

Date: November 30, 2017

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
Richard Jackson, Interim Chief Operating Officer
Michael Herbstman, Chief Financial Officer
Sharon Lewis, Director of Procurement

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

TOPIC: Establishment of CIP Reserve Account

BACKGROUND: In the past, as Capital Improvement Program (CIP) projects have been completed, the remaining funding at close-out has been transferred directly to other CIP project accounts. To increase transparency and tracking of funds, a CIP Reserve Account will be established to temporarily hold funds in contingency until a specified existing project is identified as needing additional funds.

SUMMARY:

Use of the CIP Reserve Account

With the creation of the CIP Reserve Account, a new two-step process is established to move budgeted funds between capital accounts:

1. The School Board approves budget transfers from specific project account lines to the CIP Reserve Account.
2. The School Board approves budget transfers from the CIP Reserve Account back to other specific project account lines.

In most cases, funding moving to the CIP Reserve Account will become available because a project was completed with a small amount of unencumbered funding remaining. There may also be infrequent instances where funding becomes available because (1) a revised estimate indicates that the project can be completed for substantially less money, or (2) newly-available information renders a project unnecessary.

ACPS staff will report to the Board on the CIP Reserve Account and provide recommendations to move budgeted funding to specific project account lines on a quarterly basis. This will typically occur alongside the CIP quarterly reporting process. Additional staff recommendations may be made between quarterly reports if there is a pressing need for funding to move a critical project forward.

Funds Recommended to Establish CIP Reserve Account

The funds identified to establish the CIP Reserve Account are primarily from projects that have been completed, have small amounts of funding remaining after portions of work have been performed, are no longer required, or have surplus funds identified above the current scope of work requirements.

Attachment #1 provides the detailed project account adjustments.

Recommended Funding Sources:

11/30/17 SB Memo: Reserve Budget Transfer Request

ACPS staff has reviewed potential funding sources for the reserve budget transfer. Funding from the following projects may be used:

Category 1: Balance of Funding at Project/ Contract Completion			
Description	Beginning Balance	Remaining Balance at completion	Return to Future CIP
Douglas MacArthur Structural Damage	\$54,234	\$35,000	No
Francis Hammond Roof Replacement	\$1,678,710	\$7,347	No
Lyles Crouch Roof Replacement	\$644,360	\$55,167	No
Lyles Crouch Roof Replacement	\$243,799	\$33,327	No
Matthew Maury Playground Initiative	\$209,070	\$9,575	No
Samuel Tucker Building Envelope Repair	\$19,498	\$4,509	No
Samuel Tucker Structural Damage Repair	\$72,449	\$885	No
TC Williams Minnie Howard Generator	\$60,000	\$720	No
TC Williams Minnie Howard Roof Replacement	\$1,421,709	\$5,898	No
William Ramsay ADA Elevator Addition	\$1,317,864	\$8,002	No
Subtotal		\$160,430	

11/30/17 SB Memo: Reserve Budget Transfer Request

Category 2: Selected Projects with Remaining Funding Recommended for Transfer			
*These projects are complete and small remaining balances are recommended for transfer. Future needs such as FF&E, flooring/ carpet replacement or reconfigurations within buildings may appear in future CIP budgets.			
Description	Reasoning	Available CIP Funding	Return to Future CIP
George Mason Replace Flooring	This project has been completed leaving a small balance of funds from a starting account of \$271,942.	\$78	Yes
George Mason Renovations & Reconfigurations	This project has been completed leaving a small balance of funds from a starting account of \$67,003.	\$411	Yes
System Wide Shared Priorities – Tennis Courts	This project has been completed leaving a small balance of funds from a starting account of \$892,001.	\$671	Yes
TC Williams FF&E	This project has been completed leaving a small balance of funds from a starting account of \$10,000.	\$18	Yes
Subtotal		\$1,178	
Category 3: Remaining Funding due to Project Re-Prioritization			
Description	Reasoning	Available CIP Funding	Return to Future CIP
Douglas MacArthur Roof Replacement	This facility is scheduled for modernization/ replacement and it has been determined that the roof can be maintained under the current roof maintenance contract. These are the remaining funds from a starting account of \$542,497.	\$566	No
John Adams Renovations & Reconfigurations	This project is part of plans/ design for the preschool co-location project at John Adams and part of that project's budget.	\$35,818	Yes
Patrick Henry Building Infrastructure Repairs	The new Patrick Henry Pre-K - 8 school will replace the existing facility next school year. Therefore, funds allocated for repairs of the existing loading dock are not needed for the current facility.	\$50,000	No
TC Williams Interior Painting	\$8,142 of the budgeted \$18,142 for this project have been determined to be adequate to complete the current scope of work, and remaining funds are available for transfer.	\$10,000	No
Subtotal		\$96,384	
Total		\$257,992	

11/30/17 SB Memo: Reserve Budget Transfer Request

RECOMMENDATION: The Superintendent recommends that the School Board review this memo for initiation of a new CIP Reserve Account and the attached budget transfer request in the amount of \$257,992 to fund the establishment of this account.

CONTACT PERSON: Richard Jackson, Interim Chief Operating Officer, (703) 619-8038

ATTACHMENTS: 1. CIP Adjustment Analysis

Attachment 1: CIP Adjustment Analysis

Budget Transfer- CIP Reserve					
From Account					
ORG	OBJECT	PROJECT	TITLE	Amount Transferring	ACPS Account #
41861539	52121	20128	DM-Capacity-Structural damage repair	\$ 35,000.00	41861539-4-P140101
41861558	52121	20132	FH-Facility Maintenance-Roof Replacement	\$ 7,347.02	41861558-7-P130087
41861535	52121	20138	LC-Facility Maintenance-Roof Replacement	\$ 55,166.94	41861535-7-P160087
41861535	52121	20138	LC-Facility Maintenance-Roof Replacement	\$ 33,326.70	41861535-7-P170087
41861543	52121	20140	MM-Facility Maintenance-Replace Playground Surfacing	\$ 9,574.62	41861543-7-P130076
41861553	52121	20144	ST-Facility Maintenance-Building Envelope Repair	\$ 4,508.52	41861553-7-P130010
41861553	52121	20144	ST-Facility Maintenance-Structural damage repair	\$ 885.00	41861553-7-P130101
41861563	52121	20133	TCWM-Equipment & Systems Replacement-New Emergency Generator	\$ 720.00	41861563-6-P120021
41861563	52121	20133	TCWM-Facility Maintenance-Roof Replacement	\$ 5,898.68	41861563-7-P130087
41861551	52121	20130	WR-ADA-Elevator Addition	\$ 8,001.79	41861551-1-P120007
41861542	52121	20134	GM-Facility Maintenance-Replace Flooring	\$ 78.00	41861542-7-P130071
41861542	52121	20134	GM-Facility Maintenance-Renovations & Reconfigurations	\$ 411.00	41861542-7-P160054
41862110	52121	20424	SW-Shared Program Priorities-Tennis Courts	\$ 671.00	41862110-9-P130005
41862106	53601	20423	TCW-Asset Replacement-FF&E	\$ 18.00	41862106-3-P170028
41861539	52121	20128	DM-Facility Maintenance-Roof Replacement	\$ 566.00	41861539-7-P130087
41861531	52121	20137	JA-Facility Maintenance-Renovations & Reconfigurations	\$ 35,818.00	41861531-7-P170054
41861536	52106	20131	PH-Asset Loss Prevention-Building Infrastructure Repairs	\$ 50,000.00	41861536-2-P150011
41862106	52121	20423	TCW-Facility Maintenance-Interior Painting	\$ 10,000.00	41862106-7-P170032
To Account					
New Account			CIP Reserve	\$ 257,991.27	New Account