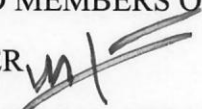


City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 24, 2019
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: MARK B. JINKS, CITY MANAGER 
SUBJECT: SUBMISSION OF BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC) FY 2021 MEMO #4: BFAAC & BAC OBSERVATIONS ON CAPITAL PLANNING NEEDS RELATED TO ACPS FACILITIES REPORT AND HIGH SCHOOL PROJECT

The Budget and Fiscal Affairs Advisory Committee (BFAAC) and the School's Budget Advisory Committee (BAC) meet periodically to discuss issues pertaining to the Schools operating budget and capital improvement program, and its impact on the City's operating budget and capital program. These discussions typically result in a joint memo from members of BFAAC and BAC.

Members of BFAAC and BAC met on October 9, 2019 to discuss matters relating to the School's capital program, specifically the impacts of the recently completed targeted facilities review and the current planning process for the High School project. Subsequently, members of BFAAC and BAC created a memo to report on the findings of their discussion. The resulting memo is attached here.

Attachments:

1. BFAAC Memo #04 – Observations on Capital Planning Needs Related to ACPS Facilities Report and High School Project

Cc: Morgan Routt, Director, Office of Management and Budget
Chair & Members of Budget and Fiscal Affairs Advisory Committee (BFAAC)

City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 18, 2019

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
THE HONORABLE SCHOOL BOARD CHAIR AND MEMBERS OF THE
SCHOOL BOARD

FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)
BUDGET ADVISORY COMMITTEE (BAC)

SUBJECT: MEMO #4: BFAAC & BAC OBSERVATIONS ON CAPITAL PLANNING
NEEDS RELATED TO ACPS FACILITIES REPORT AND HIGH SCHOOL
PROJECT

On October 9th representatives from the Budget and Fiscal Affairs Advisory Committee (BFAAC) and the School Board's Budget Advisory Committee (BAC) met to review matters related to the school's capital budget. Discussion focused on the recently conducted third party facilities review and the high school project, and their impact on capital budget, planning and staff priorities.

General Observations

City and School **staffs clearly are working closely** through formal task groups either ongoing or formed in response to Joint Task Force recommendations; and also consulting regularly and individually as needed to troubleshoot and ensure synergy between the groups. As cooperation has become second nature, both staffs benefit from sharing best practices and avoiding surprises.

Both City and Schools anticipate increases in the CIP due to rising construction costs and more accurate use of cost inflators. School CIP request will be even higher due to maintenance, modernization and capacity needs discussed below. Similarly, both staffs are reviewing annual allocations to be mindful of priorities and cash flow responsibility.

ACPS CIP Planning

ACPS historically has conducted a review of all facilities every five years; the current CIP is largely based on the review conducted in 2014. After Mt Vernon Community School experienced significant flaws requiring immediate attention in 2018, ACPS engaged a more **thorough third-party review of its six most "problematic" facilities** – five schools and the transportation facility – the draft of which was released in late August. The report provides a deeper analysis of potential failures and a priority system to help staff determine timing of projects.

In addition, **ACPS currently is conducting its regular five-year assessment**, the results of which are expected in the next five months. This report covers all facilities, and while not as comprehensive as that conducted for the more at-risk assets, will coincide with adoption of new Maintenance Management System that in the future will better guide preventative maintenance along with repairs for identified problems.

- BFAAC and BAC observe that **the third -party study of the six most at risk assets appears comprehensive and clear in its presentation of priorities and recommendations for action.** The report identifies some needs that are additive to the current CIP, and recommends some be addressed sooner than otherwise planned because of the risks presented. At the same time, there are capital needs in the CIP that go beyond the areas identified in the report.
- ACPS currently is reviewing the entire CIP to determine what projects might be moved to accommodate more pressing needs identified in the report and also evaluating staging requirements that potentially could impact summer programs in some locations.
- BFAAC and BAC **encourage staff to cost out the report's recommendations considering all factors including inflation; impact of potential cost inflators outside our control; and any necessary student and staff accommodations** to provide leadership a realistic assessment.
- **BFAAC and BAC encourage the City to provide ACPS budget guidance for the CIP** to help schools align budget requests with tax rate goals, and also any additional steps toward transparency of proportion of rates that support school and other City projects (e.g., budget calculators).

In September, after significant study including location assessments, educational design and facilities needs the School Board voted to pursue a “**connected high school**” approach to address both capacity and aging and/or out of date facilities. This model includes a maximum build out of the current Minnie Howard site, full use of the King Street campus, sufficient amenities including parking and recreation for anticipated 5000 students; and utilization of current and potential satellite sites.

- The connected model is an adaptable approach to high school education that does not require purchase of new large pieces of land, nor a prolonged districting evaluation. **BFAAC and BAC look forward to reviewing specific needs as they arise, e.g., zoning or access issues to support the project.** While the current CIP includes money to re-build Minnie Howard, additional elements of the more comprehensive high school project as approved adds additional expenses that will be included in the CIP proposal later this year.
- **BFAAC and BAC encourage ACPS to study the potential for public private partnerships – P3 –** that might support certain project elements or offer support to

ongoing maintenance or education program delivery. **Caution is also recommended** to ensure schools maintain control necessary to ensure educational integrity.

- ACPS is encouraged to learn from recent construction partnerships established by Prince George's County, and will also continue to pursue educational partnerships with allies including NOVA and Virginia Tech.

BFAAC and BAC note that staff expertise will be stressed by an aggressive schedule, and encourage leadership to ensure staff is ready to handle capital projects as they are slated.

ACPS currently is reorganizing its staff to separate planning and design from facilities maintenance, and also is considering including some dedicated project staff in its capital budget. BFAAC and BAC support this approach, noting precedent on the City side. The extent to which City and Schools continue to cooperate on every step will ultimately define the success of efforts to address delayed maintenance and continued increased enrollment projections. BFAAC and BAC appreciate the opportunity to advise this effort.

CC: Mark Jinks, City Manager
Dr. Gregory C. Hutchings, Superintendent