# Town Council
# Regular Meeting
# Agenda Item 6.a.

**Agenda Item:** **Resolution 25-G-28 to adopt the FY 2027 through FY 2031 portion of the FY 2026-FY 2031 Town of Herndon Capital Improvement Program**

**Meeting Date:** April 22, 2025

**Category:** General

**Prepared by:** John Irish, Acting Director of Public Works - Engineering,
John Verdin, Capital Projects Program Manager

**Description:**
This resolution adopts the Fiscal Year (FY) 2027 through FY 2031 portion of the Town of Herndon FY 2026 - FY 2031 Capital Improvement Program (CIP).

**Background:**
The Capital Improvement Program (CIP) is a financial planning document that establishes a six-year schedule for capital improvements. It serves as a companion policy document to the Town of Herndon 2030 Comprehensive Plan and the town's Annual Operating Budget. The focus of this action concerns the FY 2027 through FY 2031 CIP, as the first year of the CIP (FY 2026) is included in the FY 2026 Adopted Budget. The CIP document includes all six years and thus is referred to as the FY 2026 through FY 2031 CIP. Along with the FY 2026 Budget, the CIP is published on the town's website.

As required by the Code of Virginia, the Planning Commission held a public hearing on the proposed CIP in January 2025. The Planning Commission adopted Resolution 25-PC-002 recommending approval of the proposed CIP to the Interim Town Manager.

**Timing Impact:**
The Capital Improvement Program (CIP) undergoes an annual review to ensure alignment with the Town's strategic priorities and resource availability. Preparation of the CIP is coordinated with the development of the proposed annual budget, with funding for the first year included in the adopted budget. At this time, staff is requesting Town Council adoption of the remaining five years of the CIP. This adoption supports long-term planning efforts and allows staff sufficient time to continue the annual review and project prioritization process in preparation for the next budget cycle.

**Strategic Focus Area:**



Strong Fiscal Stewardship

**Fiscal Impact:**
The FY 2026 Capital Improvement Program is part of the FY 2026 proposed budget. Impact will occur after adoption by the Town Council in FY 2026, which begins on July 1, 2025. The proposed FY 2026-2031 CIP will require expenditures of $28,634,208 for 23 projects in FY 2026 and $263,724,208 for 44 projects over the six-year CIP schedule. The CIP anticipates the issuance of $11,582,000 in general obligation bonds, $25,000,000 in Water and Sewer bonds, and anticipates the town will receive $106,096,500 in grants from various federal, regional, and state sources, and $25,393,127 in amended revenues and capital reserves over the six year CIP schedule. The CIP also includes six multi-modal transportation projects with an estimated cost of $21.5 million that have no funding source at this time. These projects are included for planning purposes only and will not move forward unless and until project funding is identified.

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

**Staff Recommendation/Next Steps:**
Staff recommends adoption of the proposed resolution.

**Attachments:**
1. Resolution (proposed)
2. CIP Presentation