

**BOARD MEMO**

Date: May 1, 2020

For ACTION   x  

For INFORMATION       

Board Agenda: Yes   x  

No       

**FROM:** Dr. Alicia Hart, Director of Educational Facilities

**THROUGH:** Gregory C. Hutchings, Jr., Ed.D., Superintendent of Schools  
Mignon R. Anthony, Chief Operating Officer  
Dominic B. Turner, Chief Financial Officer

**TO:** The Honorable Cindy Anderson, Chair, and  
Members of the Alexandria City School Board

**TOPIC:** Budget Transfers from the Ferdinand T. Day 5<sup>th</sup> and 6<sup>th</sup> Floor Project and CIP Reserve Account to Support the Jefferson-Houston Refrigerant Piping Project (Phase II)

**ACPS 2020 STRATEGIC PLAN GOAL:**

Goal 4: Facilities and the Learning Environment

Goal 6: Effective and Efficient Operations

**SY 2019-2020 FOCUS AREA:**

Focus Area 5: Strategic Plan

**FY 2020 BUDGET PRIORITY:**

Optimal and Equitable Learning Environments

Communications and Customer Service for Internal Stakeholders

**SUMMARY:**

The new Jefferson-Houston Pre-K through 8 School was brought on line in September 2014. In 2017, both the second and the third-floor west areas experienced notable losses in cooling and heating capacities. The extent of these failures created severe impacts on the school physical environment, resulting in an inability to provide consistent temperatures in certain classrooms and portions school, requiring supplemental support and ultimately affecting educational program in Jefferson Houston on a frequent basis. Based on the investigative analysis completed, the decision was made to move forward with replacement of the refrigerant piping system. The refrigerant piping system replacement was scheduled to occur in two phases; Phase I was completed in summer 2019. Phase II is scheduled to begin summer 2020.

Given that this was not a planned CIP project, ACPS has been engaged in efforts to locate funding to support this project (including Phase I). Escalation and compressed schedule requests (summer work only) created a premium for the completion of the work. ACPS was able to identify funding to pay for the completion of Phase I. However, the estimate associated with Phase II had not been fully completed while in the CIP budget process and thus only

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\$750,000.00 was included in the budget for FY21 as an estimate. Upon the receipt of more definitive engineering estimates, the total project cost for Phase II was determined to be \$1,619,787.00; a difference of \$869,787.00. Initially, ACPS was going to request forward funding from the City to obtain the \$750,000 FY21 funds in advance of July 2020. However, given the onset of COVID-19 and subsequent request from the City to reduce our FY21 budget, forward-funding is no longer an option.

Moreover, the ability to locate the additional \$869,787.00 that would be needed to complete Phase II within the FY21 budget is no longer possible. To that end, ACPS has to identify FY20 funding sources that will fully fund the \$1,619,787.00 project cost for Phase II now so prework activities can begin in the coming weeks, submittals and material ordering/fabrication can occur contemporaneously, and construction can be scheduled for the summer/fall. Pursuant to the need to complete Phase II to resolve the systemic problems with the mechanical system, two budget transfers are being requested to order materials, complete necessary material submittal reviews, complete demolition of existing refrigerant piping and construction of new refrigerant piping system.

### **BACKGROUND:**

Approval for transfer of funds from the Ferdinand T. Day Elementary School 5th and 6th Floor project: The construction estimates for finishing out the 5th and 6th floor of the school to accommodate requirements for multiple Central Office operations significantly exceeded the estimated budget and would have required funds in addition to the projected FY2021 request. Given emergent budget reductions identified due to the COVID-19 response, a decision has been made to postpone this work and utilize existing funding to renovate a portion of the space now for two Central Office high priorities with limited to no space in Central Office including: Phase I of an ACPS Welcome Center, encompassing Family and Community Engagement section of the Partnerships Office, and the Offices of ACPS Safety and Security Services, part of the Facilities and Operations Department. Staff will pursue a request to complete the 5th and 6th floor project in phases during the next two budget cycles.

Approval for Transfer of funds from CIP Reserve Account: On December 7, 2017, the School Board authorized the establishment of a Capital Improvement Program (CIP) Reserve Account which provides a holding place for closed project balances that can be considered, with Board approval, as an additional funding option for other justified CIP requirements. This reserve account allows the School Board to move budgeted funds between capital accounts through the below two-step process:

1. The School Board approves budget transfers from specific project account lines to the CIP Reserve Account.
2. The School Board later approves budget transfers from the CIP Reserve Account to other specific project account lines. The CIP Reserve Account currently has a balance of \$556,777.32 remaining from previously approved transfers.

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### RECOMMENDATION:

The Superintendent recommends that the School Board approve the budget transfers of \$1,464,787 from two different funding sources for Phase II of the Refrigerant Piping Replacement project at Jefferson-Houston Elementary School as follows:

- A. \$1,143,769 from the Ferdinand T. Day Elementary School 5th and 6th Floor Central Office Relocation Project
- B. \$321,018 from the CIP Reserve Account, resulting in a remaining balance of \$235,759.32 in the CIP Reserve Account
  - Transfer details are included in Attachment 1.

### IMPACT:

Advances the 2019-2020 Operations Department Improvement Plan and eliminates a prior request for City forward funding for this project.

### ATTACHMENTS:

200501\_Attachment1\_BTR\_CIP\_Reserve\_JH\_Refrigerant\_Piping\_Project

### CONTACT:

Dr. Alicia J. Hart, Director of Educational Facilities  
alicia.hart@acps.k12.va.us