

BOARD OF SUPERVISORS
STAFFORD, VIRGINIA
DRAFT MINUTES
CIP Work Session
June 4, 2019

Call to Order A CIP work session of the Stafford County Board of Supervisors was called to order by Gary Snellings, Chairman, at 11:00 a.m., on Tuesday, June 4, 2019 in the A/B/C Conference Room, George L. Gordon, Jr., Government Center, 1300 Courthouse Road, Stafford, VA.

Roll Call The following members were present: Gary Snellings, Chairman; L. Mark Dudenhefer, Vice Chairman; Meg Bohmke, Jack R. Cavalier; Thomas C. Coen; Wendy E. Maurer; and Cindy C. Shelton.

Also in attendance were Thomas C. Foley, County Administrator; Fred Presley, Deputy County Administrator, Mike Smith, Deputy County Administrator; Cheryl Giles, Deputy Clerk; Assistant Deputy Clerk, Julia Holmes, associated staff and other interested parties.

Mr. Foley welcomed everyone to the work session and stated the focus would be on the CIP Program. He remarked that a lot of work had been done this year and there had been challenges with information from the schools and the process that was followed. Mr. Foley thanked staff for the extensive work that was completed to get to the work session. Information was received from the schools, but was not received right away because the schools were unsure if they had to submit at a certain level. Everyone worked very hard to get to where we are today. Staff is hoping to get final direction from the Board on an adopted CIP. Action is needed on the first year of the CIP. Due to the timeframe, the entire financial analysis could not be redone, but focus was done on whether we had the capacity to do more. In particular to do some transportation needs, if the Board desires to go down that path. Staff has freed up \$50M worth of capacity for transportation. The other item is to get a handle on school projects, specifically the High School, Hartwood Elementary School, and the new elementary school #18. All the projects were re-evaluated and combined together. Staff would like to get the Board's direction on the fresh analysis and get the outcome to an adopted one-year capital budget and a five-year financial plan. Mr. Foley introduced Andrea Light, Budget Director to present the CIP presentation.

Ms. Light reported that today's work session was a continuation of the May 13th work session and provides the results of the Board directed action to the staff. The purpose of the work session was to review the TRC's process and the subsequent recommendation. Staff is looking for the Board's direction to prepare a CIP for the June 18th meeting that would align with the Board's strategic plan and their vision for the needs of the community.

Ms. Light provided an overview of the agenda and stated she would highlight the following items:

- Technical Review Committee Process
- TRC's Recommendation for the CIP
- Debt Capacity and Affordability
- County Projects
- School Projects

The CIP Process began in August when departments submitted their project needs. The TRC began to review these projects and supporting documentation in the fall. The Joint CIP Policy had been modified for the development of the FY2020-29 CIP to include 3R projects. The policy directed County staff to review county 3R type projects and schools to review school 3R projects. What was presented in the proposed CIP for 3R and other projects is a reflection of that work.

The Schools submitted project sheets for all projects in May. The TRC subsequently met with the school staff and Public Works staff regarding the stormwater project. The TRC did not review and score Ferry Farm Elementary School (FFES) project since this was under way.

Ms. Light highlighted the TRC Ranking List and stated we leveraged the ranking to provide an affordable and reasonable CIP. There are a number of other County projects that are listed in the uses. These include a replacement ERP system. In the FY2019 CIP, \$200,000 was allocated to getting a consultant to provide a need analysis for a new system. The ERP is projected in FY2026. Government projects include fiber projects to volunteer Fire and Rescue that are projected FY2021, FY2024 and in the out years are as follows: NCR Net Connection in FY2021, Rockhill Fire and Rescue in FY2025, Widewater Fire Station in FY2026, and Brooks and Duff Parks in FY2026.

Mrs. Maurer commented she thought Rock Hill Fire and Rescue would be shutting down and inquired about the fiber project for Rock Hill Fire and Rescue. Ms. Light responded that information was not shared at the CIP and could be reviewed again when going through the projects. The Rock Hill project is not until FY2025 and there is ample time for them to respond to any changes that could happen.

Public safety includes replacement of cardiac equipment and funding for station repairs and upgrades. There are three ambulances projected per year and apparatus replacements for engine replacements, tanker replacements, heavy equipment, and fire boat are projected in FY2028.

Ms. Bohmke asked if some of the cardiac equipment had been replaced over the last five years. Ms. Light responded the cardiac equipment was purchased in 2009 and that equipment would be end-of-life and it is being replaced all at one time. It is projected that master lease funds would be used to replace the equipment.

Ms. Light reported that Parks and Recreation 3R projects include turf field replacement, Mussleman Park Master Plan, which is funded with proffers, and Patawomeck Park Master Plan, which is funded with proffers. Public Works has some 3R projects which include renovating elevators, heaters in the Rowser building, and roof replacement at Courthouse Community Center. Parks and Recreation did not provide any large scale projects this year for any park changes. They are taking a step back and doing a master plan and working through the Board's Strategic Plan to provide something that would inform the CIP over the next several years of what direction the Board chooses to go.

Ms. Light reported a preliminary recalculation of debt capacity at the \$1.01 tax rate had been completed. As required by the Financial Policies, an update would be provided to the Board in the fall and all assumptions would be changed. Based on the TRC's recommended CIP, available debt capacity over the ten years is \$98.1M.

Ms. Light highlighted a chart that showed the available debt capacity by year over a ten year period. There is a projected \$98.1M in available debt capacity. The current capacity could be used to provide for funding should the board consider additional funding to meet the Board's directions. Debt service on a \$50M borrow would be approximately \$4.2M in debt service. The funding strategies that could pay consist of several different mechanisms, including real estate or personal property tax proffers or other sources. During the Transportation CIP Work Session, staff would explore these options more in depth. The top schedule of the Debt Service chart showed the projected debt service over the course of the ten years based on TRC's recommendation. The bottom schedule of the chart provides a look at the real estate tax rate equivalent. Staff has computed a projected increase in the reassessment years in FY2022, FY2024, FY2026, and FY2028 of 5%. This also assumes a flat tax rate. In the first five years of the CIP, there are some increases due to the Courthouse construction beginning, and the beginning of High School #6, and in the final five years, which also includes an additional increase of about 6 cents.

Ms. Light then reported about the three major County projects. She noted the projects could be found in the binder under the County projects tab. The Brooks Park Stream Restoration project is a mandated project under the MS4 permit as required by Virginia Department of Environmental Quality (VDEQ). This project is projected to be at \$1.6M, of which \$700 thousand is projected in grant revenue. The remainder is projected to be cash funded. The Courthouse and the parking lot have not significantly changed from the proposed budget. The

Public Safety Joint Training center has been a project in and out of the CIP since FY2012. We anticipate with the development of the strategic work plans, more information would be forthcoming that would better inform the CIP process of where and when they should be properly placed. Based on the scoring of the projects and TRC's commitment to provide a reasonable and affordable recommendation, we have recommended that this project begin in FY2027 rather than FY2023 as was proposed in the Proposed CIP.

In response to the May 13 Budget Work Session, school staff submitted their large projects for the TRC to review. There was a total of \$293.3M presented to the TRC. These projects correspond to the Board's large CIP project lists, which were approved by the School Board at their November 13 School Board meeting; with the exception of FFES Phase 2, 3, & 4. The School did not provide project sheets for those, as the Board had already made decisions at the February 19 meeting, about only renovating Phase 1 and a part of the basement.

TRC recommended the following four projects be included within the CIP in addition to FFES: Hartwood Elementary School (HES) Renovation, Early Childhood Special Education (ECSE) Addition Phase I, Drew Middle School (DMS) Renovation, and High School #6.

HES Renovation was provided to TRC as a renovation and not a rebuild. The only information TRC had to review was a renovation. This is the only school with no sewer and water. The renovation would assume county water, predicated on the build out of Westlake subdivision. Mr. Snellings asked what the estimated cost would be for running water to HES. Mr. Jason Towery, Public Works Director responded the estimated cost would be about \$1M a mile to run water to HES.

Mr. Cavalier inquired if there are plans for development of Westlake in the near future. Mr. Snellings commented that he heard that the site plans were submitted last week. Mr. Jeff Harvey, Planning Director responded that the first section of the neighborhood had been recorded so they could move forward with their development. They have been working on the water and sewer aspect to get all the necessary easements and right-of-ways to build it. Discussion ensued about the cost and obstacles of running water and sewer to HES.

Ms. Light resumed her report about HES. She reported a projection for a rebuild of Hartwood is approximately \$23M more than the cost of a renovation and would provide capacity for 317 students. Mr. Coen commented that the HES renovation at \$27M is a lot more than FFES and stated he was curious as to why it was so much more.

Mr. Foley inquired about the Board's preference for receiving additional information from Staff about the HES renovation. Mr. Foley informed the Board that Staff wanted to highlight that the Schools had proposed a renovation, although a rebuild was previously reviewed. There

is a difference in cost. The water and sewer issues are significant. Does the Board want to make a decision now or would the Board prefer a placeholder until more work is done with the School Board about where they want to go with this project.

Mrs. Maurer remarked that with regards to the HES project, she is at a placeholder position. We are looking at high school site and we don't know if that high school site is going to offer an elementary school site. Until the high school site is situated, there are a lot of unknowns in relation to HES.

Ms. Bohmke commented the HES Renovation is for the entire school. The FFES Renovation was not for the entire school. We need to compare apple to apples. The FFES community wanted the entire school to be renovated, but the Board said there was not enough money to do it. There needs to be a great analysis and conversation about this before adding it to the CIP.

Mr. Snellings commented that he agreed with Mrs. Maurer's comments about approving the \$27M and the capacity would not be increased. There are so many "ifs" about the waterline. He would rather hold the money to see what would happen with the new high school and maybe with elementary school #18 before rushing in to spend \$27M on HES.

Mr. Foley inquired when Staff presents a document to the Board for consideration about HES, would the Board prefer not having a project listed in the document or would the Board prefer the word renovation or rebuild, or something else the Board would be comfortable approving.

Mrs. Maurer remarked the information must be "heavily footnoted" that states here are the considerations that may change this significantly. It should show that the Board understands and identifies that HES is an issue that needs to be addressed. A plug number could be added that we understand and would address HES, but how it needs to be addressed needs much more analysis.

Mr. Foley stated the description could be tweaked to read, "Renovation or Rebuild To Be Determined" and the footnotes could describe why it's listed that way. Mr. Foley then asked about what number to plug in for the project. The Board recommended making it \$25M.

Ms. Shelton remarked that the Board's responsibility is to look far into the future because we are not building schools for five years but for 20 years. She opposes any type of renovation based upon the data that had been given to the Board.

Ms. Light resumed the report about the ECSE Project. Mr. Cavalier asked if this was the North Star Project. Ms. Light responded the specific location has not been identified yet. It would depend upon where the growth happens.

Mrs. Maurer commented that facilities are put out there, not to expand services, but to address mandated issues. She inquired if the addition is caused by expanding services that are not necessarily mandated. It is a serious concern because for every million we spend on debt, we are giving up a teacher, a firefighter, or a police officer for the next 30 years. If we are expanding non-mandated services, we need to get to the root of it because if that is the cause of the addition, she would not support it.

Mr. Snellings stated it is a good point, but that item needs to be addressed with the School Board.

Mr. Foley commented this was a multi-phased request, but Staff only put it in there because the data did not help justify anything beyond that. It is out in FY2029. Staff proposes that we go back to the Schools to understand the basis of the projections; including what age children are being served and if there mandates. Staff proposes to leave it in FY2029 with all of those things have it come back to the Board "footnoted" as we did with the HES Project.

Ms. Light reported TRC did have some concerns about the assumptions that were used for projections. There is a lot more information that Staff plans to ask the Schools for to have a better understanding of what's driving the projections in the future.

Ms. Light highlighted the third project Drew Middle School (DMS) Renovation. The school was built in 1951. A Facilities Condition Assessment supports that systems are in fair condition today, but in 10 years would be very poor. Staff anticipates through the development of the next CIP, a better understanding of the 10 year facility condition index and how that may project the need. At this time, the TRC recommends considering funding in the final two years of the CIP.

For the final project, High School #6, construction cost estimation was conducted with both School and County staff reviewing assumptions. The estimation is for construction only and would make the project a \$131M high school rather than the \$121M that is in the Proposed CIP and the Adopted CIP of last year. The new high school does not include the cost of land. Two years ago we considered the land would be proffered in the Westlake Subdivision. That does not seem to have come to fruition. A Land Acquisition team was formed and began the work of finding a piece of land. Current school enrollment projections support the need for another high school. We are projected to be at 100% in FY2024. The school would not open until FY2026.

Mr. Snellings asked if the Land Acquisition team would be able to evaluate the site at Westlake. Mr. Foley responded it is part of the charge to the Land Acquisition team.

Ms. Bohmke commented we need to look at what the enrollment projections are going to be for Gayle Middle School (GMS) because it serves the entire Westlake and Stafford Lakes area. The School division had the Clift Farms piece of land where the original high school was going to be built. Should we build a new middle school there and move kids for GMS to DMS and move kids from DMS to Dixon-Smith School. Those are not decisions the Board could make, but somebody has to be looking at the enrollment projections for GMS if that area continues to grow. Why would we put more buildings at Gari Melchers when those facilities are not in great shape?

Mr. Coen commented we do not have the land yet and we have not made the determination of why High School #6 jumped up \$10M. Ms. Light responded the cost estimation came in last year after the adopted CIP was adopted with a number of \$121M. The Schools had previously projected it at about \$160M and the Board asked them to go back and look at it. In FY2021 CIP, the Board only supported \$121M for the building of a new high school. Mr. Foley remarked that the land is not a part of the projected cost.

Ms. Shelton commented the Schools should provide specifically how they are doing their cost estimations. It does not align with what the Board wants to see. The Board would like to see what the requirements are for it (i.e. is there an aquatics requirement, is there a culinary arts requirement). The Board would like to know specifically what the Schools will put in there.

Ms. Bohmke commented a rounded number needs to be done for DMS as it was done for the HES project because it looks like a project cost. She agreed with Ms. Shelton's comments and stated it is an important part of the conversation because it would drive the cost. Mrs. Maurer also agreed that the requirements need to be known.

Mr. Foley stated he proposes the Board go back to the \$121M and leave it in the year that has been proposed because Staff does believe enrollment is a challenge. When Staff gets the request from the Schools in August, Staff needs to set up work sessions with the Board and the Schools and get the Board's questions answered. Mrs. Maurer expressed concern that we are getting past the point of no return for the high school and that we would not meet the deadlines. It needs to be our number one priority. Mr. Foley remarked that Staff shares those same concerns, but the process that has been approved is underway now. This fall, Staff would need direction from both Boards because there are big questions that require answers. The four projects need to be a part of that process, with the high school being priority number one because of the timing. Mrs. Maurer inquired about the possibility of getting a timeline of when information is needed to make a decision. Mr. Foley remarked this item does need to get to a different level of decision and consideration by both Boards and would require this being done by this fall.

Ms. Shelton stated the Board and the School Board have the same constituents that have the same concerns. When the Board asks questions and provide comments, they are from the constituents they talk to every day. She is ready to make a decision now, but would not write a blank check.

Mr. Cavalier asked about the Schools 3R Projects. Ms. Light responded the Schools looked at their 3R projects this year and ranked them according to the ranking criteria in the joint CIP schedule. A list was not included in the packet. There have not been any changes to what was in the Proposed CIP Budget book.

Mr. Cavalier commented he was concerned there is no air condition in the cafeteria at Widewater Elementary School (WWES). Since schools would begin earlier this year, it would be much warmer than the post Labor Day start time. He was told by the School Board that this was not a priority. Mr. Cavalier inquired if it was possible to look at some type of alternative cooling solutions for the cafeterias in the older schools.

Ms. Bohmke agreed with Mr. Cavalier's request and stated the Schools should have a list of the number of school cafeterias that do not have air condition.

Ms. Light responded that a list of the schools and an estimate of the cost could be brought back at the Board's June 18th meeting.

Ms. Light reported the following school projects were not recommended by TRC at this time:

Elementary School #18 – The current projects, based on design capacity provide adequate capacity. The land acquisition and planning dollars were not factored into the last year. The rebuild and/or renovation of Hartwood would better inform a plan in the next CIP.

Early Childhood Special Education Addition Phase II – There was concern from TRC about the assumptions used to do the projections and the mandated programs.

North Stafford High School Fine Arts Wing – The TRC ranked it as a lower School Board priority.

Fleet Services Addition – The data provided did not support an immediate need. During subsequent CIP submissions, data regarding change in work order history and direction from the Steering committee to help support the timing.

Ms. Light reported the FY2020 CIP highlighted the following major projects:

- Courthouse Design and Temporary Parking Lot
- Fire and Rescue Apparatus
- Cardiac Equipment Replacement
- Ferry Farm Elementary School Renovation
- School 3R Projects

Mr. Foley asked if the Board was comfortable with proceeding with the referenced projects or if additional information was needed. If the Board is comfortable with these Projects moving forward, this would be the first year's capital budget.

Ms. Bohmke thanked staff for the hard work and how well the information was prepared in the binder.

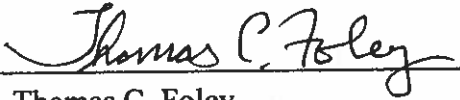
Ms. Light reported planning for the FY2021-FY2030 CIP had begun. Staff had been directed by the Board to develop and present a new CIP policy that continues with a data driven approach, but would not have a joint School Board and Board of Supervisors element. Staff anticipates bringing a draft policy to the Board this summer. This year a proffers committee has been formed. This is the first of its kind in Stafford. The committee is comprised of members of Planning, County Attorney, Schools and County Departments that would review available and projected proffers and how to best use them in the most efficient manner. Mr. Foley commented that the policy adjustment would be brought back to the Board simply states the joint oversight committee would not be done. Staff would bring back the budget calendar for the Board's approval. A joint discussion with the School Board in the fall would replace what would have happened otherwise, but would give a full Board discussion about the more complicated issues.

Ms. Light stated Staff is looking for direction from the Board about the following items:

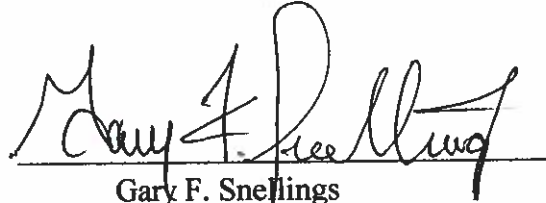
- ✦ Public Safety Joint Training Center – does the Board support the change in timing to the project? Staff feels the Strategic Work Plan is going to take some time and may inform the CIP process differently in the upcoming CIPs. Pushing it out to FY2027 seemed like a reasonable and responsible affordable response. The Board supports pushing it out until they have the data to support keeping it in FY2027.
- ✦ Hartwood Elementary School – does the Board support the rebuild or the renovation of this elementary school? The Board expressed support of this item, but with the “heavily footnoted” \$25M dollar amount.
- ✦ Early Childhood Special Education Phase I Addition – does the Board support adding funding in the last year as we work towards a better understanding of the assumptions? The Board expressed support of removing this item from the CIP.
- ✦ Drew Middle School Renovation – does the Board support adding funding in the planning period as staff gathers additional information about the renovation? The Board supports this project but it also should be “heavily footnoted”
- ✦ High School #6 – does the Board support the proposed cost provided by the Schools through their Construction Cost Estimator? Does the Board support the timing of the high school based on the school enrollment projections? Should staff estimate and add

land costs to the project? The Board supported leaving the project at \$121M and leaving the timing as is.

Adjournment At 12:12 p.m., the Chairman adjourned the June 4, 2019 CIP work session of the Stafford County Board of Supervisors.



Thomas C. Foley
County Administrator



Gary F. Snellings
Chairman