Town Council Work Session
Agenda Item 2.a.

Agenda Item: **FY 2027 - FY 2032 Town of Herndon Capital Improvement Plan**

Meeting Date: April 7, 2026

Category: Discussion

Prepared by: John Irish, Deputy Director of Public Works, John Verdin Capital Projects Program Manager

Description:
This is the presentation of the town's capital improvement projects that support the 2030 Comprehensive Plan.

Background/Timing Impact:
As outlined in Section IV, Capital Budget, of the town's Financial Policy Guidelines, the town reviews and updates the Capital Improvement Plan (CIP) annually as part of the budget process.

A presentation has been prepared for the April 7, 2026, Town Council Work Session to provide and discuss the proposed FY 2027-2032 Capital Improvement Plan.

Key points of the presentation include:

- Plan Overview
- New Projects
- Proposed CIP Costs
- Portion of CIP Funding
- Proposed Operating Costs

Timing Impact:
Discussion in alignment with and preparation for the FY 2027 proposed budget, which is being presented at this time to meet statutory requirements and to allow the Town Council sufficient time to consider and discuss the proposed budgets prior to adoption.

Strategic Focus Area:
Strong Fiscal Stewardship
Good Governance

Fiscal Impact:
The FY 2027 Capital Improvement Plan is part of the FY 2027 proposed budget. Impact will occur after adoption by the Town Council in FY 2027, which begins on July 1, 2026.

The proposed FY 2027-2032 CIP will require expenditures of $31,529,000 for 21 projects in FY 2027 and $270,433,000 for 38 projects over the six-year CIP schedule. The proposed CIP anticipates the issuance of $34,600,000 in general obligation bonds, $38,000,000 in Water and Sewer bonds, and anticipates the town will receive $90,928,000 in grants from various federal, regional, and state sources, and $120,799,000 in amended revenues and capital reserves over the six-year CIP schedule. The proposed CIP also includes six multi-modal transportation projects with an estimated cost of $24.6 million that have no funding source at this time. These projects are included for planning purposes and grant applications.

Legal Impact:
The Capital Improvement Plan is developed in accordance with Section IV, Budget Management - Capital Budget, of the town's Financial Policy Guidelines.

Staff Recommendation/Next Steps:
No recommendation is proposed for this discussion item. Town staff stands ready to support the Town Council in its discussions and deliberations.

Attachments:
1. Presentation