

## MINUTES

### Fairfax County School Board and Fairfax County Board of Supervisors

#### Fairfax County Government Center, Rooms 4 and 5

Work Session No. 124/**Capital Facilities and Debt Management Working Group**

June 5, 2013

#### 1.01 Call to Order and Announcements

Fairfax County School Board member Kathy Smith convened the meeting at 3:09 p.m. with the following Fairfax County School Board members and Fairfax County Board of Supervisors present:

|                         |                                     |
|-------------------------|-------------------------------------|
| Sandy Evans (Mason)     | Supervisor John Cook (Braddock)     |
| Patty Reed (Providence) | Supervisor John Foust (Dranesville) |
| Kathy Smith (Sully)     | Supervisor Jeff McKay (Lee)         |

#### County Personnel Present:

Mason District Supervisor Penny Gross; Fairfax County Executive Edward Long, Jr.; Fairfax County Deputy Executive Robert Stalzer; Fairfax County Chief Financial Officer Susan Datta; Office of Public Affairs Director Merni Fitzgerald; Deputy Director of Management and Budget Joe Mondoro; County Debt Manager Joe LaHait; County Capital Program Coordinator Martha Reed; Management Analyst Mary Casciotti; Park Authority Management Analyst Mike Baird; Director of Planning and Development Division Park Authority David Bowden; Director of Planning Division DPZ Marianne Gardner; Deputy Director DPWES Ron Kirkpatrick; Director of Building Design and Construction DPWES Carey Needham; Director of Planning Division DPZ Fred Seldon; Kiel Stone, Chief of Staff to Supervisor Cook; Jane Edmondson, Chief of Staff to Supervisor Foust; Linda Waller, Aide to Supervisor McKay; Mark Thomas, Aide to Chairman Bulova; Aide to Supervisor Hudgins Martin Taylor; County Executive Office Legislative assistant Monica Reid; County Executive Office Assistant Matthew Graham

#### Fairfax County Public Schools Personnel:

Fairfax County Public Schools Assistant Superintendent of Facilities and Transportation Services Jeffrey Platenberg; Director of Facilities Planning Lee Ann Pender; Director of Design and Construction Kevin Sneed; Coordinator of Financial Management Shelton Williams; Deputy Clerk of the Board Lizette Torres-Barthel; School Board Facilities Planning Advisory Council member Karen Hogan

#### Others Present:

George Becerra; Tim Thompson

DISCUSSION

**1.02 Administrative Items and Approval of Goals for the Committee (Exhibit A)**

- The Group reviewed the proposed new name of the committee (Infrastructure Financing Committee) and confirmed the committee would focus on project planning, prioritization and maintenance as well as, but not exclusively on, the financing of infrastructure; \consensus that the new name was not final and the Group welcomed suggestions in advance of the next meeting in August, where the name would be set;
- Requested a directory of County and School staff contacts pertinent to this Group's work;
- In its review of the primary goals and draft proposed agendas, the Group requested the following: future discussion about a shared agreement of what should be considered capital and maintenance expenditures; a defined distinction between preventative maintenance expenditures and long-term maintenance as well as recommendations for segregating funding for such expenses; discussion on which expenses are appropriately financed with General Obligation (GO) bonds and/or from Pay As You Go funding; creative exploration of County and School facilities;
- The Group tentatively approved the Goal statement and will present it for a vote at the next meeting.

**1.03 County CIP Process (Exhibit B)**

- After the Group heard the County CIP Process presentation by County Capital Program Coordinator Martha Reed, the discussion included the following:
  - a need to infuse more operating and programmatic costs and requirement discussion into the decision-making process for a new facility, particularly as it relates to a multi-year budget;
  - a need to combine County and School projects in the "projects by district" CIP listing.

**1.04 Financing CIP Projects/County's Triple A Bond Rating (Exhibit C)**

- The Group listened to a presentation by Department of Management and Budget County Debt Manager Joe LaHait on the County's financing of CIP Projects, including its Triple A Bond Rating status.

**1.05 Proposed Meeting Schedule**

- Consensus that the committee would meet on the following dates, from 3-5 p.m. at the Fairfax County Government Center: August 7 (Room 8), Sept. 11 (room 232), October 2 (Room 232), November 6 (Room 232), and December 4 (Room 232).

The meeting adjourned at 5:11 p.m.

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Follow-up Actions

Q and A:

1. Why is maintenance being paid for out of school general obligation bonds
2. Provide a chart that includes actual ratio of debt to disbursements for neighboring jurisdictions (include their bond rating)
3. Present a chart showing forecasted bond sales and capacity
4. Present the pros and cons of short vs. long term bond maturities (20 years vs. 30 years)
5. Provide information on the history of the 10% debt ratio, showing how capacity can disappear when expenditures are reduced

Other Actions:

1. Refer the concept of PPEAs (opportunities and challenges) to a joint Board of Supervisors/School Board meeting
2. Refer the discussion of the 10 Principles of Financial Management to a Joint School Board/County Board meeting
3. At August 7, 2013 meeting, include a summary of paydown expenditures over the last several years and some general comments about paydown funding and limitations
4. At future meeting, discuss the Comprehensive Plan (how it works, how it is changed)
5. At a future meeting discuss the Joint Use resolution and how we can better work together on use of facility space