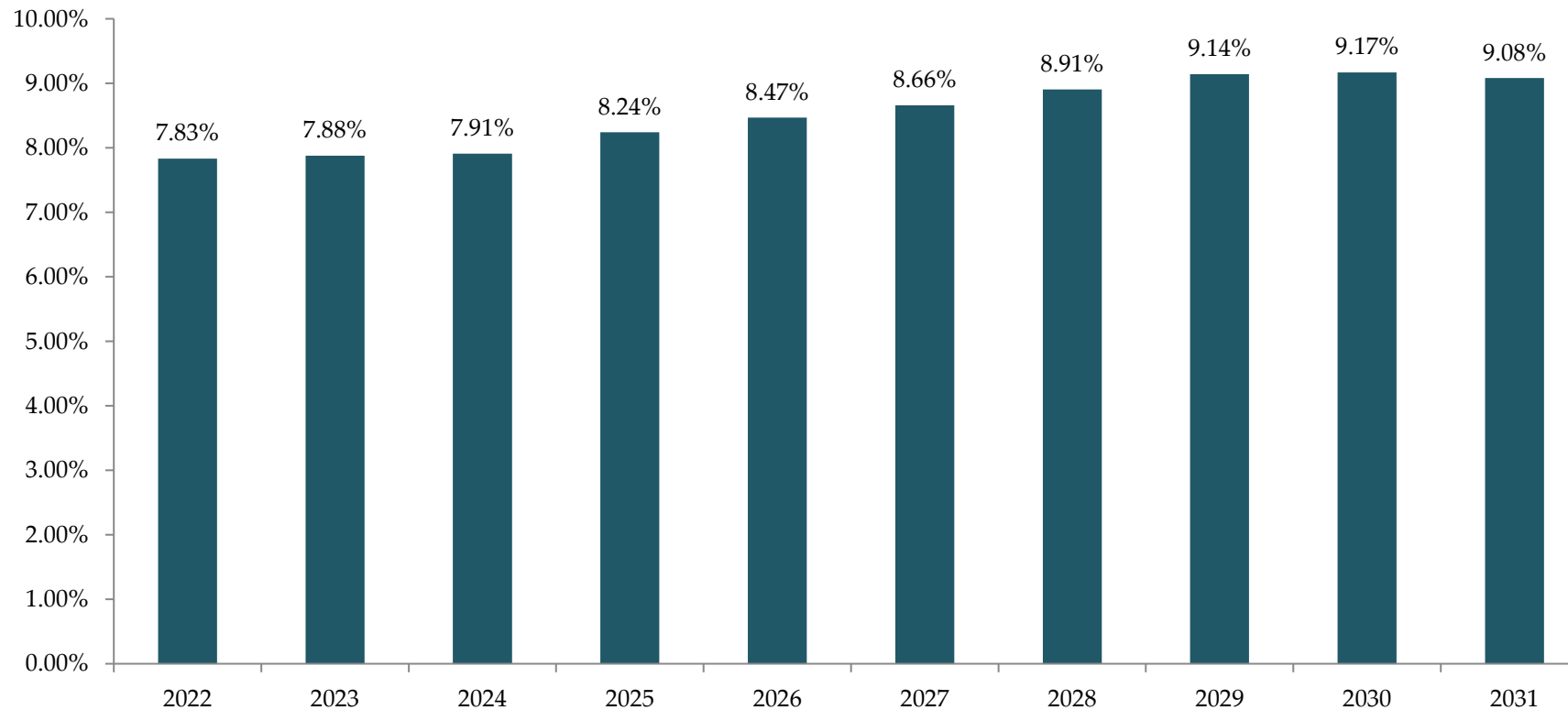
Debt to Market Value

Debt Ratio Projections
Net Outstanding Debt
Benchmarked Against Out Year Total Assessed Value
County Limit 3%



Debt to General Fund Disbursements

Debt Ratio Projections
Estimated Debt Service Payments
Benchmarked Against Out Year Revenues
County Policy 10% Limit



\$300m Sales Limit

- Annual sale limit of \$300m is beginning to present some capacity challenges
 - \$180m for FCPS (last increased in FY 2019)
 - \$120m for County (last increased in FY 2007)
- County challenges include:
 - Metro capital requirements are increasing and are projected to continue to increase in future years. In 2011 the Metro bond sale was \$20m and in January 2021 it was \$42m, more than double what it was 10 years ago
 - More complex colocation projects are taking longer to complete, delaying bond sales, and creating a backlog of sale requirements
 - Most recently, existing Library and Public Safety bonds have required a 2-year extension from the Circuit Court to provide a total of 10 years in which to sell the bonds after the initial date of the voter approved referendum

- FCPS is interested in increasing the \$180m School's sale limit

Affordability of Bond Program

- Funding debt service for both the County and FCPS capital programs is only one of the many operational demands on the County budget
- In these uncertain economic times, it may be necessary to reevaluate all aspects of the Bond Program including both the timing and size of future referenda in order to maintain affordability of the program
- Currently, staff is working closely with the members of the Joint County and Schools CIP committee, and it is anticipated that there will be a review of the entire debt program, including debt capacity, bonding versus paydown options, timing and sizing of future referenda, and the assumptions used in future year CIP projections
 - The new Joint County Board/School Board CIP committee includes 2 members of the Board of Supervisors (Supervisor Foust and Smith), 2 School Board members (School Board members Omeish and Cohen) and 2 ex-officio

Progress on CIP Motions

Motion #1: Recommend that the Board of Supervisors authorize consideration of a comprehensive plan amendment to update the Public Facilities element of the Policy Plan. During that review, staff should review the alignment of those updates with the CIP.

Motion #2: Recommend that staff from the Department of Planning and Development and the Fire and Rescue Department, during any future update of the Public Facilities element of the Policy Plan, explore the possibility of ensuring that Emergency Vehicle Preemption (EVP) equipment is considered during the review of land use cases. New Policy Plan language would more specifically describe the strategic placement of EVPs to make them more of a priority. In addition, Fire and Rescue staff should look for other potential funding sources to support prioritized EVP installations.

- Department of Planning and Development has been working on these goals and will be providing updates

Progress on CIP Motions

- *Motion #3: Recommend that staff identify options for funding the Tysons Fire Station if proffer contributions are delayed. The Fire Department identifies this future station as its number one CIP priority, yet proffer funding has only been received to support the design of this station. It will be essential that hoped for proffer funding be received in a timely manner in order to proceed to the construction phase. Contingency funding strategies should be devised should timely proffer monies not be realized. One contingency is for staff from the Fire and Rescue Department to reprioritize their future CIP projects if it is determined that the pace of receipt of the proffer contributions will delay the construction of the station. Another contingency is to consider a public, private partnership funding arrangement for the cost of construction. It is important to note that the current Fire Station at Spring Hill Road remains in place and operations can continue from that station until such time as the replacement station is constructed.*
- Staff is still reviewing options for fully financing the Tysons Fire Station. There has been sufficient proffer funding received to fund the design. The project is currently in the conceptual design phase. Construction funding will be needed by fall 2022. This station is still the Fire Department's top priority.

Progress on CIP Motions

- *Motion #4: Recommend that staff consider reprioritizing the fall 2020 Bond Referendum program to include funding for identified infrastructure replacement and upgrade projects if funding is not available for these projects at year end. In order to maintain the County's existing facilities and address category "F" rated infrastructure projects, bond funding should be considered if General Fund support is unavailable.*
 - The FY 2021 Infrastructure Replacement and Upgrade program of \$8,980,000 was financed by an appropriation of \$2,414,007 at the *FY 2020 Carryover Review* and year end Sinking Fund allocations of \$6,565,993.
- *Motion #5: Support the deferral of the \$25 million for Early Childhood Education Facilities from the fall 2020 Bond Referendum to the fall 2022 Referendum based on the uncertainty of the operational dollars to support programs within these facilities. The Planning Commission further recommends that staff reevaluate the proposed Fall 2020 Bond Referendum plan to include the reprioritization of Library, Human Services and Park projects, if required, to align with the economic recovery at the time.*
 - The fall 2020 Bond Referendum was originally proposed at \$466m and the Board reduced this amount by deferring the Early Childhood Education bond

Next Steps/CIP Dates

- CIP on County website February 23
- PC CIP Committee Meeting February 25
- PC Workshop/Public Hearing March 11
- CIP Discussed at BOS Committee March 16
- PC CIP Committee Meeting March 25
- PC CIP Mark-up April 7
- BOS Public Hearings April 13,14,15
- BOS Mark-up/CIP Adoption April 27