

Date: May 18, 2018

For ACTION: _____
For INFORMATION: X
Board Agenda: Yes X
No _____

FROM: Elijah Gross, Director of Planning, Design, and Construction

THROUGH: Dr. Lois Berlin, Ed.D., Interim Superintendent of Schools
Mignon Anthony, Chief Operating Officer
Richard Jackson, Director of Educational Facilities
Michael Herbstman, Chief Financial Officer

TO: The Honorable Ramee A. Gentry, Chair, and Members of the Alexandria City School Board

TOPIC: **Quarterly CIP Reserve Status Update and Budget Transfer Request**

BACKGROUND: On December 7, 2017, the School Board authorized the establishment of a Capital Improvement Program (CIP) Reserve Account which provides an additional option for CIP budget transfers. 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 back to other specific project account lines.

As necessary, on at least a quarterly basis, ACPS staff will provide recommendations to the School Board on moving funding in and out of the CIP Reserve Account.

The CIP Reserve Account currently has a balance of \$1,121,491.27 remaining from previously approved transfers.

SUMMARY: A transfer is recommended from the CIP Reserve Account totaling \$218,361.95 to support the George Washington Middle School Kitchen/Cafeteria Renovation project. This would leave a balance of \$903,129.32 in the CIP Reserve Account.

The George Washington Kitchen/Cafeteria Renovation project has been developed in close communication with the Nutritional Services Department, which has provided the majority of the funding for the project through the School Nutrition Services Surplus Fund Balance. Portions of the project that are prohibited from being funded with fund balance money (such as code required HVAC infrastructure improvements) are to be covered through CIP funding. Below is the full breakdown of the funding sources required for this project.

Funding Source	Amount
School Nutrition Fund: Surplus Fund Balance	\$1,200,000.00
CIP: System-Wide HVAC Projects	\$ 167,407.89
CIP: Transfers from CIP Reserve Account	\$ 218,361.95
Total Contract Amount	\$1,585,769.84

The project consists of renovating approximately 13,500 square feet including the kitchen, serving area, and dining area. Work comprises replacement of flooring and heating ventilation and air conditioning throughout the entire project area; as well as new ceilings, lighting and equipment in the kitchen and serving area. Equipment includes new hot wells, refrigerators, walk-in cooler, etc. All of the proposed plans for the project will serve to improve functionality by modernizing the kitchen and cafeteria.

RECOMMENDATION: The Superintendent recommends that the School Board approve this budget transfer request totaling \$218,361.95 from the CIP Reserve Account to the George Washington Middle School Kitchen/ Cafeteria Renovation project.

CONTACT PERSON: Mignon Anthony, (703) 619-8038

ATTACHMENTS: CIP Adjustment Analysis (below)

Attachment 1: CIP Adjustment Analysis

Budget Transfer-GW HVAC Project						
From Account						
<u>ORG</u>	<u>OBJECT</u>	<u>PROJECT</u>	<u>TITLE</u>	<u>Amount Transferring</u>	<u>ACPS Account #</u>	
New Account			CIP Reserve	218,361.95	New Account	
To Account						
41861586	53601	20139	SW-Equipment & Systems Replacement-Replace HVAC System and/or Units	\$ 218,361.95	41861586-6-P180073	