BOARD OF SUPERVISORS
STAFFORD, VIRGINIA
MINUTES
CIP Budget Work Session
January 19, 2021

Call to Order A CIP Budget Work Session of the Stafford County Board of Supervisors was called to order by Crystal Vanuch, Chairman, at 5:30 p.m., on Tuesday, January 19, 2021 in the Board Chambers, George L. Gordon, Jr., Government Center, 1300 Courthouse Road, Stafford, VA.

Roll Call The following members were present: Crystal Vanuch, Chairman; Cindy C. Shelton, Vice Chairman; Tinesha O. Allen; Meg Bohmke; Thomas C. Coen; L. Mark Dudenhefer; and Gary F. Snellings. Ms. Allen, Ms. Bohmke, Mr. Coen, Mr. Dudenhefer, and Mr. Snellings participated in the meeting via video web conferencing.

Also in attendance were: Frederick J. Presley, County Administrator; Rysheda McClendon, County Attorney; Andrea Light, Budget Director; Cheryl Giles, Deputy Clerk; Julia Holmes, Assistant Deputy Clerk; associated staff and other interested parties.

Budget Director, Andrea Light stated that this would be the final work session in preparation for the FY2022-31 Proposed CIP. She said that the work session would seek Board direction on amending the CIP policy, the proposed cost of High School #6, support for North Stafford Fine Arts Wing, and additional changes to the CIP. Ms. Light then presented on the TRC's Scored Projects and Processes. She asked if the Board supported having a permanent TRC member position from the schools. Ms. Shelton said she was not opposed, but asked if the position would be for a certified professional. Ms. Light said it would be Mr. Anderson who is in charge of their Capital Program. Ms. Shelton asked if he was a certified professional. Ms. Light replied that Mr. Anderson had been on the TRC for the past two years and had gone to every site to understand the breadth of the projects. She noted that he was also a registered architect. Mr. Coen asked if the spot was for the titled position. Ms. Light stated that it was. Ms. Bohmke said she was in favor of the titled position with certifications. Ms. Vanuch asked if the position could be removed. Ms. Light explained that the policy could be amended. Ms. Vanuch summarized that there was Board support for Mr. Anderson's titled position.

Ms. Light reported that at the December Joint Schools Working Committee (JSWC), the School Board members were asked to consider adding the University of Mary Washington's campus into the School system's building inventory. It was not included in the School Board's Large Capital Projects list at their January 12, 2021 meeting. Ms. Light stated that staff recommended addressing the subject with the JSWC in the summer. Ms. Light then presented a table of the ranked School requested projects. Ms. Light discussed High School #6 and its increase of $29.3M which raised the project cost to $153.9M. Ms. Light asked for Board direction on projecting the cost of HS #6 and for other funding mechanisms the Board would like to consider. Mr. Snellings asked why there was an increased cost for access roads if the site had not been determined. Ms. Light reported that a couple of sites were being looked at and stated that an architect and engineering firm was being used. The sites were used to provide estimates for the cost. Mr. Snellings asked whose idea it was to hire an architect. Mr. Smith stated that the Board directed staff to form a Joint School Site Search Committee and to hire a staff to do analysis of proposed sites. This committee would bring cost for development and the cost for the school itself back to the Board. He said that in the past property had been purchased and it was later discovered that it was not buildable. He stated that two sites were under analysis and were being reviewed for purchase and development costs. He said that both sites would need access roads. He explained that the cost was an average, and more details would be brought forward during closed session. Mr. Coen asked if a floorplan for the new site had been designed. Mr. Smith responded that a site plan had not been developed. He said that the last building concepts had not been rejected and were being worked through with education planning. He explained the process of obtaining cost projections. Mr. Coen remarked about the previous school template no longer being used. He then asked if capacity was the driving force in planning. Mr. Smith said that was correct and reiterated that educational specs were being redone. Conversation ensued about educational specifications.

Ms. Shelton asked what controls would be put in place to control cost projections and overruns. Ms. Light said that part of the CIP appropriation policy was appropriation by contract. She explained that the appropriations would come before the Board with itemization of the project. She spoke about the appropriation process. Ms. Bohmke asked if Ms. Light said that contingency was a maximum of 50%. Ms. Light clarified 50% of the contingency can be appropriated at the onset of the project. Ms. Bohmke asked how they avoid getting behind schedule, and how people could be held accountable in situations of delays and cost overruns. Ms. Light said that the most important thing was communicating and reporting to the Board. She said that during the quarterly financial reports, staff could add information about the construction of HS #6. She stated that Mr. Anderson could provide additional updates. Mr. Smith spoke about the cooperative work being done by the committees and the policies that had been developed. He discussed use of Stafford County building inspectors as a way to get updated project information for the Board. Ms. Bohmke remarked about the need for a strong legal contract.

Ms. Shelton asked if a Schedule Performance Index and a Cost Performance Index could be required. Mr. Smith said that it could be asked for but not required because once the Board gives money to the schools, the schools have the option of what is done with the money, and the Board no longer has control. Ms. Shelton spoke about parceling out the money. Mr. Smith said that

there was a good working relationship with the schools and that he believed staff could get that information.
Ms. Vanuch asked the Board what they would like to do with the projected cost of HS #6. Ms. Shelton proposed that the $7M be included as a baseline cost. Mr. Snellings said he could not support a $153M high school and that the School Board would have to come up with alternatives. He said the Board needed to know why the School Board turned down Mary Washington. Ms. Vanuch asked if Mr. Snellings suggested staying at the $124M. He said correct. Mr. Coen spoke about $124M being a reasonable number but noted that there had been changes in education. He said that he had a problem with $153M and agreed with Mr. Snellings.

Ms. Allen asked why the School Board did not look at the Mary Washington proposal. She then asked if the $7M would be to address the project cost of $124M not being increased. Ms. Light reported that from reviewing the School Board's meeting, their focus was on HS #6 and getting it built. She said that she did not take away any other reasoning for turning down the site. Ms. Light stated that if the Board decided to stay at $124M, then the $7M could reduce borrowing costs, or increase the project cost to $131M. She stated that if the Board chose a lower project cost than the $153M, then School and County staff would look at alternatives to bring back in the CIP process. Ms. Allen asked if it was possible for the schools to exceed a budgeted project cost of $124M and what would happen in that scenario. Ms. Light explained that the Board appropriates by contract, and that smaller amounts are done at a time to manage budget to actual. She said that if the Schools exceeded the budget, they would have to come to the Board to request increased appropriation.

Ms. Bohmke asked if the sources of increased projects costs had been analyzed. She stated she needed more data. Ms. Light replied that staff could bring forward more information comparing Stafford High school with projected construction costs to show the differences. Ms. Light said that she understood that the will of the Board was to stay at $124M until additional information was brought forward. Ms. Shelton asked if it could be required that funding for a Value Engineering Proposal be returned. Ms. Light explained the standards for VPSA projects and funds. She said that if the Board appropriated funds, then a future appropriation could be reduced.

Ms. Light then proceeded to discuss the North Stafford High School Fine Arts Wing Renovation. She noted that the TRC ranked the project second to last. Ms. Light asked if the Board was supportive of the project moving forward and if they agreed with the TRC ranking. Ms. Shelton stated that she agreed with the current ranking and was not supportive of the project being moved forward this year. Ms. Allen said that she was not in favor of the low ranking. Ms. Allen asked if rollover funds could be used for the project. Ms. Light replied yes, the funds could be used for any one-time project. Ms. Allen inquired if the Board would be in favor of using the funds. Ms. Light said that the project was the lowest School Board priority. She explained that the School

Board requested the project for 2029, but that staff would not suggest holding $7M for a project seven years down the road.

Mr. Dudenhefer remarked that North Stafford High school was the oldest high school in the County and spoke about the high minority student percentage. He discussed the need for upgrades and the disparities between North Stafford High School and the other County schools. Ms. Shelton suggested that in light of Mr. Dudenhefer's comments that the weighted system for ranking projects may be wrong. She spoke about reevaluating the weighting system. Mr. Dudenhefer said that a bad message was being sent to the students, parents, and teachers of North Stafford High School. Ms. Allen said that the issues with TRC could be addressed at a later date while also moving up the North Stafford renovation.

Mr. Snellings stated his concern was that the School Board did not want the project until later years. Mr. Dudenhefer noted that the School Board decision was not unanimous. Ms. Bohmke said that there were not issues with the TRC's ranking system but noted that there would be occasional projects that would rise up. She spoke about the need for equitable facilities but said that it did not have anything to do with minority students. She questioned Mr. Dudenhefer's assertion that there was nothing wrong with Stafford High school. Ms. Bohmke agreed with Mr. Snellings about not wanting to go around the School Board. Mr. Coen supported providing upgrades to older schools in the County. He requested that a wing be added to North Stafford to provide additional capacity. Discussion ensued about options for upgrades. Ms. Light summarized that the Board was in favor of looking at renovations and upgrades across schools. She stated that options would be brought forward in the proposed CIP. Ms. Light then recapped the topics addressed by the Board and the received direction.

Transportation Program Manager, Alex Owsiak began the Transportation CIP presentation by directing the Board's attention to the agenda topics. He then provided data on draft FY2022-FY2031 CIP. He said that for 19 projects, there was a total program value of $250M. Mr. Owsiak then discussed impacts to the CIP from bond projects and Smart Scale funding. Mr. Owsiak presented transportation projects for FY2022-FY2026. He spoke about the need for two additional Project Managers in FY2022 and a Property Acquisition Specialist to be split with the Utilities Division. He said funding for the positions came primarily from the project estimates themselves.

Mr. Owsiak outlined FY2022-FY2031 Transportation CIP Revenue. He then highlighted funding issues within FY2022-FY2026 and within the five-year planning period of FY2027-FY2031. Mr. Owsiak covered CIP key issues and risks. He spoke about the need for added personnel to manage additional CIP projects. He presented tables that illustrated funding risks. Mr. Owsiak then provided a chart which depicted three funding scenarios for 100%, 50%, and

0% State and Federal funding achieved, and the personal property tax rate assumptions required for each to fund the transportation fund debt service.

Mr. Owsiak summarized staff recommendations to include: hire two Project Manages in FY2022 and one in FY2023, identify funding for $50M Bond debt service, dedicate $250K/year over the next 2-3 years for transportation planning and modeling activities, consider eliminating the Motor Vehicle License Fee in exchange for changes to the personal property rate and valuation methodology, and a personal property tax rate of approximately $6.56.

Mr. Dudenhefer asked if hiring project managers should wait until Smart Scale funding was secured. Mr. Owsiak stated that if the funding was not received, then the projects would be delayed. This would delay the need for additional project managers. Mr. Dudenhefer commented that it would be unrealistic to proceed with projects without Smart Scale funding. Mr. Snellings agreed with Mr. Dudenhefer. Mr. Snellings stated that he would have a difficult time supporting any tax increase due to the pandemic. Ms. Shelton disagreed and stated that if the Board did not do something about transportation problems, then there was no reason for them to be there. She noted issues experienced by constituents and their desire for transportation prioritization. She suggested ways to make tax rate increases clear to the public. Mr. Coen said that he was interested in Mr. Mayausky's suggestion of a dedicated funding source for transportation. He asked about Impact Fee studies and about the funding required to commence an analysis. Mr. Owsiak responded that a Request for Proposal was being worked on for an Impact Fee study. He noted Procurement delays due to COVID-19. He said that Brooke Road studies were being worked on and staff was communicating with the public about future improvement plans. He noted that some sort of tax increase would be required to, at minimum, fund the debt service of the $50M transportation bond.

Ms. Allen asked if the Impact Fee study was the same as what had been discussed for the Transportation Master Plan. Chief Public Works Officer, Jason Towery said that he and Ms. Allen had discussed the Transportation Master Plan and the Impact Fees. He stated that the Impact Fee Study was sitting in the queue and was delayed. He spoke about discussion of reworking the overall Master Plan and coinciding the studies. He noted that the Impact Fee Study was ready. Ms. Bohmke said that she did not believe the public understood that the bond was to be funded out of the General Fund. She spoke about road improvements being paramount and the potential need for a tax increase. Ms. Vanuch asked Mr. Owsiak if he had he direction he needed. Mr. Owsiak confirmed that he did.

Mr. Towery asked to confirm if staff should proceed with an assumption of a base tax increase. He stated that Smart Scale numbers would be received within the next few weeks. Ms. Vanuch polled the Board. Mr. Snellings said no. Mr. Dudenhefer agreed with Mr. Snellings and could not support a tax increase this year. He said it should be addressed every year. Mr. Towery explained that a number of the bond projects start in FY2022, and at minimum, 40 cents was required to pay for the debt service. He said staff did not believe they would receive 100% of Smart Scale funding. He stated that even 50% was a sunny day. He clarified that without the funding, projects would be pushed out, and would be squeezed by the timing of the bond. He expressed that hard decisions needed to be made this year or next about whether projects would be cut. Mr. Dudenhefer said he understood, but he expected millions of dollars in the next round of COVID-19 relief, but noted those funds could not be used for these projects. Ms. Bohmke said yes and cited data from real estate tax collection that showed that the Stafford had not been impacted as strongly by the pandemic with the exception of the service community. Ms. Allen said she supported it because of the influx of citizens and increased development in the area. Mr. Coen said that an increase needed to be explored, but could be decided on while doing the budget. Ms. Shelton stated that a transportation project takes ten years from the time it is funded. She spoke about the impacts from delaying projects. She discussed the need for at least one Project Manager. Ms. Shelton then spoke about the funding losses and the need for tough choices. Ms. Shelton confirmed her support of an increase. Ms. Vanuch summarized that there were four Board votes to move forward.

Adjournment At 6:40 p.m., Chairman Vanuch adjourned the January 19, 2021 Stafford County Board of Supervisors Work Session.

Frederick J. Presley
County Administrator

Crystal Vanuch
Chairman