BOARD OF SUPERVISORS
STAFFORD COUNTY, VIRGINIA
CAPITAL IMPROVEMENT PROGRAM WORK SESSION
NOVEMBER 15, 2022

CALL TO ORDER – A Capital Improvement Program (CIP) work session of the Stafford County Board of Supervisors was called to order by Crystal Vanuch, Chairman, at 12:30 p.m. on Tuesday, November 15, 2022, in Conference Room ABC, George L. Gordon, Jr. Government Center, 1300 Courthouse Road, Stafford VA.

ROLL CALL – The following members were present: Crystal L. Vanuch, Chairman; Pamela Yeung, Vice Chairman; Meg Bohmke (arrived at 1:13 p.m.); Thomas C. Coen; Darrell E. English; Monica L. Gary. Ms. Tinesha O. Allen was absent.

Also in attendance were Randal E. Vosburg, County Administrator; Rysheda McClendon, County Attorney; Cheryl Giles, Deputy Clerk; various staff members; and other interested parties.

TECHNICAL REVIEW COMMITTEE RECOMMENDATION FOR FY2024-33 CAPITAL IMPROVEMENT PROGRAM

Ms. Andrea Light, Budget and Management Director, said she was presenting to provide the Board with an overview of the Technical Review Committee's (TRC) recommendations. She said the Board's feedback would be requested on several points, and the item would return before the Board during the December 15 meeting.

Ms. Light stated that the debt capacity had increased by $147M to a $731.8M overall capacity. She noted that there were limitations for debt issuance based on best practices to maintain the credit rating. She noted that the projected budget increase had increased from 3% to 4%. She said that it was still a conservative estimate. She stated that the new projected interest rates had increased to 5.5%.

Ms. Light said that several TRC members had visited the three school sites—North Stafford, Drew Middle, and Hartwood.

Ms. Light said she would highlight the projects that Stafford Coumty Public Schools (SCPS) needed to be funded, and they wanted to focus on what was new. She noted that Hartwood Elementary School was a project already started. She stated that the Board adopted the project to begin in FY23. She said they had placed the funding in accordance with SCPS's request, but the funding had been moved out one year.

Ms. Light stated that SCPS was evaluating Elementary School #18 as a priority over Hartwood Elementary. She said that at the December 15 meeting, the Board would be requested to provide guidance as to how to bring a proposed CIP, and they would request specific feedback on the elementary school projects.

Ms. Light stated that there were five transportation projects that had started the prior year. She noted there were projects with 100% dedicated funding, and many were transportation projects. She stated that some of the projects were parks, such as Musselman Park, Patawomeck Park, and Mountain View Property, and they were all 100% proffer funded.

Ms. Light said a land set aside was assumed. She explained that the Board adopted financial priorities that added $1M of year-end savings to land set aside. She explained the first year was set at $4M with $1M every year after. She stated the County currently had $4M in reserve to purchase land for future projects.

Ms. Light stated that the Board would be requested to determine whether to include Aquia and the Sheriff's firing range. She said they were included as 100% funded through the capital projects reserve, but the funding could be shifted.

Ms. Light said there were two significant 3R projects for public safety. She stated that the first was for Fire and Rescue and included self-contained breathing apparatus (SCBA) equipment. She stated the current equipment was out of date and that it was purchased in 2013. She explained additional decommissioned equipment was purchased from Arlington County to supplement the SCBA inventory. She explained SCBAs were an essential piece of equipment for Fire and Rescue and their safety.

Ms. Light stated that the Sheriff's Department had requested the replacement of radios for both the Sheriff's office and Fire and Rescue. She said the request would total $7M. She explained that the radios were becoming out of date—the standard life was about 10 years, and the County had the radios for about 13 years.

Ms. Light explained there were upgraded features for radios such as WiFi and Bluetooth. She said it was important that all the radios were replaced at one time so that when a public safety member used a radio, it was the one they were trained to use. She said the costs were included moving forward.

Ms. Light stated the transportation costs displayed were not the final escalated costs. She noted that cost escalations were happening as transportation worked with VDOT to determine the final escalated numbers. She said the projects at the top had not yet started. She said if there was 100% funding, then they were included in all of the CIP models.

Ms. Light said the remaining projects were not included except the Garrisonville project. She explained that the Garrisonville project scored high on the TRC ranking, so it was left in the models. She said it would be the subject of another decision point that staff was seeking the Board's guidance on.

Ms. Light noted that three projects had already started and were leveraged on assumed funding—Layhill Road, Orville Road, and Leeland Road. She explained funds had already been spent on those projects, but the final costs may escalate. She stated that about 56% of those projects were on assumed funding—revenue sharing or SMART SCALE applications the County had applied or will apply for and had not yet received.

Ms. Light stated that the TRC was limited because they ranked to whatever number they could within the limitations of the debt capacity and funding sources so that as many projects could be considered as possible. She stated that the TRC recommendation did not align with the School Board's priorities. She said the Drew Middle School replacement was the first priority of the TRC, but it was the fourth or fifth priority of the School Board.

Ms. Light explained that staff was able to include several projects that had not been in the CIP before, including projects requested by the School Board, such as some of the rebuilds of older elementary schools. She noted that Drew Middle School was the TRC's highest priority of the 42 projects that were ranked. She stated that Middle School #9 and High School #7 were added in the out years with $5M each.

Ms. Light said the Brooke Road, White Oak, and Embrey Mill fire station rebuilds were added to the County projects. She explained none of those projects had been in the CIP the prior year. She noted that the Board had considered a bond referendum for consideration of the projects. She said they were able to be included in terms of capacity.

Ms. Light noted that in terms of Fire and Rescue, in discussions with the Fire Chief, Embrey Mill was more important than Brooke Station. She explained that Brooke Station had a significant number of issues, but Embrey Mill would serve an entirely new area which would reduce the call burden on the other stations.

Ms. Light said the Courthouse project was moved out two years based on limited capacity. She said the Garrisonville Road widening would begin in FY24 and end in FY30, and the project was leveraged with assumed funding.
Ms. Light stated that there were projects that did not make it into the TRC recommendation. She noted that under the education item, the fleet services facility was provided by the School Board at $11.6M which would cover 50% of the facility—the amount SCPS was responsible for.

Ms. Light stated that if the County's half for the fleet services facility were to include an additional $11.6M, then the project would have a total funding of $23.2M. She noted that the County had not engaged in any conversations or planning efforts as to what a fleet services facility would require. She said that within the recommendations, the fleet services facility was not included because staff felt there was work to be done on the County's side.

Ms. Light said that staff provided three funding strategies for consideration. She said the first strategy was the status quo and reflected the recommendation of the TRC. She said the second strategy was a $0.02 fire levy, and the third strategy was a $0.02 fire levy and a $0.04 dedicated real estate tax increase.

Ms. Light explained that the $0.02 fire levy would cost the average taxpayer about $80 a year. She said the tax revenue would provide $47.2M in funding dedicated to pay-go and to support debt service for Fire and Rescue.

Ms. Light stated that if there was a dedicated revenue source such as the fire levy, they would be able to pull the project funding out of the debt capacity. She explained the projects would have a dedicated source of funding, so debt capacity would be freed up to assist with other projects.

Ms. Light stated that the timeline used by staff was to continue with the Board's direction to consider the item as part of a bond referendum in November 2023, and then if successful, construction would begin in June 2024.

Ms. Light explained that for the second strategy, they tried to better align the School Board's priorities with the available funding. She said they went through the list of School Board priorities and tried to include as many projects as possible.

Ms. Light noted that Elementary School #19 could be placed before Drew Middle School on the priorities list, but it was a decision point that required guidance from the Board. She noted that the rebuild for Falmouth, Stafford, and Grafton Village Elementary School had been removed in the strategy. She explained the School Board had identified the projects as needs, but they were lower on the priority list.

Ms. Light stated that added to the project list were the Rising Star replacement, Elementary School #20, and the North Stafford High School Fine Arts wing renovation. She said through the second strategy, they were able to continue to fund the annual replacement of Fire and Rescue apparatus and remove it from the master lease.

Ms. Light said the displayed list provided the changes between the TRC recommendation and the recommendations in the second strategy. She noted that the costs were for 10 years. She stated that Elementary School #20, North Stafford High School's Fine Arts wing, and the Rising Star replacement were projects that were able to be added under the $0.02 fire levy strategy.

Ms. Light said the strategy made a big difference in the Fire and Rescue program. She said they were able to move White Oak, Brooke, and Embrey Mill to FY25. She said the timeline would include a bond referendum in November in FY24, and construction and land purchasing would follow.

Ms. Light said they had combined into one project the Joint Training Center, Logistics Center, and Fleet Services. She said they added $8M to the Joint Training Center project to come up with a preliminary estimate. She stated that staff would need to do additional work to come up with what the real cost would be. She noted that the Courthouse project and Garrisonville Road widening project were able to be included.

Ms. Light explained that in the third strategy, there was a $0.02 fire levy and a $0.04 increase in the real estate tax. She explained the fire levy continued to provide $47.2M in dedicated funding. She said the $0.04 increase to the real estate tax would cost the average homeowner about $160 a year. She said the combined tax impact was about $240 a year, or about $20 per month, to provide the CIP as outlined in the strategy.

Ms. Light noted that when the model was created, the $0.04 was dedicated to continued funding for the CIP. She explained the $0.04 increase equated to about $8.8M, increasing every year. She stated that the funds would help to provide a cash source to reduce bond issuance and increase the debt capacity. She stated that the debt capacity increased from $731M to $790M under the third strategy.

Ms. Light said under the plan, they were able to move up the construction of Drew Middle School by two years. She noted that Elementary Schools #19 and #20 were also accelerated by two years. She said they moved the North Stafford High School Fine Arts wing out by two years because they were trying to align with the School Board's priorities. She said the Rising Star replacement had been moved up by three years. She noted that they were able to include the Public Day School project.

Ms. Light stated there were no changes for Fire and Rescue or Transportation. She said the only significant change was that the Courthouse project was able to begin in FY25 with final construction in FY27. She said several projects had not been included.

Ms. Light stated the next steps. She explained that on December 6, there would be a joint Board of Supervisors and School Board review of the TRC recommendation. She said the meeting would be similar to the presentation. She said the Board and School Board would have the opportunity to discuss the School Board's priorities and how they fit, aligned, or did not align with the recommendations.

Ms. Light stated that at the December 13 CIP work session, they would request the Board input and direction on several decision points. She said she was available to answer questions.

Ms. Vanuch clarified that the TRC was just a recommending committee. She explained the Board would review what the TRC had provided and its recommendations, and then they would identify how to prioritize the projects based on input from the community and other stakeholders.

Ms. Vanuch said the goal of the first meeting was to hear the presentation and provide feedback. She stated that they would then meet with the School Board in December and receive feedback. She said that afterward, they would begin to determine the tax rate for the next year.

Mr. English asked why the Carl Lewis building was not included in the CIP. He noted the County received an insurance payout.

Ms. Light explained that the insurance had provided a small amount of money, and they would discuss it during the ARPA work session. She said the project was ARPA-eligible and could be included if the Board wanted to take that strategy. She noted that cash funding could be used if the Board did not want to utilize the ARPA funding.

Mr. English asked how much more funding the project needed in addition to the insurance.

Ms. Light responded that they had about $800K in proffers, and they needed $1.2M.

Mr. Mike Morris explained it was a little over $500K in proffers and about $200K in insurance.

Mr. English asked if the new building would be bigger or the same size.

Mr. Morris explained that to use the proffer money, the facility had to be expanded in some way to increase capacity.

Ms. Yeung asked what the County's legal obligation was for the Rising Star renovation.

Ms. Light responded that from past conversations with the School Board, the two- and three-year-old ECSE students were required to have those kinds of services. She said SCPS met the requirements by having classrooms of eight—four ECSE students and four non-ECSE students. She explained the non-ECSE students were brought in to model behavior to help the ECSE students develop and further their education.

Ms. Yeung clarified that the requirement restricted the number of children, but additional children were added to the program. She said the program was being extended based on the number that was being requested, not the required number. She requested further information on the topic. She clarified that the cost was $43M.

Ms. Light responded that it was $43M.

Ms. Yeung asked how much a new elementary school would cost to construct.

Ms. Light responded that a new elementary school cost about $58M starting in FY24.

Ms. Gary noted that she recently visited the school and that there were several issues. She explained several water fountains were out of order and were not able to be used because of lead, and the children were not allowed to use a bathroom because of a hole in the floor. She said the children had to be lined up outside under an awning during inclement weather because there was not enough room inside the building to prepare them for the buses.

Ms. Yeung said she agreed with Ms. Gary's points. She said she had identified the issues when she was on the School Board. She said one of the reasons they decided to purchase North Star was to ensure the northern parts of the County had a location to go to. She noted there were similar issues at Drew Middle School. She noted that there was a certain number of students they were required to take care of.

Ms. Yeung suggested that if SCPS was unable to care for the required number of students, they combine the school with North Star. She noted there were transportation issues.

Ms. Gary said she agreed with Ms. Yeung's suggestion. She requested staff discuss the suggestion with the School Board staff. She noted concerns about the facilities at North Star. She asked if staff could evaluate whether it would make sense to combine the schools and determine the financial impacts.

Mr. Vosburg stated that depending on the scenario, the dollar figure changed. He said that $43M was what the County could fund in the second strategy, but in the third strategy, they were able to fund $71M.

Mr. Coen asked for clarification on whether the reference to "no change" in the third strategy was in reference to the first or second strategy.

Ms. Light responded that it meant there was no change from the second strategy.

Mr. Coen asked if that detail could be notated. He noted that in the present CIP, there were out-year items included in the chance the County received proffers or grants. He said it would be helpful if the Board received more information regarding the projects which were not included in the CIP.

Mr. Coen noted that in December, the Board would have to decide whether to prioritize the Embrey Mill Station. He noted for the second option, the total cost of the Fire and Rescue projects was about $34M.

Ms. Light said it also included $22M in apparatus replacement.

Mr. Coen asked if that would be part of the fire levy.

Ms. Light responded that the majority of the apparatus replacement would come out of the fire levy.

Mr. Coen asked for that to be noted as well.

Ms. Gary mentioned that in terms of the Brooke Fire Station, the fire administrator had recently visited the facility and understood the need. She noted there was a huge need, and there were still issues finding the land. She said the land issue had to be addressed for the project to move forward.

Mr. Coen said the Board needed to know the details about the school sites. He said the only location they knew about was Drew Middle School. He said the elementary schools were to be decided.

Ms. Gary said they needed to determine the details regarding realistic expectations for the projects before they appropriated funding.

Ms. Vanuch stated that Ms. Bohmke had provided her with questions as she was unable to attend the meeting because she was returning from the VACo conference. She stated that Ms. Bohmke had requested that staff reach out to SCPS and find out why they were recommending rebuilding schools for which the County had already invested funds for remodeling. She stated Ms. Bohmke requested information as to why they suggested rebuilding the schools so soon after the remodeling.

Ms. Vanuch asked if they swapped Elementary School #18 and the Hartwood Elementary rebuild but require that Elementary School #18 specifically be dedicated for the southern portion of the County near High School #6. She said if the School Board dedicated the elementary school to the southern part of the County and guaranteed it would be built near the high school, it may alleviate the concerns of parents with children who attended Hartwood Elementary.

Ms. Vanuch said she wanted to understand whether the County could require Elementary School #18 to be built in the southern part of the County near the high school and what the debt capacity impacts would be. She said she wanted to know what would happen if the two elementary schools were financed and what would happen if the finances were tied to a bond referendum.

Ms. Vanuch said she wanted to know the tax impact if they built out Elementary Schools #18 and #19 as well as what would happen from a bond referendum perspective. She noted that there was about $12M in CIP costs for 3R projects. She asked whether the projects for breathing apparatus and radios for Fire and Rescue and the Sheriff's Department were built into the CIP or if they were separate.

Ms. Light responded that they were built in assuming that they would be funded with the debt service in some manner.

Ms. Vanuch noted there was a little over $12M in remaining ARPA funds. She asked what the impacts would be on the debt service and CIP if the remaining ARPA funding was used to fund the radios and apparatus replacements.

Ms. Light responded that for about $12M, there would be about $600K in additional debt capacity, but it depended on how they borrowed the funding. She said they could evaluate using the $12M in ARPA funds for alternative projects. She said the projects had not been brought to IEM, so they would have to fulfill an ARPA category.

Ms. Vanuch requested a follow-up and to have information from IEM as to whether the project would qualify or if another project on the CIP would qualify. She noted that if they used the remaining ARPA funds for a CIP project, they may be able to do more without significantly increasing taxes.

Ms. Gary mentioned it had been suggested to use the ARPA funds for a road project.

Ms. Vanuch said the ARPA funds could be used for any project in the CIP. She noted that some of the road projects were included in transportation and were not financed under the CIP. She said she wanted to utilize the ARPA funds to keep the tax rate low.

Mr. English said if they kept delaying the Hartwood Elementary rebuild, it would never be built. He said Hartwood Elementary had to be put on County water and sewer. He said they did not know whether there was land for Elementary School #18 and #19, and they had not received an answer about the site for the high school.

Ms. Vanuch responded that they did know where the site of the elementary school would be—beside the high school, where it was earmarked.

Mr. English said he had asked whether they owned the high school property and did not receive a clear answer.

Ms. Vanuch responded that he did not receive a clear answer because there was ongoing litigation. She said the issue was being cleared within the next few weeks. She said the County would own the land; it was just a matter of time.

Mr. English said if they did not build Hartwood Elementary, it would never get built.

Mr. Coen said if High School #6 was delayed because of litigation and there was a similar situation for the elementary school, then the projects may not fit within the timelines. He noted that a couple of School Board members had stated that any money they received would be put toward whatever school they wanted. He said he believed the School Board had that right. He requested clarification on whether the School Board could use whatever funding from the Board to build any school they desired.

Ms. Gary said they needed information as to what the repairs for Hartwood Elementary School would cost for the septic if the rebuild did not move forward. She said they had to factor the septic costs in, and the school could not continue to operate without the repairs.

Ms. Vanuch noted that the Board did not have an answer to staff's question regarding the projects. She said they needed more information, and they wanted to be flexible as they met with the School Board and shifted projects. She said having a comparison slide of what the School Board was requesting along with the cost would be helpful moving forward.

Ms. Vanuch said as they began to discuss the bond referendum, they had to be clear as to how it would be paid for. She stated that it would be paid for via a tax increase, so it had to be clear to the constituents. She noted some people believed a bond referendum meant the funding would be free. She explained that the constituents would either pay through personal property taxes or real estate taxes.

Ms. Vanuch said they had to be clear as to what projects would be included in the referendum and what options were available. She said the Board may decide that it only wants to send the two elementary schools or fire levy to bond referendum.

Ms. Vanuch said in the joint CIP meeting with the School Board, they had to have what the cost would be to the average taxpayer on the $1.5B if they sent it to a bond referendum. She said she believed the School Board did not have a concept of the cost of what they were requesting. She said they should keep the options open. She said the Board should be prepared to send the fire levy to bond referendum.

ADJOURNMENT

At 1:16 p.m., Chairman Vanuch adjourned the November 15, 2022 Stafford County Board of Supervisors CIP work session.

Randal E. Vosburg
County Administrator

Crystal L. Vanuch
Chairman