

# Capital Improvement Program Introduction

## A. Overview

The Capital Improvement Program (CIP) is a critical component of the strategic plan for Arlington County and Arlington Public Schools and represents one of the most significant planning processes. This plan identifies the capital needs of the community over a six-year period.

The CIP is primarily a planning document. As such, it is updated biennially and subject to change as the needs of the community become more defined and the adopted projects move closer to final approval. The effective use of a CIP process provides for considerable advance project identification, planning, evaluation, scope definition, design, public discussion, cost estimating, and financial planning.

The objectives used to develop the CIP include:

- To preserve and improve the basic infrastructure of Arlington through public facility construction, rehabilitation and maintenance;
- To maximize the useful life of capital investments by scheduling major renovations and modifications at the appropriate time in the life-cycle of the facility;
- To identify and examine current and future infrastructure needs and establish priorities among projects so that available resources are used to the community's best advantage; and
- To improve financial planning by comparing needs with resources, estimating future bond issues, and identifying potential fiscal implications.

It should be recognized that the CIP is not the primary instrument through which the objectives identified above are conducted. Rather, it is the primary instrument for planning the funding needs and priorities that have been approved by the County Board. The implementation of the CIP follows in the form of adopted operating budgets for Pay-As-You-Go (PAYG) projects and bond referendums, as well as other funding sources identified in this document.

The County's annual budget process includes the preparation of the upcoming year's operating budget and the upcoming year's PAYG capital budget. The County Board appropriates each annual PAYG capital budget at the same time as the annual operating budget.

The CIP brings together needs identified through many capital processes. Master Plans, citizen requests, safety needs, planned rehabilitation cycles, repair and maintenance schedules, prior public discussions, grant funding processes, and more all contribute to the inclusion of projects proposed for funding.

## **B. Capital Project Definition**

Capital projects are economic activities that lead to the acquisition, construction, or extension of the useful life of capital assets. Capital assets include land, facilities, parks, streets, water and sewer infrastructure, technology equipment, transportation devices, and other items of value from which the community derives benefit for a minimum number of years, depending on the type of asset.

Capital expenditures and operating expenditures are primarily differentiated by two characteristics: dollar amount of the expenditure and the useful life of the asset acquired, constructed, or maintained. Capital expenditures will enhance, acquire or extend the useful life of assets through a variety of activities. Generally, land acquisition, feasibility studies, planning, design, construction, asset rehabilitation, enterprise technology acquisition, and project implementation are activities associated with capital projects. In general, capital projects in the CIP:

- Have a total project cost in excess of \$100,000.
- Range from construction of new buildings to renovations, additions, or conversions of existing facilities.
- Have a minimum useful life of 10 years, significantly extend the useful life of an asset, or significantly alter the nature and character of an asset (i.e. not to include annual asset maintenance costs, annual warranty cost or other ongoing costs).

The CIP has also traditionally been the vehicle by which planning for technology capital investments occurs. In general, technology capital projects in the CIP:

- Have an estimated cost in excess of \$25,000 and /or require six months or 1,000 hours for implementation or completion.
- Include applications systems, network design and implementation, telecommunications infrastructure, enterprise hardware and software systems, web design and implementation services, document imaging, data base design and development, consulting services (business process studies, requirements analysis or other studies), and technology associated with new construction and/or renovation and relocation projects.
- Have a minimum useful life of three years, significantly extend the useful life of an asset (i.e. not to include annual software and hardware maintenance and upgrade costs, warranty costs or other ongoing costs), provide a significant enhancement to functionality, or represent a change of platform or underlying structure.

## **C. CIP Development Process**

Capital projects originate from a variety of sources. County Board appointed commissions, advisory groups, and task forces typically advise the Board or develop long-term plans that recommend certain types of improvements. In some cases, individual residents request improvements to their streets, playgrounds or other County facilities. Neighborhood associations and business groups also might suggest projects and work with County staff on projects. Some projects are initiated by staff based on adopted County master plans, such as the Pedestrian Master Plan or the Storm Water Master Plan.

Projects most often come forward through the sponsoring department that is responsible for their implementation. Being aware that there are always more project proposals submitted than can be

funded in a given year, criteria known as Capital Readiness Standards are used to assist in prioritizing capital projects. These standards evaluate a project's linkage to an approved County master plan, community support, stage of development, ability to be implemented, and safety impact. Other considerations include current and future fiscal impact, cost of deferring a project, alternative funding sources, and County and private development goals and plans.

Departments presented their initial CIP recommendations to the CIP Task Force in November, with more detailed input through March. The consolidated recommendations were considered against various debt scenarios to develop the final proposal. Departments received updates and strategic guidance directly from the County Manager. Throughout the process, the team consulted with program managers and other subject matter experts within the departments.

In addition to a member of the County Manager's staff, the CIP Task Force included the Deputy Chief Financial Officer, the Director of Engineering and Capital Projects, and technical staff from Department of Environmental Services (DES) and Department of Management & Finance (DMF).

#### **D. Sources of Capital Funds**

Funding for capital improvements comes from a number of major sources. These funds are generated through local taxes, fees, charges, outside funding or other similar sources. The availability of these funds is sensitive to economic cycles. When economic growth is diminished, the amount of revenue available for capital improvements is compromised.

The annual appropriation of **Pay-As-You-Go (PAYG)** funds provides the greatest flexibility because Arlington has opted to seek voter approval for bond financing every other year. PAYG funds are appropriated annually from general fund revenues as part of the County's operating budget.

The second source of funding for capital projects is **bond financing**. This source of funding is generated through the borrowing of funds (principal) at a cost (interest) through the sale of municipal bonds. There are several types of bond financing, including general obligation bonds and project revenue bonds. Arlington typically issues general obligation bonds, which must first be approved by the County's voters. Arlington's practice is to schedule bond referenda for even-numbered calendar years, which correspond to odd-number fiscal years. One of the criteria used to determine which projects will be funded with bond proceeds is the useful life of the improvement (i.e. "pay-as-you-use"). Projects funded with bond proceeds generally have a useful life that is similar in length to the repayment schedule of the bonds, which is generally 20 years. Arlington typically sells 20-year serial bonds and pays the bonds using a two-year step-up schedule of principal repayment. The average bond principal is outstanding for approximately 11 years.

A third source of funding for capital is **inter-jurisdictional payments**. Arlington has agreed to provide services to other jurisdictions through contractual agreements. For example, wastewater treatment services for some areas of Alexandria, Falls Church, and Fairfax County are provided by Arlington's Water Pollution Control Plant. These jurisdictions also share in the cost of capital improvements of this facility, thus reducing the cost to Arlington users.

**Lease-purchasing finance (or Master Lease)** represents another source of capital financing where Arlington agrees to lease a facility (or has a facility constructed and then leases it) or equipment and to provide lease payments over a fixed term in exchange for financing. In this type of lease, the County makes “subject to appropriation” equity payments within its lease and thereby can gain full ownership without remaining financial obligations of the facility at the end of the equity lease. This type of financing can take advantage of tax-exempt financing or private sector financing, and it fits well with the financing of County office buildings, other County buildings, vehicles, communications or computer equipment, and some other assets.

**Hook-up fees** are another source of capital funding. These fees are assessed to developers and builders to join the water and sewer systems, based on the cost of capacity (volume) of the systems being “used up” by the customer. These funds are programmed during the annual budget process for capital expansion projects.

**Developer contributions** are also a small but important source of funding. These are contributions paid by developers to finance specific projects. Examples of these projects are utility undergrounding and street lighting.

Finally, there are **grants and reimbursements or other revenue** from the state and federal governments. These are funds provided by the Commonwealth of Virginia or the federal government for reimbursement of costs for certain capital improvements. Whenever possible, state or federal reimbursement is sought to offset County tax support and is included in the planning process. (See the Transportation & Pedestrian Initiatives section of the CIP for some current examples.)

#### **E. Maintenance Capital (formerly Capital Asset Preservation Program – CAPP)**

In the FY 2003 – FY 2008 CIP, the concept of the Capital Asset Preservation Program (CAPP), now called Maintenance Capital (MC), was introduced. Since the last biennial CIP update, the County has worked to further develop and refine a MC program appropriate for Arlington’s assets. In the FY 2005 – FY 2010 CIP, MC programs are included for Parks & Recreation, Transportation, Public Facilities, and Storm Drainage. In the current FY 2007 – FY 2012 CIP, MC programs are proposed for Transportation, Public Facilities, Parks & Recreation and Information Technology. Additionally, two other programs are identified for special focus – ADA and Energy Efficiency. Both programs are highlighted to insure visibility of their particular needs, but both programs will be integrated with Facilities and other programs as appropriate by project.

An effective MC program ensures that existing capital assets are maintained in reliable, serviceable condition without requiring capital appropriations that vary significantly from year to year. MC funds programs that consist of “bona fide” non-expansion projects. Bona fide non-expansion projects are those that do not change a footprint of a building, expand a current asset, provide resources for services not already being undertaken, or increase the operating budget once complete. For example, the Paving Program is funded to maintain the condition of Arlington roads, but it would not fund the construction of new turn lanes or travel lanes.

To determine the appropriate size of a MC program requires accurate details about the County’s assets. Currently, several departments responsible for capital maintenance are developing critical

components of capital asset management programs, and they are at various stages of development. For example, facility condition assessments have been prepared on all 65 County facilities, but they have not been performed on all Parks and Recreation assets. Some data exists on real property assets, but more refinement is needed to provide a fully functional database for decision making. As studies are completed and databases are populated, the logic and justification for future MC funding recommendations will solidify. It is anticipated that MC funding recommendations will increase over time, as more asset data becomes available. The logic for the amount of the request and the objective criteria for determining repair priorities will remain a focus of public discussion.

Another important aspect of a MC program is that projects must significantly extend the life of the asset *and* meet the criteria for a capital project. Repainting individual offices (as a program) may add to the life of an asset, but it would not meet the criteria of a capital project. Painting buildings, on the other hand, would be fundable as a component of a MC project.

MC funds are not contingency funds. MC plans are intended to eliminate repeated asset repair emergencies. However, MC funds are versatile in responding to unseen emergencies.

Finally, MC is an element of the General Fund revenues, not enterprise funds. Although the MC concept is relevant in other funds, much of the capital in enterprise funds are essentially for the proper operation and upkeep of the fund. For example, in the Utility Fund, although some projects may be classified as expansion projects, all projects are for the operation and maintenance of the Utility to provide water and sewer service to all citizens. At this time, a separate MC fund for enterprise funds is not being undertaken.

## **F. Definition of Terms Used in Capital Planning**

**Arbitrage:** As defined by the Department of Treasury Regulations, arbitrage is the gain a tax-exempt investor may be able to obtain by borrowing at a tax-exempt rate and investing at a taxable rate. The Tax Reform Act of 1986 and subsequent amendments relating to the issuance of tax-exempt debt and arbitrage regulations had a dramatic affect on all issuers of tax-exempt debt.

**Arbitrage Rebate:** Refers to the requirement to rebate to the Federal government investment earnings derived with the proceeds of tax-exempt debt that are in excess of the earnings that would have been earned had the proceeds of the debt been invested at the same interest rate as that paid to the holders of the tax-exempt debt.

**Architecture and Engineering (A&E):** Professional services performed to facilitate the development designs, cost estimates and construction of building, roads and infrastructure.

**Beyond the Funding Horizon:** Projects where funding is proposed to extend beyond the final year of the CIP, 2012 in this CIP.

**Bond Financing:** Refers to the method of financing capital improvement projects. Arlington County generally sells capital improvement general obligation bonds. Through the competitive bid process, the bonds are issued for a 20-year period on a declining principal basis. The average life of the principal is approximately 11 years which coincides, or is less than, the average life of the capital improvements being financed. Arlington County seeks voter approval to issue general obligation bonds in November

of even-numbered calendar years. Bonds are then sold for approved bond issues in the following three to four calendar years.

**Bond Funding:** Funding derived from the public sale of bonds for which interest is paid to buyers for the use of the money.

- CIP programs and projects proposed for bond funding are approved by the County Board for inclusion on a bond referendum.
- Voters approve each bond referendum. In Arlington, a bond referendum is placed on the ballot for voter approval every other November, concurrent with Congressional/Presidential elections.
- Funds can not be spent until after the referendum is approved by the voters, the Board approves the authorization, and the County has developed cash flow plans.
- Spending rules are established based on referendum language and principles established by bond counsel.

**Bond Issuance Costs:** Costs associated with the sale of general obligation bonds. Expenditures include fees to bond rating agencies, administrative expenses, legal fees, etc.

**Capital Planning Process:** The process of identifying, planning, evaluating and scoping projects, establishing performance standards, conducting public discussion, estimating costs and financial planning for capital projects. These processes should be completed for current year funding requests and underway for projects proposed in subsequent years.

**Capital Project:** Purchase or construction of an item or system that generally has a value of at least \$100,000 and has a useful life of 10 years, or purchase of an information technology (IT) system enhancement with a value of at least \$25,000. Projects should NOT include any repetitive or recurring purchase that will replace an item purchased in less than 10 years, nor should it include any part of the automotive fleet replacement or purchase of new vehicles for new programs (automotive fleet costs are funded through the Equipment Fund).

**Capital Readiness Standards:** Standards are used to assist in prioritizing capital projects. These standards evaluate a project's linkage to an approved County master plan, community support, stage of development, ability to be implemented, and safety impact. Other considerations include current and future fiscal impact, costs of deferring a project, alternative funding sources, and County and private development goals and plans.

**Expansion Project:** A term that applies to utilities capital projects that increase the capacity of the water or sewer system (such as increasing the pipe diameter on water or sewer lines), new additional processes and facilities added to the system, or projects proposed to prevent future expansion (such as infiltration and inflow projects to help avoid future water pollution control plant expansion). Only expansion projects can be charged to hook-up fees. Expansion projects can also be charged to bonds, PAYG, or hook-up funds.

**Funding Horizon:** Projects included the CIP that are proposed for funding in the next six years and where a specific fiscal year or funding source is identified.

**Full Time Equivalent (FTE):** The measure of authorized personnel. It is calculated by equating 2,080 hours of work per year (2,912 for uniformed firefighters) with the full-time equivalent of one position (referred to in the budget as an FTE).

**Hook-up Fees:** These fees are assessed to developers and builders to join the water and sewer systems, based on the cost of the expected capacity (volume) of the system being used by the customer. All customers, including County facilities, must pay this fee. These funds are programmed during the annual budget process for capital expansion projects. These funds can only be used for expansion projects.

**Inflation Factor:** An increased cost applied to out year projects in the CIP to account for increases in costs over time.

**Lease-purchase Financing:** Another form of financing certain assets defined by useful life, typically less than the 20 year average for bond funded projects.

**Maintenance Capital** (formerly called Capital Asset Preservation Program - CAPP): A capital program intended to maintain and increase the useful life of existing capital assets. This program does not enhance, increase, construct, or reconstruct new capital assets. MC programs have been developed within several program areas: Transportation; Public Facilities; Parks & Recreation; and Information Technology. Additionally, two other programs are identified for special focus – Americans with Disability Act (ADA) and Energy Efficiency.

**Non-expansion Project:** This applies to a Utilities Fund capital project that does not expand the capacity of a system but repairs or replaces systems that will be essentially unchanged except in incidental respects that effect capacity of the system or that merely relocate service already provided. These projects can be funded by bonds or from Utility fund transfers, but not from hook-up fees.

**Out Years:** All years after the current funding year. For example, in the FY 2007 – FY 2012 CIP, all years after FY 2007 are considered out years.

**Overhead:** The capital project should bear the cost of staff time spent directly on the implementation of the projects funded. In certain cases, the project can also bear the cost of program planning or preliminary business processes used in advance of funding or bringing the project to completion of scope.

**Pay-As-You-Go Funding (PAYG):** Funding that comes from annual appropriations and part of the adopted operating budget. PAYG funding also:

- Has no debt service cost that has to be paid on the expenditure;
- Is available at the start of the fiscal year;
- Must compete with operating programs for funding;
- Does not have to be approved through referendum; and
- Must be carried over at the end of each year.

**Rules:** This applies to limitations on the use of funds as a result of special revenue requirements. For example, hook-up funds can only be used for bona-fide expansion projects. Interjurisdictional agreements for sewer construction reimbursement can only be applied to non-expansion costs of

specific projects. Grants can only be spent under the terms and conditions provided with the grant. Bonds can only be used consistent with the language of the referendum and for items consistent with bond counsel determination, etc. Rules are not intended to imply administrative procedures, but rather legal requirements.

**Total Project Cost:** The CIP reflects the full cost of each project. The total cost includes such items as design, construction, right-of-way, construction management, utility relocations, hardware and software purchases, equipment needed to make the improvement useful, and appropriate overhead and operating costs.



# FY 2007 - FY 2012 CIP Program Summary

(in \$1,000s)

PROGRAM CATEGORY	Proposed FY 2007		Proposed FY 2008		Proposed FY 2009		Proposed FY 2010		Proposed FY 2011		Proposed FY 2012		Proposed FY 07-12 TOTAL
	PAYG	Other DEBT	BOND	PAYG	PAYG	BOND	PAYG	PAYG	PAYG	BOND	PAYG	PAYG	
<b>Total Project Cost</b>	-	30,150	5,900	-	-	-	-	-	-	-	-	-	36,050
Less Commonwealth Loan Funds		13,000											13,000
Less Other Funding Sources		9,800											9,800
<b>Net Tax Support</b>	-	7,350	5,900	-	-	-	-	-	-	-	-	-	13,250
<b>HIGH PRIORITY BOND</b>													
METRO	3,700	-	18,600	4,300	4,700	17,000	4,300	4,300	4,300	15,000	4,000	4,000	75,900
Ballston Metro West - Current Phase	10,800	-	2,800	-	-	-	-	-	-	-	-	-	13,600
Transportation Match	-	-	8,900	-	-	5,000	-	-	-	5,000	-	-	18,900
<b>Total Project Cost</b>	14,500	-	30,300	4,300	4,700	22,000	4,300	4,300	4,300	20,000	4,000	4,000	108,400
Less Revenue from the Commonwealth	3,700	-	-	4,300	4,700	-	-	-	-	-	-	-	25,300
Less Developer Contribution	10,800	-	-	-	-	-	-	-	-	-	-	-	10,800
<b>Net Tax Support</b>	-	-	30,300	-	-	22,000	-	-	-	20,000	-	-	72,300
<b>CONTINGENT BOND</b>													
Emergency Infrastructure	-	-	5,000	-	-	3,000	-	-	-	3,000	-	-	11,000
Parks and Open Space Land Acquisition	-	-	10,000	-	-	5,000	-	-	-	-	-	-	15,000
Arlington Mill Community Center	-	-	26,000	-	-	3,000	-	-	-	-	-	-	29,000
<b>Total Project Cost</b>	-	-	41,000	-	-	11,000	-	-	-	3,000	-	-	55,000
<b>Total General Fund Capital Projects</b>	17,100	30,150	77,200	21,759	22,236	33,000	21,836	21,836	21,836	23,000	21,536	21,536	289,653
Less Other Financing Sources	14,500	22,800	-	4,300	4,700	-	4,300	4,300	4,300	-	4,000	4,000	58,900
<b>Net Tax Supported County Capital</b>	2,600	7,350	77,200	17,459	17,536	33,000	17,536	17,536	17,536	23,000	17,536	17,536	230,753

# FY 2007 - FY 2012 CIP Program Summary

(in \$1,000s)

PROGRAM CATEGORY	Proposed FY 2007		Proposed FY 2008		Proposed FY 2009		Proposed FY 2010		Proposed FY 2011		Proposed FY 2012		Proposed FY 07-12 TOTAL
	PAYG	Other DEBT	BOND	PAYG	PAYG	BOND	PAYG	PAYG	PAYG	BOND	PAYG	BOND	
<b>WATER &amp; SEWER INFRASTRUCTURE</b>													
Water Distribution System Improvements	2,000			2,100	2,200		2,300	2,200	2,200			2,200	13,000
Sanitary Sewer System Improvements	2,440		10,000	2,200	2,095		1,475	1,250	1,250			1,250	20,710
WPCP Non-expansion Capital	3,025			3,025	2,850		2,650	2,100	2,100			2,100	15,750
WPCP Expansion Capital	20,800		60,000	90,000	47,800		6,400	800					225,800
Non-Expansion Capital	6,586		9,000	5,882	7,100		7,268	5,200	5,200			5,500	46,536
<b>Total Project Cost</b>	<b>34,851</b>		<b>79,000</b>	<b>103,207</b>	<b>62,045</b>		<b>20,093</b>	<b>11,550</b>	<b>11,550</b>			<b>11,050</b>	<b>321,796</b>
Less Developer Contribution	4,440			4,300	4,295		3,775	3,450	3,450			3,450	23,710
Less Other Funding Sources	21,095			21,420	12,920		6,820	1,095	1,095			295	63,645
Less Commonwealth Loan Fund	-			69,000	35,300		-	-	-			-	104,300
<b>Water &amp; Sewer User Fee Supported</b>	<b>9,316</b>		<b>79,000</b>	<b>8,487</b>	<b>9,530</b>		<b>9,498</b>	<b>7,005</b>	<b>7,005</b>			<b>7,305</b>	<b>130,141</b>
<b>Total County &amp; W/S Infrastructure Project Cost</b>	<b>51,951</b>	<b>30,150</b>	<b>156,200</b>	<b>124,966</b>	<b>84,281</b>	<b>33,000</b>	<b>41,929</b>	<b>33,386</b>	<b>33,386</b>	<b>23,000</b>	<b>23,000</b>	<b>32,586</b>	<b>611,449</b>
Less Other Financing Sources	40,035	22,800		99,020	57,215		14,895	8,845	8,845			7,745	250,555
<b>Net Tax Support &amp; User Fees</b>	<b>11,916</b>	<b>7,350</b>	<b>156,200</b>	<b>25,946</b>	<b>27,066</b>	<b>33,000</b>	<b>27,034</b>	<b>24,541</b>	<b>24,541</b>	<b>23,000</b>	<b>23,000</b>	<b>24,841</b>	<b>360,894</b>
<b>SCHOOLS CAPITAL</b>	<b>10,134</b>		<b>63,626</b>	<b>6,763</b>	<b>6,872</b>	<b>61,267</b>	<b>6,985</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>155,647</b>
<b>TOTAL COUNTY, W/S INFRASTRUCTURE, &amp; SCHOOLS PROJECT COST</b>	<b>62,085</b>	<b>30,150</b>	<b>219,826</b>	<b>131,729</b>	<b>91,153</b>	<b>94,267</b>	<b>48,914</b>	<b>33,386</b>	<b>33,386</b>	<b>23,000</b>	<b>23,000</b>	<b>32,586</b>	<b>767,096</b>
<b>LESS OTHER FINANCING SOURCES</b>	<b>40,035</b>	<b>22,800</b>	<b>-</b>	<b>99,020</b>	<b>57,215</b>	<b>-</b>	<b>14,895</b>	<b>8,845</b>	<b>8,845</b>	<b>-</b>	<b>-</b>	<b>7,745</b>	<b>250,555</b>
<b>NET TAX SUPPORT &amp; USER FEES</b>	<b>22,050</b>	<b>7,350</b>	<b>219,826</b>	<b>32,709</b>	<b>33,938</b>	<b>94,267</b>	<b>34,019</b>	<b>24,541</b>	<b>24,541</b>	<b>23,000</b>	<b>23,000</b>	<b>24,841</b>	<b>516,541</b>

## Cost Comparison by Program Category

The following chart and graphs present the change in program funding levels and compares the FY 2007 - FY 2012 CIP and the FY 2005 - FY 2010 CIP. The \$767.1 million Capital program represents a \$93.1 million or 24.3% decrease in the County's program and a \$13.4 million or 4.3% increase in the Water & Sewer Infrastructure Program.

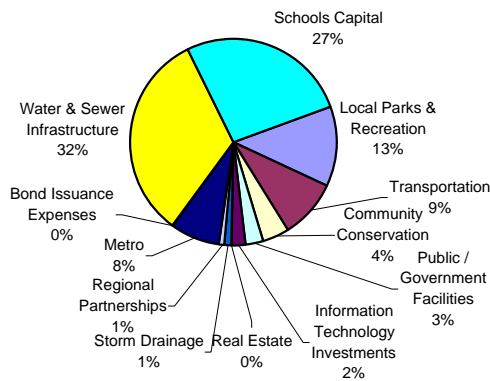
### Capital Program Funding Costs Summary (\$ in 000s)

<u>Program Category</u>	<u>FYs</u> <u>05 - 10</u>	<u>FYs</u> <u>07 - 12</u>	<u>Amount</u> <u>Change</u>	<u>%</u> <u>Change</u>
Local Parks & Recreation	118,770	63,050	(55,720)	-46.9%
Transportation	84,974	41,665	(43,309)	-51.0%
Community Conservation	39,000	6,400	(32,600)	-83.6%
Public /Government Facilities	28,032	60,783	32,751	116.8%
Information Technology Investments	19,363	15,000	(4,363)	-22.5%
Real Estate	-	6,600	6,600	-
Storm Drainage	11,035	-	(11,035)	-100.0%
Regional Partnerships (1)	6,535	6,655	120	1.8%
Metro (1)	74,300	89,500	15,200	20.5%
Bond Issuance Expenses	750	-	(750)	-100.0%
<b>Total County's Program Cost</b>	<b>382,759</b>	<b>289,653</b>	<b>(93,106)</b>	<b>-24.3%</b>
Water & Sewer Infrastructure	308,422	321,796	13,374	4.3%
Schools Capital (2)	251,140	155,647	(95,493)	-38.0%
<b>Total CIP Program Cost</b>	<b>942,321</b>	<b>767,096</b>	<b>(175,225)</b>	<b>-18.6%</b>

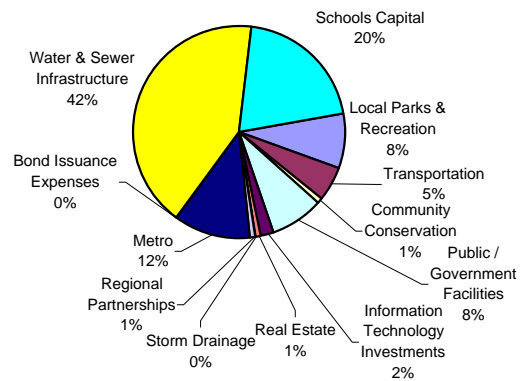
(1) FY 05 - FY 10 Regional Partnerships and Metro are adjusted to reflect funding in separate categories.

(2) Schools Capital includes estimates for FY 2007 - FY 2010 only as the APS FY 2007 - FY 2012 CIP is currently in preliminary development.

**Adopted FY 2005 - FY 2010 CIP**



**Proposed FY 2007 - FY 2012 CIP**



# Funding Comparison by Program Category

## Capital Program Funding Sources Summary (\$ in 000s)

<u>Capital Funding Sources</u>	<u>FYs</u> <u>05 -10</u>	<u>FYs</u> <u>07 -12</u>	<u>Amount</u> <u>Change</u>	<u>%</u> <u>Change</u>
County General Fund Transfer	74,710	90,203	15,493	20.7%
County Bonds	259,595	133,200	(126,395)	-48.7%
County Other Sources (1)	48,454	66,250	17,796	36.7%
Schools Fund Transfer (2)	48,119	30,754	(17,365)	-36.1%
Schools Bonds (2)	203,021	124,893	(78,128)	-38.5%
Utility Fund Transfer & Other Sources (3)	127,822	138,496	10,674	8.4%
Utility Bonds	9,000	79,000	70,000	777.8%
Utility VRL Financing (4)	171,600	104,300	(67,300)	100.0%
<b>Total Program Funding</b>	<b>942,321</b>	<b>767,096</b>	<b>(175,225)</b>	<b>-18.6%</b>

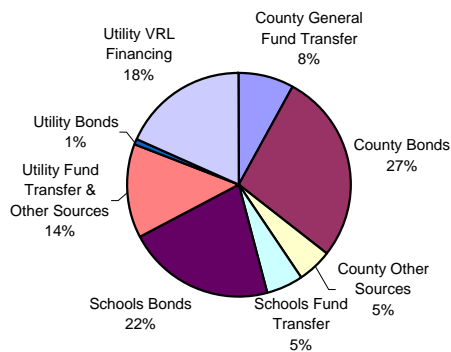
(1) County other sources: Revenue from the Commonwealth, Virginia Resources Authority Public Safety Loan Program, Developer Contributions and other alternative funding.

(2) Schools proposed fund transfer and bond estimates are for FY 2007 - FY 2010 only as the APS FY 2007 - FY 2012 is currently in preliminary development.

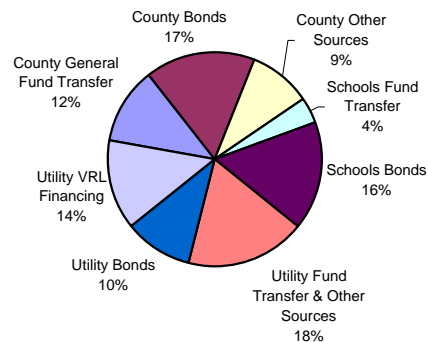
(3) Utilities fund other sources: Developer contributions and Inter Jurisdictional payments.

(4) Virginia Revolving Loan (VRL) Fund financing for the Water Pollution Plant Control Plan Expansion project.

**Adopted FY 2005 - FY 2010 CIP**



**Proposed FY 2007 - FY 2012 CIP**



## 7 Year Bond and PAYG History

The table below presents the Pay-As-You-Go (PAYG) appropriations and bond referenda approved by the voters each year since FY 1999. Carryover appropriation from previous years are not included. Appropriation rather than actual expenditures are presented because large capital projects will frequently expend funds over a period of several years. The amount of appropriation, rather than actual expenditures, indicates the County's decisions about the levels of PAYG and bond funding over the past seven fiscal years.

### 7 Year Capital Program Costs Summary (\$ in 000s)

<b>Program Category</b>	<b>FY 99</b>	<b>FY 00</b>	<b>FY 01</b>	<b>FY 02</b>	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>
Local Parks & Recreation	16,115	55	25,050	1,532	20,740	152	76,315
Transportation	13,580	9,262	17,898	4,098	14,195	3,050	20,454
Community Conservation	9,585	350	13,048	660	15,605	1,000	13,500
Public Facilities	13,540	6,630	7,921	7,494	12,257	1,960	12,532
Information Technology Investments	5,190	2,135	1,250	3,750	3,000	1,665	2,363
Storm Drainage	1,340	95	1,553	60	1,500	-	2,950
Regional Partnerships	1,115	532	17,437	1,032	13,535	1,023	19,534
Bond Issuance Expenses	-	-	-	-	223	-	250
<b>Total County Capital</b>	<b>60,465</b>	<b>19,059</b>	<b>84,157</b>	<b>18,626</b>	<b>81,055</b>	<b>8,850</b>	<b>147,898</b>
Water & Sewer Infrastructure	19,073	11,497	19,690	7,262	20,064	12,586	17,326
Schools Capital	54,825	4,160	46,856	5,263	85,834	5,458	92,414
<b>Total Program Cost</b>	<b>134,363</b>	<b>34,716</b>	<b>150,703</b>	<b>31,151</b>	<b>186,953</b>	<b>26,894</b>	<b>257,638</b>

### 7 Year Capital Program Funding Sources Summary (\$ in 000s)

<b>Capital Funding Sources</b>	<b>FY 99</b>	<b>FY 00</b>	<b>FY 01</b>	<b>FY 02</b>	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>
County General Fund Transfer	9,505	10,533	11,034	18,626	13,627	8,850	11,694
County Bonds	49,110	-	67,376	-	67,428	-	129,875
County Other Sources - Grants	1,850	8,526	5,747	-	-	-	6,329
Schools Fund Transfer	4,120	4,160	4,243	5,263	6,838	5,458	14,286
Schools Bonds	50,705	-	42,613	-	78,996	-	78,128
Utility Fund Transfer & Other Sources	19,073	11,497	7,620	7,262	7,722	12,586	10,626
Utility Bonds & Other Financing	-	-	12,070	-	12,342	-	6,700
<b>Total Program Funding</b>	<b>134,363</b>	<b>34,716</b>	<b>150,703</b>	<b>31,151</b>	<b>186,953</b>	<b>26,894</b>	<b>257,638</b>