

EP. 20 CIP

FULL TRANSCRIPT (with timecode)

00:00:10;14 - 00:00:59;05

M10: Hello and welcome to episode number 20 of the What's Up APS? podcast on your host Frank Bellavia. Thanks for joining us. 20 episodes in. You can find us on Soundcloud or you can find us on our website at apsva.us/podcast and you can find us on iTunes and Google Play please subscribe and download the tour. What's up a pod cast. You can always go back and listen to previous episodes. Today we're going to talk about the 2019-28 capital improvement plan. What it is what it means and what it will do for the future of Arlington public schools. Joining us on the podcast is Robert Ruiz from the Department of Planning and Leslie Peterson the assistant superintendent of finance management services. Thank you both for joining us on the pod cast.

00:00:59;06 - 00:01:06;09

M2: Thank you. So first we'll just start out. What exactly is the capital improvement plan.

00:01:06;18 - 00:01:16;29

M3: OK. So as you mentioned the C stands for that capital improvement plan and it's every two years.

00:01:18;19 - 00:01:42;21

M7: So as the AP is it's a way of managing enrollment growth through new facilities or updates to facilities and equipment with a ten year horizon. And by the way these facilities and equipment must have a useful life of 20 years or more to be funded to bomb capacity.

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M2: How does a c ip work.

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M7: So in terms of the process of getting to through the IP part of the process started actually last fall through the through working through a document called the facilities and student accommodation plan known as the asset that are engage website so on our engage Web site there's a VIP page and you'll find this document this document started sort of the thought process for that and for the upcoming CFP in terms of looking at long term projections and the expected number of seats like grade level. And then looking at capacity for schools for this current school year and the next school year. So that sort of set the stage in terms of informing the beginning stages of the CFP. The next part was seeking advice from the community and specifically we saw the advice of a group called the.

00:02:47;17 - 00:03:47;10

M15: Advisory Committee known as the FTC. That's the advisory council on school facilities and capital programs. So there are one other charges is to look at being offered accommodations. So they looked at the information that staff gathered that the staff in their own analysis with eight staff. And so we look at that period in time when they would be ideal to see that the mainstream middle and high school low and this was based on looking at that difference of future enrollment to expand the number of seats. And looking at which point in time we might be seeing some differences that we're experiencing today. So I would say. The ice at the elementary school level right now we have about 990.

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M6: We didn't see it working with with the with FHC and staff work as well. You know we determined that point in time when we will be seeing the current threshold for more students and seafood be around 2026 2027. So it was around that range and times when.

00:04:10;16 - 00:04:27;11

M12: We recommended the we can we. You know we we should be providing seeds whether that is financially feasible. That's another question. So after you know getting information from from.

00:04:28;16 - 00:04:45;16

M11: Basey then that's part of the process was that working with the superintendent of the superintendent's proposed. Yeah. And so a lot of that was actually won by that work that we did see and that was the one that was presented last week.

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M13: Yes. Correct. And so currently staff is receiving input from the pope from the school board in terms of additional scenarios.

00:04:57;12 - 00:05:12;06

M12: In terms of looking at it. When seats can be provided in terms of time so alternatives and there is relative to those present day you know this is a good post. I want to have.

00:05:12;21 - 00:06:04;06

F7: That he doesn't just look at the projections and he needs. It also looks at our capital needs across the school for the next 10 years as far as maintenance and upkeep of our buildings as well. So it's not just the building. It's also about maintaining what we have. So we have a very robust infrastructure project Line in our city that helps us to maintain our buildings. HTC One knows things like that that we want to keep our schools as optimal. So we do provide those kinds of things and SCMP as well. And there are others some other projects that we can get into later.

00:06:04;09 - 00:06:24;29

M5: So tell us a little bit about the projects that are being funded in this current proposal the proposed S.O.P. I know it totals around 598 million dollars but it does address elementary middle high school and as you mentioned Lesli other projects and minor construction major maintenance.

00:06:25;05 - 00:06:57;27

M16: That's correct. So in this proposal the elementary level the superintendent proposed a continuing with the school which will have seven point five seats. And in his proposal is slated for delivery. And then new elementary school seats in 2029 location to be determined. By how many 725.

00:06:57;27 - 00:06:59;29

F3: Twenty five to seven seats.

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M16: And then the middle school level closed adding to an existing middle school at a location to terminate 300 seats in 2023 at the high school level. It's proposed a new version of the education center to be high school with 500 seats in 2021. In addition the high school level and career center would an addition of 800 seats. And this would include a multiuse gym class black theater in one state and then lifelessly the same besides. Schools. It also includes.

00:07:45;04 - 00:07:59;14

M12: Things like major conference or major meetings such as age window placement etc. And it also includes a transportation bill for bus drivers.

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F2: And let me let me talk about that. There are major infrastructure projects was I touched on for that. There's also some other things like field conversions in our county our fields are used a lot. So the county and the schools have started a program of converting grass fields to artificial turf fields so we have about three field conversions across the county. Plus we have a number of turf field placements scheduled in the city. We also have a refresh of the true model school and the Patrick Kennedy Elementary School in preparation for changes within those schools. Here is as well as a transportation facility get anation for staff at the Transportation office because we had lunch and as you were also able to base that over bus drivers and bus attendants that we have to have to transport our student right. And the facility that they currently have is just not working and we'll need to provide them with space that actually works for them has bathrooms for them has space for them to do the things that they need to do meal.

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M2: We talked about how the VIP was created. How do you actually come up with the figures that are used for that. So we talked about the future Elementary School could cost up to 95 million dollars. How were those figures generated.

00:09:32;03 - 00:10:11;04

F2: So our facilities and operations department worked. We had both a professional cost estimator and a construction management firm to provide cost estimates for each of the potential projects that we're looking at. Those two firms looked at the projects looked at the square footage at the time and they are and they get both came out with estimates and those provided us the high estimates. That we are using or estimating the cost of these projects the project costs were determined based on time.

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F3: Opening in the fall of 2019 which is not realistic but it's a starting point and then we use those costs based on 2019 dollars and then we escalate those 5 4 percent per year to determine how much the project cost when we're estimating that it will actually open. So for example for the career center because in 2019 dollars was a lot smaller than it is in 2026 and that's why but that's how we get the cost that we use for it in the locations for the schools to be sited on is that part of that process or does that come later on down the line that will come later on down the line.

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M4: So for some of those schools you know where I mentioned to me the timing that's going to be a leader concept separate from the CEO.

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M2: We talked about enrollment. We surpassed 26000 900 students in October and that's an all time high. Over the next decade we're going to add 9800 students approximately the elementary level 2200 approximately at the middle school and about 2500 at the high school level. The enrollment projections take a day take a front seat back seat are they how are they use to determine. So as.

00:11:39;04 - 00:12:10;09

M4: I said previously they were used in the early stages of setting the stage and having comp time to do the work the beginning work of the CIA. And I was informed some of the committees work in terms of looking down when things are needed. But once once we get to the stage that we are devoted to the superintendency is just one component among many.

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M6: For example the bombing capacity is very important because the projections tell when it would be ideal. But is it financially feasible. That's another question.

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M2: Talking about bonding capacity we'll get into the finances here. How is a CIA funded and then how does it fit into the counties here. Because it's not just what we need. It's also how it works with the county.

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F3: That's absolutely correct. Our public schools here is funded through.

00:12:45;24 - 00:14:41;15

F1: Ours. We actually can't issue bonds. They have to be issued by the county and then we pay the debt service on them because they are school. The county has in place policy around. How much we can issue bonds every year and that is that the debt service that we pay cannot exceed 10 percent of the overall expenditures of the county. And traditionally that 10 percent has been split that apx can have 10 percent of ABSs general expenditures. The county has to set up the county's general expenditures. The last C.A.T. that was gracious enough to allow us to exceed capacity in a couple of years in order to get projects. Whether or not they do that again for the future remains to be seen. We are operating under the assumption that we have to stay within our 10 percent and actually apx for a targeted 8 percent ratio because if we were to just hit 10 percent now and this should change. Over the course of the CIA in this environment who knows what could happen if the mother whose ambitions were to be too high we will be stuck a couple years down the road not being able to do what we thought we were going to do. So capacity is basically the amount of loans that we can each year that allows us to stay with our 10 percent debt service ratio.

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M5: For some reason you touched on this a little bit if we do go over that 10 percent does it also affect the next S.O.P or is it just this basically this current plan that we're working on.

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F5: It basically affects this plan. Things change the course of two years so we revisit the CIA he years where we thought we were going over our 10 percent ratio may not be the 10 percent and how expenditures actually change over the course of the next two years. But we're doing our assumptions of course we try to keep as conservative as possible to get ourselves.

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F1: Financially right. In the proposed GOP.

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M5: Is actually talked about moving the 800 career center seats to the fall of 20 26 I believe and the elementary school to the fall of 2029 is that because that's where it fits better in with the financials.

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M2: Is that how that works. Yes that's correct.

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F6: We don't have the Kambale capacity currently to do all the projects exactly what we want to do now. So we have to manipulate the timing of a couple of projects in order to make them fit within nine point eight percent target ratio. And I spoke about if we were to do that sooner than we really do exceed our capacity by quite a bit and it makes it more difficult choices are that he move the timing back and wait a couple of years or other projects it was determined that this was the best solution because it still provides the seeds in the timeframe that we believe would be the best time frame to have those harder.

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M6: The CIA is working with trade offs. For example I mentioned earlier that we will work with FHC to look at the old timers to those high schools the mantri at the high school level. We determined it would be between 2025 and 2026 and preferably in earlier in that timeframe. But again like Leslie said because of financial constraints there's a tradeoff between the ideal but then what's possible from a financial perspective. In that case you know it was it was determined that high schools should be thinking elementary you know just based on the ideal of when should we be an industry that would be open to all. But again it's a tradeoff with the realities of the finances for the whole system. And so in that case I was determined to move those seats to a leader.

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M5: If for some reason on down the line in a couple of years construction costs drop.

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M2: Is there an opportunity to accelerate those projects again or once it's sad say 20 26 or 20 29 could those be moved up.

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F4: That will depend on the timing. So if in two years we found that construction costs were dropping. We had a little bit more than our debt service ratio. We could consider moving a project like the career center takes about five years from start to finish to complete. So we decided in two years that we plan to accelerate. But it will probably be accelerated by year because of that five year completion timeframe.

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M8: One thing about remember about them there were two years. So you know there's there's projects that are into the the shorter term horizon and so those are there's less of those things that are longer term because being in the two years a little bit more at that time. So yeah things could be same.

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M9: So you have the IP the school board approves that the county board approves it. What happens next. How do those funds actually get allocated. What happens.

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F4: Once the Kiyomi has approved the CFP. We know which projects have been included. There's a time horizon for each of those projects and when the funding can become available. The first thing that happens is we go to the voters and they say will you authorize us the county to issue. A specific amount of bonds for these particular projects. And if the voters say yes then the following spring and each spring. After that we issue lines that we needed for the next year's construction. If the voters were to say no then we wouldn't be able to do any of this process in Arlington County no voters community has been incredibly supportive of all of our capital projects. And have voted to approve projects for the schools by a very high percentage the lowest percentage I've ever seen somewhere in the high 70s. Which is and appreciate that provides.

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M9: All right we're very fortunate with the community I know there are some school communities around the country that struggle to get these bonds passed and it really hurts the students so we want to thank the voters for that.

00:20:26;14 - 00:20:39;22

M5: Does this school board how do they use the process. Do they pick. Kind of what they want in there or is it based on the proposed areas do they make a couple of minor changes and then that's what they adopt. That's right.

00:20:41;06 - 00:21:05;14

F1: So the proposal seems like they use it as a starting point for discussion and then they talk about all the things that they would like to do things. So we are tasked with coming up with a lot of different scenarios for them to mull over and decide what is. What is.

00:21:05;24 - 00:21:23;23

F4: Best possible options that we can put together to meet the needs of our students are still fiscally responsible.

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M5: We talked about the next steps with the CIA people with school board community employ. What are the next steps there. There are some community meetings coming up.

00:21:32;18 - 00:22:04;20

M11: Yes. We're having a couple of community engagement events. The first will be on the 14th from 6:32 to 7:30 pm that will be the Washington and the high school visit the cafeteria. The next one is Wednesday the 16th from 6 to 7 p.m. That will be as in middle school after library and there will be another one the following week on May 20th for those 6 to 7 p.m..

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M5: And I know that there are four work sessions scheduled with a possible fifth one. Those dates have specific topics associated with them still be talking about certain aspects of that plan correct.

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F1: So we had our second session this past Monday and Tuesday evening at 7:00 p.m.. We will be having meetings that may 22nd sorry. And that is also here or here. Thanks. And then there is a joint work session on May 20 30 that's not really no place for political speech but it's more to discuss it. There's a special to.

00:23:13;08 - 00:23:29;03

M5: So when we have the school board is scheduled to do final adoption on June 21st and then the county board is scheduled to adopt their CIPA which is also includes ours sometime in July. Is that correct. Or.

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M2: Is there a chance for the community to provide input on the therapy. Yes.

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M12: Starting me love on our engaged website.

00:23:39;29 - 00:23:56;06

M6: There will be community input portal open to the community can provide input on the superintendent's proposal and that runs through there is there a timeframe.

00:23:56;06 - 00:24:00;11

M13: Thank you. Yeah. That runs through me first.

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M2: Right. And then you mentioned the website that's where people can go ahead and find out more information they can find all the documents and the projections and the scope of the projects and things like that.

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M4: Yes exactly. I mean they would say to the section with the engage section you'll find a page that is specifically to the AP and has background information that he links to former CIA documents and a timeline of upcoming events as well as information from prior meetings.

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M2: And again that Web site is apx VHI U.S. sloshy gauge if community members have questions is there a place that they can go to ask those questions on that page. Lead to e-mail address where they can pose questions and those will be directed to the team working with.

00:25:01;23 - 00:25:18;28

M10: The great. I want to thank you both for joining us. I think it's a very informative and kind of down what exactly the S.O.P is and how it works and how it all comes together at the end. Thank you very much for joining us. Thank you. Thanks for listening. If you have any other questions you can e-mail as Robert said The Engage.

00:25:20;02 - 00:25:41;24

M14: E-mail address on the Engage page you can find all that information at apsva.us/engage click on CIP. If you have questions about previous episodes or you want to suggest a future topic email us at apsnews@apsva.us. Send us a tweet at [@APSVirginia](https://twitter.com/APSVirginia). And don't forget to subscribe and download our podcast on iTunes and Google Play and we'll talk to you next time.