

FY 2025-34 SCHOOL BOARD CIP QUESTIONS

cl#	QUESTION	DEPT.	RECEIVED	RESPONSE	DISTRIBUTED
1	On slides 32-34, does FN 2 need to be updated? It has the same text about the \$25M placeholder per year, but the slides appear to indicate \$50M per year. (MT)	Finance	5/13/2024	5/13/2024	5/17/2024
2	The line toward the bottom, in the secondary chart, that is titled Debt Service Ratio: minor, but the full title needs to be shown; substantively, what is the denominator used to calculate the ratio? I can back it out math-wise, but I don't know what the number is supposed to represent. For example, for FY 2025, 8.15% divided by \$46.18M equals \$566.63M. What does the \$566.63M represent? (MT)	Finance	5/13/2024	5/13/2024	5/17/2024
3	In the proposed budget, at page 33, there is an All Funds Expenditure Summary reflecting a proposed \$67.3M proposed debt service amount, which would be an increase of \$2.4M or 3.7%. If the proposed CIP figure of \$2.64 is used, should that proposed debt service amount be updated to \$67.54M? (MT)	Finance	5/13/2024	5/13/2024	5/17/2024
4	Can I get please the charts reflected at pp. 401-03 of the proposed budget updated to how they would look if the borrowing reflected in the proposed CIP were adopted? (MT)	Finance	5/13/2024	5/13/2024	5/17/2024
5	I would also like to know in the feasibility studies which schools would have been chosen if the three with asterisks are taken off the list (those that have had more recent roofing and HVAC work). Not for Thursday, but submitted as a CIP question for the running list from board members. (MK)	D&C/Facilities	5/13/2024	5/14/2024	5/17/2024

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6	<p>Additionally, I'd point out that I don't believe the MPSA numbers should be as high as you've made them. I really don't think that prevailing wage adds 15% as the consultant study suggests, at least not in Northern VA. Since prevailing wage has not been adopted, I think it's appropriate for us to note that prevailing wage will add cost that is TBD, but we can note that studies done in adjacent localities have estimated that prevailing wage has added anywhere from 0-5% to total project costs. The 15% estimate that was done at the state level is more reflective of the added costs in other VA counties where labor was getting paid far less than prevailing wage rates, which is not the case in Northern VA... I think you've overshot the actual project costs for MPSA by quite a bit by including it, though I appreciate the reason why you wanted to do so.(MK)</p>	D&C/Facilities	5/14/2024	5/14/2024	5/17/2024
7					
8					
9					

MEMORANDUM

DATE: May 13, 2024
TO: Members of the School Board
THROUGH: Dr. Francisco Durán, Superintendent
FROM: Andy Hawkins, Assistant Superintendent

CIP QUESTION: On slides 32-34, does FN 2 need to be updated? It has the same text about the \$25M placeholder per year, but the slides appear to indicate \$50M per year.

RESPONSE: We apologize for the error. Slides have been corrected.

MEMORANDUM

DATE: May 13, 2024
TO: Members of the School Board
THROUGH: Dr. Francisco Durán, Superintendent
FROM: Andy Hawkins, Assistant Superintendent

CIP QUESTION: ~~OBJ~~The line toward the bottom, in the secondary chart, that is titled Debt Service Ratio: minor, but the full title needs to be shown.

RESPONSE: Corrected

MEMORANDUM

DATE: May 13, 2024
TO: Members of the School Board
THROUGH: Dr. Francisco Durán, Superintendent
FROM: Andy Hawkins, Assistant Superintendent

CIP QUESTION: [OBJ] What is the denominator used to calculate the ratio? I can back it out math-wise, but I don't know what the number is supposed to represent. For example, for FY 2025, 8.15% divided by \$46.18M equals \$566.63M. What does the \$566.63M represent?

RESPONSE: The formula is to divide the total debt by the total budget. For FY25 the total Debt equals \$67,292,254 divided by the total budget of \$826,792,137 = 8.13%. The number (8.15%) is slightly different due to changes that have been included in the School Board Proposed budget. I've corrected the spreadsheet to agree with the School Board Proposed Budget - amount changed from 8.15% to 8.13%.

Going forward the Debt Service Ratio is based on the APS budget increasing 2.5% annually versus the true debt incurred by year.

MEMORANDUM

DATE: May 13, 2024
TO: Members of the School Board
THROUGH: Dr. Francisco Durán, Superintendent
FROM: Andy Hawkins, Assistant Superintendent

CIP QUESTION: ~~OBJECT~~ In the proposed budget, at page 33, there is an All-Funds Expenditure Summary reflecting a proposed \$67.3M proposed debt service amount, which would be an increase of \$2.4M or 3.7%. If the proposed CIP figure of \$2.64 is used, should that proposed debt service amount be updated to \$67.54M?

RESPONSE: Yes, that is correct.

MEMORANDUM

DATE: May 16, 2024

TO: Members of the School Board

THROUGH: Dr. Francisco Durán, Superintendent

FROM: René Y. Harber, Assistant Superintendent, Facilities and Operations

CIP QUESTION: *I would also like to know in the feasibility studies which schools would have been chosen if the three with asterisks are taken off the list (those that have had more recent roofing and HVAC work). (MK)*

RESPONSE:

The list will remain the same, as it conforms to the established methodology outlined in the FY2025-34 School Board Direction. Staff identified, with an asterisk, those facilities which capital projects have occurred in the past 20 years.

MEMORANDUM

DATE: May 16, 2024
TO: Members of the School Board
THROUGH: Dr. Francisco Durán, Superintendent
FROM: René Y. Harber, Assistant Superintendent, Facilities and Operations

CIP QUESTION: *Additionally, I'd point out that I don't believe the MPSA numbers should be as high as you've made them. I really don't think that prevailing wage adds 15% as the consultant study suggests, at least not in Northern VA. Since prevailing wage has not been adopted, I think it's appropriate for us to note that prevailing wage will add cost that is TBD, but we can note that studies done in adjacent localities have estimated that prevailing wage has added anywhere from 0-5% to total project costs. The 15% estimate that was done at the state level is more reflective of the added costs in other VA counties where labor was getting paid far less than prevailing wage rates, which is not the case in Northern VA... I think you've overshot the actual project costs for MPSA by quite a bit by including it, though I appreciate the reason why you wanted to do so. (MK)*

RESPONSE:

The percentage provided was derived from the expertise of a trusted consultant with a track record of accurately estimating numerous APS construction projects. Drawing from construction costs per trade, the consultant maintains that this percentage remains suitable for a comprehensive project in Northern Virginia (NOVA).

While the exact methodology behind the calculation of the referenced percentage (0-5%) isn't disclosed, it's worth noting that it could be based on total project cost, potentially yielding a lower percentage compared to the 15% calculated solely on construction cost. Alternatively, it may be calculated for projects involving specific trades, where the disparity in percentage increases between prevailing and non-prevailing wage projects is more pronounced (as indicated by the wage scale analysis provided by our consultant, which indicates a range of 0% - 35.46% increase in costs depending on the trade).

Should the project generate savings below the budgeted cost in the CIP, these savings will be reallocated to the Capital reserve during the design process, after refining the scope, receiving bids, or upon project closeout, as deemed appropriate.