

**Board of Supervisors**

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Thomas C. Coen
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Wendy E. Maurer
Cindy C. Shelton

Thomas C. Foley
County Administrator

Finance, Audit & Budget Committee Meeting Agenda

April 17, 2018 - 12:30 p.m.
Conference Room A/B/C - Second Floor

**Committee Members: Chairman Mark Dudenhefer, Jack Cavalier
and Wendy Maurer**

	Agenda Item	
1.	Third Quarter Review	Maria Perrotte
2.	FY17 School Carryover Funds	Maria Perrotte
3.	Review of proposed Central Purchasing Office	Maria Perrotte
	Next FAB meeting is scheduled for May 15, 2018	

FAB04172018



FY2018 Third Quarter Review

April 17, 2018

Property Tax Revenue

- Overall property taxes are expected to exceed the FY2018 Budget slightly.
 - New construction was projected to be 3%. However, it is only 2% creating a shortfall in Real Estate Property Tax projecting the tax rate at \$0.965. An increase in the rate will reduce the variance.
 - Personal Property projections are strong and expected to exceed the budget.
 - The FY2019 Proposed Budget anticipated these changes in the revenue and was adjusted for variation.

Other Revenues

- Consumption taxes are projected to outpace the budget. In particular, Sales and Use, and Recordation Tax remain strong.
- Building and Permit Fees are anticipated to exceed FY2018 budget and FY2017 actual revenues.
- Interest is projected to be a solid revenue source in FY2018.
- Ambulance Charges are projected to be below the FY2018 budget, but slightly above FY2017 actuals.

Expenditures

- Total expenditures will be under budget.
- The Budget for \$500,000 in vacancy savings will be met.
- Health insurance is tracking under budget. We had reserved prior health insurance savings of \$470,120 as a hedge against budget overages. In accordance with our Financial Policies, these funds can be remitted to the OPEB Trust and staff is recommending that action with Proposed Resolution R18-89.
- We are anticipating the Rappahannock Juvenile Detention Center to be over budget. This overage is due in part to the nature and severity of the crimes some of our young residents are committing, which is requiring longer stays.

CSA

- Private day school placements are currently exceeding the budget by \$1.5M, or 37.9%.
- Residential Treatment Facilities are currently exceeding the budget by just under \$389k or approximately 45.7%.
- At this point, we do not anticipate additional budget and appropriation but will continue to monitor.
- The FY2019 Proposed Budget did propose amendments to the financial policies to increase CSA reserves based on budget overruns to hedge against future overages.

Fund Balance – Capital Projects Reserve

- The Capital Project Reserve requires a minimum balance of \$1.5M with a projected balance available for use of \$3,709,012 (above minimum). The FY2019 Proposed Budget projects for the use of some of these funds as follows:
 - The projected use for one-time items \$2,050,783;
 - The proposed increase to CSA reserves of \$250,000;
 - The proposed increase to Corrections fund balance of \$450,000.
- If all proposals are incorporated into the Adopted Budget, the balance is projected to be \$958,329.
- The County holds funds for the School's Capital Projects Reserve with a minimum balance of \$1.5M. The amount available for projects is \$46,222.

Fund Balance - Set Asides for Major Projects

- The reserves for the New Courthouse stands at \$1.2 M, which receive:
 - Funds from Courthouse fees;
 - Collects recordation Taxes over budget;
 - Captures debt service savings over budget.
- The reserves for Major School Capital Projects is currently at \$900K that receive:
 - Funds from meals tax more than budget;
 - Obtains debt service savings.

Schools

- The Schools are anticipating actual revenues to be collected in line with the budget. They are currently projecting expenditures through the end of the year to identify potential savings.

Transportation/Utilities

- The Transportation Fund projects:
 - Impact fees, primarily from apartments, to be strong;
 - Gas taxes to be higher than the budget.
- The Utilities Fund forecasts:
 - Availability fees to exceed the budget, due in part to new apartments;
 - Interest rates to create positive flows.

Conclusion

- Revenues are anticipated to exceed the budget. Expenditures are also projected to be under budget creating available funding to meet reserve requirements.
- The Financial Policies adopted by the Board continue to strengthen Stafford's financial position while being sound stewards of taxpayer dollars.

Questions

W. BRUCE BENSON, Ed.D.
Superintendent



STAFFORD COUNTY PUBLIC SCHOOLS

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Stafford, Virginia 22554-7246
Phone: 540-658-6000
www.staffordschools.net

SCHOOL BOARD
Patricia Healy, Chair
Dewayne McOsker, Vice-Chair
Sarah Chase, Ph.D.
Jamie Decatur
Irene Egan
Holly Hazard
R. Pamela Yeung

Office of the Superintendent

March 28, 2018

Mr. Tom Foley
County Administrator
Stafford County
Stafford County Government Center
1300 Courthouse Road
Stafford, Virginia 22554

Re: FY17 Carryover Funds

Dear Mr. Foley:

By this letter, I request approval to use project savings from reappropriated Fiscal Year 2017 (FY17) carryover funds previously approved by the Board of Supervisors for the Repair Waste Water Treatment Project at Hartwood Elementary School to fund additional one-time use Fiscal Year 2018 (FY18) school division infrastructure priorities.

On February 20, 2018, the Board of Supervisors approved the reappropriation of \$700,000 in FY17 carryover funds to be used for the Repair Waste Water Treatment Facility Project at Hartwood Elementary School (Attachment 1). The \$700,000 project budget breakdown is as follows:

Construction (General Contractor)	\$560,000.00
Construction Contingency	75,000.00
Sewer Plant Start Up	5,000.00
Special Inspections	5,000.00
VA Power Lighting	10,000.00
Construction Administration	<u>45,000.00</u>
Total:	\$700,000.00

On March 6, 2018 bids, were opened for the project. The low bid was \$415,000, resulting in approximately \$145,000 in project savings (construction). The school division does not anticipate needing these additional funds for this project; however, our School Board's Finance and Budget Committee wishes to apply these and any future project savings toward the School Board's FY18 infrastructure priorities (Attachment 2).

If you have any questions, please contact Mr. Chris Fulmer at 540-658-6580.

Respectfully,

W. Bruce Benson, Ed.D.
Superintendent

cc: Mr. Scott Horan, Assistant Superintendent of Operations
Mr. Chris Fulmer, Chief Financial Officer

R17-203

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 5th day of July, 2017:

<u>MEMBERS:</u>	<u>VOTE:</u>
Paul V. Milde, III, Chairman	Yes
Meg Bohmke, Vice Chairman	Yes
Jack R. Cavalier	Yes
Wendy E. Maurer	Yes
Laura A. Sellers	Yes
Gary F. Snellings	Yes
Robert "Bob" Thomas, Jr.	Yes

On motion of Ms. Sellers, seconded by Ms. Bohmke, which carried by a vote of 7 to 0, the following was adopted:

A RESOLUTION TO APPROVE THE PROCESS FOR THE JOINT
SCHOOLS/COUNTY CAPITAL IMPROVEMENT PROGRAM

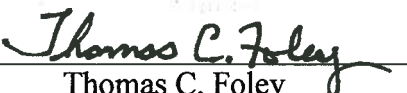
WHEREAS, it is the desire of the Board of Supervisors and the School Board to form a joint Capital Improvement Program (CIP); and

WHEREAS, at its meeting on June 29, 2017, staff provided the joint County/Schools Finance, Audit, and Budget (FAB) Committees with a draft proposal on the joint CIP program process; and

WHEREAS, both the County and Schools FAB Committees agreed with the proposed process for developing a joint CIP;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 5th day of July, 2017, that it be and hereby does approve the process (Exhibit A) for a joint Capital Improvement Program between Stafford County Government and the Stafford County Schools Division.

A Copy, teste:


Thomas C. Foley
County Administrator

TCF:mch

FY18 End Of Year/FY19 CIP (Non Bond) Infrastructure Projects
Stafford County Public Schools

ATTACHMENT 2

Project Rank	School Name	Project Description	Estimated Cost	Cumulative	Funding Source	Remarks
0	Transportation	Install New Radio System - Transportation	\$1,640,000	\$1,640,000	FY17 Carry Over	Not Part of Project List Ranking. Removed from FY19 Requirements for FY17 Funding
1	HES	Replace Waste Water Treatment Plant - HES	\$700,000	\$2,340,000	FY17 Carry Over	
5	KWBES & MBES	Repair Roofs - KWBES & MBES	\$299,250	\$299,250	FY18 EOY or FY19 Budget	Moved Up Priority List; Insurance Paying for Re-Roofing Projects. This amount is for additional work not covered by Insurance.
2	SMS	Repair Elevator - SMS	\$187,102	\$486,352	FY18 EOY or FY19 Budget	
3	HOES	Repair Phone, Media Retrieval & PA Systems - HOES	\$195,000	\$681,352	FY18 EOY or FY19 Budget	
4	WES	Repair Roof (SS) - WES	\$236,250	\$917,602	FY18 EOY or FY19 Budget	Estimated Cost. Staff Plans to Bid Project
6	SMS	Replace Network Cable Plant - SMS	\$185,000	\$1,102,602	FY18 EOY or FY19 Budget	
7	AGWMS/GES	Replace Network Cable Plant - AGWMS/GES	\$272,992	\$1,375,594	FY18 EOY or FY19 Budget	
8	GMC	Repair Gym HVAC - GMC	\$315,000	\$1,690,594	FY18 EOY or FY19 Budget	Estimated Cost. Staff Plans to Bid Project
9	FES	Repair Mechanical Systems - FES Addition	\$77,541	\$1,768,135	FY18 EOY or FY19 Budget	
10	PRES	Repair Mechancial System (Chiller) - PRES	\$510,000	\$2,278,135	FY18 EOY or FY19 Budget	Estimated Cost. Staff Plans to Bid Project
11	Various	Convert ES Computer Rooms - MBES, CES, HOES and RRES	\$112,000	\$2,390,135	FY18 EOY or FY19 Budget	
12	NSHS	Upgrade Locker Commons - NSHS	\$220,000	\$2,610,135	FY18 EOY or FY19 Budget	
13	NSHS	Repair Exterior Envelope - NSHS	\$2,500,000	\$5,110,135	FY18 EOY or FY19 Budget	Estimated Cost. Staff Plans to Bid Project
14	CFHS	Repair Network Operation Center (NOC) Electric Breakers - CFHS	\$17,000		FUNDED	Funded with FY17 Funds
15	Various	Upgrade School Flashing Signs (Remote Access)	\$141,649	\$5,251,784	FY18 EOY or FY19 Budget	
16	AYBAC	Repair Mechanical Systems - AYBAC (PDC)	\$162,390	\$5,414,174	FY18 EOY or FY19 Budget	
17	GMC	Repair Pavement - GMC	\$850,000	\$6,264,174	FY18 EOY or FY19 Budget	Estimated Cost. Staff Plans to Bid Project

FY18 End Of Year/FY19 CIP (Non Bond) Infrastructure Projects

Stafford County Public Schools

Project Rank	School Name	Project Description	Estimated Cost	Cumulative	Funding Source	Remarks
18	DSMS	Repair Erosion & Drainage (Phase 4, 7 - 9) - DSMS	\$325,000	\$6,589,174	FY18 EOY or FY19 Budget	
19	Various	Repair Chillers - BPHS, CFHS & MVHS	\$342,602	\$6,931,776	FY18 EOY or FY19 Budget	
20	HES	Repair Roof (SS) - HES	\$288,750	\$7,220,526	FY18 EOY or FY19 Budget	Estimated Cost. Staff Plans to Bid Project
21	NSHS	Repair Tennis Court - NSHS	\$350,000	\$7,570,526	FY18 EOY or FY19 Budget	
22	Support Services	Replace HVAC - Support Services	\$19,293	\$7,589,819	FY18 EOY or FY19 Budget	
23	Various	Upgrade Black Boards to White Boards	\$100,000	\$7,689,819	FY18 EOY or FY19 Budget	
24	Various	Install Additional Security Lighting - ES Playgrounds (17 ES)	\$93,500	\$7,783,319	FY18 EOY or FY19 Budget	
25	CFHS	Upgrade CTE Lab - CFHS	\$35,000	\$7,818,319	FY18 EOY or FY19 Budget	Using Perkins Funds for New Tables
26	Various	Install Additional Aiphone Console (1 per Facility)	\$64,000	\$7,882,319	FY18 EOY or FY19 Budget	
26	HOES	Replace Generator - HOES	\$62,700	\$7,945,019	FY18 EOY or FY19 Budget	
26	KWBES	Upgrade Library - RES	\$50,000	\$7,995,019	FY18 EOY or FY19 Budget	PTO wall be adding funding to this effort also
27	SMS	Replace Hallway Lockers - SMS	\$115,560	\$8,110,579	FY18 EOY or FY19 Budget	
28	SHS	Repair Long Jump & South D Ring - SHS	\$269,000	\$8,379,579	FY18 EOY or FY19 Budget	
29	Various	Replace & Add Storage Buildings - CFHS, HOES, RES & RRES	\$337,000	\$8,716,579	FY18 EOY or FY19 Budget	
30	NSHS	Upgrade Entrances - NSHS	\$800,000	\$9,516,579	FY18 EOY or FY19 Budget	Estimated Cost. Staff Plans to Bid Project
31	SHS	Painting - SHS	\$98,000	\$9,614,579	FY18 EOY or FY19 Budget	
32	Various	Repair Exterior (Paint) - GMC & SCHMS	\$41,400	\$9,655,979	FY18 EOY or FY19 Budget	
33	RTMS	Construct Stairs at Football Stadium - RTMS	\$134,000	\$9,789,979	FY18 EOY or FY19 Budget	
34	BPHS	Replace Gym/Team Lockers - BPHS	\$114,245	\$9,904,224	FY18 EOY or FY19 Budget	
35	ABES	Repair Bathroom Floor - ABES	\$151,000	\$10,055,224	FY18 EOY or FY19 Budget	
Date Updated: 1/10/18						

County/Schools Central Purchasing

March 27, 2018

Current Conditions



**Purchasing Manager
(VCO)**

VCA



VCA

Uncertified

(VCO=Virginia Contracting Officer, VCA =Virginia Contracting Associate)

Current Conditions



**Purchasing Manager
(VCO)**

VCA

Unique Functions

- Responsible for all bids and proposals for County and Schools
- Processes County Surplus
- Maintain County website and eVa
- Determines sole source and emergency issues

Joint Opportunities

- Assists County departments with other purchases, processes County POs
- P card administration
- Designs and implements the development and training of County staff

Current Conditions



VCA

Uncertified

Unique Functions

- Conduct quarterly (minimum) bookkeeper trainings/meetings
- Provide reports for yearly Activity Audits
- Create 1099 listing for FY for Activity Funds
- Review Fundraisers

Joint Opportunities

- Assists Schools with small purchases and activities.
- Approve all requisitions and process to Purchase Orders
- Approve Student Activity PO's over \$5,000.00
- Manage vendor listing
- Credit Card Administrator

Opportunity

With the new Central Purchasing Division Administrator, the purchasing function can be further combined, improving service to schools and county departments and adding value to the procurement process. Having one joint procurement policy would allow for shared oversight.

Shared Purchasing

The new Central Purchasing Division Administrator (CPDA) would lead and directly supervise the purchasing division. The CPDA would be responsible for contracts administration, assist county and school departments with bids, and would assume some of the highest level work currently performed by the Purchasing Manager (PM). This would free up time for the PM to assist with large school purchases.

Shared Purchasing Option A



- CPDA would provide oversight and administration of all contracts
- One school position (VCA) would merge with County staff, bringing with them their existing responsibilities. The combined department would assist County and School departments and divisions with all purchases and contracts to ensure best pricing and terms are received
- Improved P-card management and savings
- Efficiencies might be gained by grouping like activities
- Final division of duties would be based on the experience and expertise of the employees

Shared Purchasing Option B



- Having one joint procurement policy would allow for independent offices with shared oversight.
- The school position would not transition and the new office would be responsible for all county purchases and selected, larger school purchases (as currently done)
- Tasks currently performed by school staff would remain school responsibility.
- Need to develop a cost sharing formula that accounts for the full services being provided to the schools
- CPDA would evaluate opportunities for more efficient operation for future transition

Discussion and Questions