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Chesterfield County School Board Work Session, Thursday, December 18, 2025

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[00:00:01] Good afternoon. I'd like to call the December 18th, 2025 School Board Work Session to order. First, we have a discussion of the county's early budget process for Matt Harris, Deputy County Administrator for Finance and Administration. Welcome, Mr. Harris.

[00:00:29] Good afternoon, board members. Usually Bob has texted me like 50 times before I come down, but this year assumed that I was going to show up on time, so we'll call that progress, I guess.

[00:00:47] Well, thanks for the opportunity to have a little, you know, quick conversation. I don't have any slides or anything formal, but I thought there were some, you know, just general thoughts that were the, you know, sharing with you all.

[00:01:02] And, you know, as always, if you have questions or anything that you want to get into, you know, just please let me know. I think the first thing always on everybody's mind this time of year is kind of the revenue backdrop as we head into fiscal 27. For us, the largest component collectively is what's going on with home values.

[00:01:24] We are wrapping up that process. We're not quite done. This is one of the rare opportunities where we had a four-supervised meeting before you all yesterday. So we gave them the same information. But in January, we will have all that out.

[00:01:40] But from what I've seen thus far, it's going to be right on top of kind of our long-run averages, somewhere in the 3.5% to 4% range. And I'm talking about the reval component in particular, and that's the biggest piece. You own a home today, you know, what's that percent change going to be as of January 1st?

[00:01:59] That is, you know, what feeds, you know, both of the organizations majority basis from a revenue perspective. So, you know, we're coming down off of those double-digit years, which, you know, have pluses and minuses for sure. And I think we've been saying every time we've had an opportunity that we expected to return to that more long-run average.

[00:02:18] So that's a good thing from a sustainability perspective. So it will be positive growth, but slowing as compared to what we've seen over the last few years. But again, I think something that is generally repeatable, the market seems to be operating in a pretty normal fashion.

[00:02:36] So good news there, I would say. The rest of our revenue mix, which does benefit both sides, more of a mixed bag. personal properties, you know, kind of up and down. Consumer spending will have a good month and then a slower month. So it's very reflective of, you know, kind of what you see in the national economy.

[00:02:55] Just, you know, no real clear direction on those other streams. But real estate, I think, will continue to be a pretty solid contributor and at least, you know, a few dollars on the table as we decide how to proceed for FY27 state budget. You know, we're all trying to sift through that at the same time.

[00:03:13] We aren't expecting anything, you know, major windfalls or positive surprises necessarily out of any of the versions of the state budget that will emerge over the course of the next several months. So I think that's kind of how it looks. We did discuss with our board a year-end process.

[00:03:32] They approved your paper as presented, and that all went very well. On the county side, you know, similar to the real estate story, you know, we had \$3.9 million was our surplus position for FY25. So, again, it's come way down from kind of the COVID and all of those things that gave some, you know, if you look back historically, somebody will have to hopefully remember why that happened.

[00:03:58] But, you know, we're not going to see those large double-digit surpluses anymore. So, you know, we settled down. 3.9 is probably on the lower end, but, you know, again, things starting to normalize from a revenue perspective. So I went through that part with them last night.

[00:04:14] On the expense side, as far as the county goes, we have really tried to set the stage with our elected and more so at the department level that, you know, it's going to be, again, there will be some dollars, but it really needs to be very, very prioritized in what we're going to be able to accommodate from an expenditure perspective.

[00:04:32] I think we've been talking to our folks for six months on that, trying to, you know, make sure that we've got a very important list, but sort of a shorter list as we head into 27. So I think that's kind of the stage that we're setting. Luckily for us, we, on the county side, we took a year off.

[00:04:50] We didn't sell any referendum debt. So most of our capital projects that, you know, as you all would experience, new schools opening, kind of the operating expenses that come along with that. We've been able to push some of those off, you know, the, you know, library replacement being an example that's still moving forward, but we kind of slowed that down.

[00:05:09] So creating some capacity for ourselves on the operating side as we head into kind of this little slower revenue environment. So I think that's, that's good news. We do have, you know, there's certain things that we'll all face a workday going fully live here in a couple of weeks that has an ongoing operating component to it.

[00:05:28] So we'll, you know, have to figure out how to digest that. But we've tried to, the real point is we've tried as we approach FY27 to really keep the new pressures on the general government side to a real minimum. No major compensation goals for us.

[00:05:44] I mean, there will be job classes that we'll have to go and take a look at, but we're trying to do that in a very surgical fashion as opposed to across the board, you know, increases anywhere. We don't have any major initiatives that I'm aware of standing here today. So we're trying to hold back as kind of much as we can.

[00:06:02] We had a pretty soft approach to 26, and I think largely we'll look to repeat that. For my taste, there's just too much uncertainty kind of still sitting out there on the macro landscape. I think capital topics as we work with your team, and if I get any further appreciation, just want to thank you all.

[00:06:23] I think I've been working on school topics for almost 20 years, doesn't seem likely, but it's true. I don't think you've ever had a stronger team from the top down to all the folks that we deal with. And I think that's, you know, it's never been in a better, you know, situation in terms of working with school staff.

[00:06:43] Bob, I think Reed's just off to a fantastic start as another example. He came over very generously with his time this morning for our Citizen Budget Advisory Committee talking about capital topics. It went really well, so I certainly appreciate his getting up to speed in very short order.

[00:06:58] It's a strong addition to the team. And I think well-timed in the fact that we've got a lot of capital initiative, I think will probably be the major topic between county and schools over the next couple of years. So last night, the board did approve the bus plan. I think that's somewhere on your agenda today, but I think that's a very positive step.

[00:07:16] It will allow us to speed up our bus replacement schedule, so they approve that. So I think that's very positive. We got the preparation, draw down the first \$4 million on that, and again, get that transportation component in a much better place, kind of take that off the table.

[00:07:35] Of course, major maintenance, I think, is really the focus of this morning's conversation, be something that we'll have to work together to figure out how we're going to work through that. It won't happen overnight, but I think we've got some general ideas, and again, the team that you've put in place, I have full confidence that we'll figure that out. And on the, just sort of back to the referendum side, I think we had a pretty lengthy discussion about that with our board yesterday as well. The good news is we've carved out a lot of capacity from a policy perspective. So what that means is we can only borrow so much collectively. All of

[00:08:11] those policies and ratios and nerdy financial rules are governed collectively. So there's not a county and schools set. So we have worked hard to not put additional things on the credit card and slowing down some of our project work to make sure that we can go out and borrow from a policy perspective and are in a great spot to finish up the referendum and to incorporate other projects that have emerged, such as the Dale Elementary topic.

[00:08:40] So I think we're in great shape from that perspective. What we'll have to watch is, of course, when the affordability comes into it, there's a difference between what we can borrow and what we can comfortably afford to pay on. but just monitoring that against the other priorities that may emerge on your side.

[00:08:57] Certainly the Debt Service Reserve Fund is going to be really key. I appreciate the school board's decision to make a contribution to that from your FY25 year, and that will certainly help. But I think we are in a very good – we've done as much legwork as we can to take a look at this remaining portion of the referendum and these other projects, prioritize them, get the schedule teed up, and then, you know, go out and finish executing those, at least from a financial perspective.

[00:09:26] So we had a long conversation with our board yesterday, and they were certainly glad to hear that. I know they are very supportive of things such as the Dale project. So I think, you know, generally positive on that front. Again, we're trying to do our part to make sure that we contribute to that capacity for those initiatives.

[00:09:46] So I think those are kind of the major thoughts that I have. but I'm certainly happy to take any questions or anything else that you want to share. Thank you, Mr. Harris. Board members, any comments or questions? Dominique?

[00:10:02] Thank you, Mr. Harris, for the update. I did have one question. You had recently talked about what we budgeted for pricing-wise is not the same. Yesterday's dollar is not today's dollar. So when we have to reprioritize the list or when the board supervisor reprioritizes the list based on how much things cost now versus what we thought they were going to cost when we said we were going to do it.

[00:10:25] When would we get read in on that information when you reprioritize the list based on the actual numbers of what things cost today? Yes, ma'am. You're talking specifically for capital projects. I think that that work is happening on a regular basis. So when your proposed CIP comes back and you all are concerned that, it will have the updated figures as part of it.

[00:10:47] I think it's not something that I'm overly concerned about. We knew even going into the referendum, even if we had hit everything exactly right, Like Midlow Middle, for example, we only had a portion of that funding earmarked through the referendum itself. But, you know, fortunately, as an organization, we have very good credit ratings.

[00:11:06] Our ability to access additional capital to fill in those gaps from a dollar's perspective is something that is not a concern to anyone. It's really just kind of what's the order of the project is going to be. And then, you know, again, how does that start to knock into other priorities that you have on the operating side?

[00:11:25] But we will figure out those numbers. I think the team has dialed those in very closely. We've got a lot of good, you know, updated budget numbers on projects that are in flight today from Reed and team. So I think that hopefully we're out of the woods on some of those bids coming back in where they're considerably higher than we had expected.

[00:11:44] So that's, and we've seen some of the same sounds on our side. Yes, ma'am. Mr. Pronto. Thank you, Madam Chair. Mr. Harris, thank you. You just mentioned the credit rating for Cheshire County. Could you expound on that a little bit more in regards to how we've maintained that and what that path is moving forward to ensure that we're able to borrow, if need be, because the rating is so good?

[00:12:12] Yeah, no, I mean, I can be an hour or so I can get there. No, I mean, I think it's a collective process. I think, you know, one of the things I always talk to folks about that, it certainly starts off with the numbers and, you know, you go through the financials.

[00:12:30] but they look holistically at everything that we do. So, you know, we did have the good fortune this past year of adding the third AAA rating, or fourth AAA rating. So we have, you know, we were the third in the country, I think, to obtain that.

[00:12:46] And so during that process, we had that agency come down and do a full tour. You know, so if they were here for six hours, we'd probably spend two hours kind of going through the financials. The rest of it was taking them out and actually showing them the fabric of the community and, you know, everything from what you all do to mental health to libraries, parks.

[00:13:05] I mean, they want to see the absolute whole composition of what makes up Chesterfield County. So I don't want to make it an overly financial topic, and it kind of falls on our area, but if any one of those pieces has a weakness to it, you know, it's something that you have to consider that, you know, might impact the rating moving forward.

[00:13:24] But we got glowing remarks on all of those pieces. So it's everyone's bond rating. It's general government schools. I mean, everybody contributes to that, absolutely. From a pure financial perspective, I think, you know, they are very focused right now on a number of things.

[00:13:42] Cybersecurity would be one of those that, you know, we wouldn't have talked about in this arena a couple years ago. But that's on every single one of their radar screens is a major liability. So that's something that, you know, certainly encourage you all to make sure that you're comfortable on your side.

[00:13:59] I know our folks are constantly looking at that, but that's something that's emerged in the last two to three years that has a real direct impact moving forward on bond ratings. But they're looking heavily at reserve positions, so we do everything that we can on our side.

[00:14:15] We've got a rainy day policy that the Board of Supervisors maintains, and they set out at the beginning of this term to increase that up to 10%, so we're well on our way to be doing that. So that's certainly something that will play well there. Economic development activity is huge.

[00:14:32] I want to make sure that we're continuing to grow. I think growth can be sort of a negative word depending on what arena that you're in. But for the rating agencies, they view that as a very, very positive thing. For them, you're either growing or you're dying in their mind.

[00:14:49] So they view Chesterfield as a vibrant place that people want to come to, businesses want to come to. So we certainly share with them throughout the course of the year all of the economic development trends and job growth that's happening. And they view that from a very positive perspective, diversification of the tax base, all of those kinds of things.

[00:15:07] So we try to share all of the – every time a shovel goes in the ground, we try to make sure that they're aware of it. So it's a – long story short, it's a holistic endeavor. It's not just, you know, one thing or another. It takes every single one of us to make that happen.

[00:15:23] So I think in terms of holding on to it in the future, it's making sure that we are being attentive to all corners of what we do. So financial is certainly always going to be a part of that. But I think right now

we're in pretty good shape. I mentioned the debt ratios. They're going to pay very, very close attention to that.

[00:15:39] But we are in really good shape as far as that. I told the board yesterday, I think we're even to the point where they're a little bit low. But again, that's really just building up for finishing up this referendum. and we know we've got several large projects still to go. So we will absorb some of that capacity, but it's in a better position to be in where we are right now.

[00:16:00] I hope that answers your question. It does, and I also want to just highlight the gratitude, at least from my perspective, with you and your staff and the Board of Supervisors. Over the years, the financial contribution to CCPS has gradually increased leaps and bounds, and that is a testament not only to our folks, Our citizens just to be able to say, you know, the county is investing in the education, in the infrastructure, and in the ability to make this a place where people do want to come, live, work, and also have their children educated.

[00:16:35] So it is a partnership, which I greatly appreciate that we have that, and it's very strong. So thank you. Yes, sir. Absolutely. Mrs. Hutchins. So super fast. I did not realize all that went into those bond ratings.

[00:16:52] I really thought it was only monetary, that fiscal side. And so I appreciate your sharing, you know, not giving us an hour, frankly. Yeah, yeah. I come back, though. The CliffsNotes. I do parties as well. Right. Okay.

[00:17:08] But I just really appreciate that. Also, you've given a nod to our people in the way that, you know, we are all working together. We have heard horror stories, you know, stories, let's just say. And so I know as I'm on the ride in, I'm on the phone with my counterpart on the Board of Supervisors.

[00:17:30] I feel like we all feel very close with your team, and I think that that is, it's frankly a delight. And we appreciate you guys, and we feel like we are on moving ahead. I read a little Axios bit this morning talking about Chesterfield, one of the few.

[00:17:50] I saw that. It's still growing. I was like, yeah, girl, except oopsie. But it's fine. We're happy. But thank you again. Thanks for sharing. Absolutely. Thank you, Mr. Harris. And here we go in the next round of budget season. So we'll be seeing each other a lot.

[00:18:07] I think so. So thank you very much for the update. Yep, happy holidays. You too. So next we have a presentation and report from the Environmental Stewardship Advisory Committee by Dr. Wodica and Mr. Walker. Good afternoon, everybody.

[00:18:27] You guys look so festive. I feel underdressed. I would like to yield part of my time to Mr. Harrison to hear more about bond rating. This is fascinating. Well, thank you all for having me. I appreciate you making time to support the committee and hear the committee's recommendations for this year.

[00:18:45] As we've discussed, you're probably going to see a lot of information that you've seen the last couple of years. The committee feels pretty strongly that we have landed on a handful of recommendations that are valuable. We feel like they're supported. And so at this point, we're sort of reiterating. And, you know, I'm thankful for all of our committee members, everybody who keeps showing up.

[00:19:06] And I think this year we're going to this coming year, we're going to change our focus a little bit to be less on revising yet again our recommendations and more on making more of a community outreach effort. It's sort of the awareness part of our charter that we help show community support for some of these initiatives to the school board, also to the county board, and try to find some momentum to help move some of these initiatives forward.

[00:19:36] We've started a social media platform in a couple of places and starting to share out some of the things that the committee discusses and that are relevant to our charter. We've also reached out to other similar organizations in the state, specifically Fairfax County, try to get some benchmarking and understand what other environmental committees are doing for their school districts and how they're getting those things done.

[00:20:01] So we can just, again, leaning into the, we've got ideas, how do we move into the execution phase of some of those ideas. Oh, nice screenshot of our Facebook page. I will go ahead and talk through the recommendations again to reiterate some of these.

[00:20:19] We'll start off with I'll talk through some of the facilities things and then Jason would be is here with me if y'all remember he's a science teacher here in the county so he's going to talk about the curriculum portion my area is the is the facility side so I'll talk through some of those things to put it short briefly the HVAC system in our county has an electronic control system.

[00:20:44] Some of those are very new, obviously, with the newer buildings. Some of them are very, very old. They all kind of tie together into one main computer. For the last several years, that has been a critical failure point. It's very old. The software is old. The hardware is old.

[00:21:00] And if that were to go offline or fail for some reason, it would be pretty challenging for operations staff to do what they need to do with the buildings. Thankfully, Reed's staff, John Thuma in particular, has worked with the controls vendor to try to identify a bridge.

[00:21:19] Instead of having to go through and replace every single control throughout the entire district, we can make a much less financially large commitment to replacing just the main front end for now. That'll help buy us a little bit of time as we go through the rest of the district upgrading the controls.

[00:21:36] So appreciation to them for being aware of that and finding a solution for it, I think it buys us time. We do want to continue to focus on upgrading controls as we can. It improves comfort. It improves reliability. It reduces energy usage.

[00:21:51] There's a lot of good reasons to continue to improve. One of the ways that we are going to sort of be forced into improvement, the state over the summer, a bill went into effect that requires every school district to do what they have called retro commissioning.

[00:22:09] It's really focused on outside air and fresh air in the buildings. And it basically says you need to go through all of your buildings once every four years and write down and document the fact that you're getting enough outside air into the space. That's sort of the basis of it. Mr. Thume is working on trying to find ways to make sure we're complying with the law and understanding exactly what we have to do.

[00:22:32] Environmental Stewardship Committee is recommending that while they're doing that effort, Let's look at the rest of the control system while we're there. Instead of just checking the outside air part,

let's make sure the fan is running and the cooling works right and the temperature sensor is calibrated. Doing those things can provide a decent amount of energy cost savings.

[00:22:53] We're projecting somewhere between \$15,000 and \$100,000 a year of energy cost savings if that effort is done alongside the outdoor air effort. And obviously, you know, that kind of money can be used to go toward other capital improvement projects that Reid and the others have identified as part of the capital improvement plan.

[00:23:14] We're going to talk again about the LED project. You know, we've mentioned this several times. This is something that the committee feels very strongly about. If the district were to do a district-wide LED conversion at today's energy rates, the district is looking at somewhere between \$1.5 to \$2 million worth of energy cost savings annually for doing that project.

[00:23:46] That also does not take into account. John Thuma is predicting that next year we're going to see something like a 6% increase on energy rates. That's significant, and that's going to continue to build over time. And in addition to that, it is a dramatic carbon footprint reduction.

[00:24:07] It's probably the easiest thing we can do to reduce our carbon footprint in the district. It provides an incredible aesthetic improvement. And if it's done district-wide, we don't have to choose between which areas of the county get it first. It's universal.

[00:24:24] And so the committee, again, is recommending that that be a priority for the school board. However, the committee also understands that when faced with prioritization choices, it's challenging to say we want to go get capital to do a lighting project.

[00:24:44] We also understand, directly to the conversation with Mr. Harris, that the county has to also prioritize when it comes to borrowing money to go do that project. This year, the committee heard and is recommending action toward the possibility of obtaining the lighting project in the as-a-service model.

[00:25:09] Very briefly, that's pretty similar to what we're doing with the PPA on the solar side. The district could contract with a company to design and install the lighting project and then provide that project to the district as a service over time.

[00:25:26] And that can mean that it does not affect the debt capacity or count toward how much we can borrow for other CIP projects through the bond program. Obviously, that's subject to consideration of financial treatment and some other things.

[00:25:45] But we think it's very valuable and high potential and that we recommend that the board take investigative action to find out whether or not that's a viable option for the district. All right. Do you want to talk again about solar? I know we have we have several successful solar installations around the district. The committee would like to see every single site have a solar installation. We know that's not feasible, but we want to push toward Let's grow this thing again. Energy rate increases are happening

[00:26:24] It's you know, we've been we've been talking about it for the last several years It's it's just going to continue to build six percent next year probably an average of 3% to 4% in the years after. It's just going to continue to increase.

[00:26:39] The current method that we employ for buying solar is through the power purchase agreement. It does lock us in. It protects us on the rate side a little bit. There are other districts, Loudoun County in particular, that have changed their approach to where instead of paying another company to put

the panels on the roof and then sell us electricity, They're buying the panels themselves so that they own the infrastructure.

[00:27:07] Obviously that gets into the capital discussion again, just like the lighting does, but something worth considering and just a brief point, a little example in the PPA method, the gray area on this chart kind of shows what the savings are over time.

[00:27:24] And then the either lease or direct capital purchase methods in the orange or blue show the savings over time for the district, obviously a lot higher. That's because we're not paying overhead and profit to someone else to manage and maintain the systems. So, again, worth discussing.

[00:27:43] And we just recommend that the board continue to have those kinds of talks as we think about expanding the solar program. We do want to touch on bus fleet briefly. Last year, this was a big deal. This year, it feels like we're getting close to a solution.

[00:28:00] Big kudos to Mr. Wodka and the staff and the board and the county for finding a solution, getting a program set in place to where we're reducing from, I think, like a 30-year, 29-year replacement cycle. We're now down to 15 years for a full replacement of the vehicle fleet.

[00:28:18] That's fantastic. That's going to double our fuel efficiency over time. Granted, double is still four miles per diesel gallon to eight miles per diesel gallon. So it's not earth-shattering, but it's still twice. It's half as burdensome on fuel cost and carbon footprint.

[00:28:36] So very thankful for that. We're also aware that this is a long-term plan, and it needs long-term support to be kept in place. ESAC is creating a method to help measure air quality at some of our bus loops to just bring another data point to say this is valuable.

[00:28:54] Obviously, we've got the fuel cost and the maintenance cost and the other things. We want to say, hey, there's another aspect here. These kids stand in the bus loop, and they're near the buses for an hour a day on each side. And what does that do? What does that mean? So we're going to try to document some of that.

[00:29:11] And if there's helpful information there, we'll use that to kind of help continue this plan forward as the years go on and administrations change and priorities change. It'll just be another data point for us to evaluate the value of that bus fleet replacement. All right.

[00:29:29] I'll be pretty brief on this one. In the last couple of years, we've talked pretty big about geothermal heating and cooling. The short version is instead of having an air conditioner that rejects your heat out to the air, you would reject it into the ground.

[00:29:44] It's a lot more efficient energy-wise. There is a little bit more upfront cost. For a couple of years, there were significant federal incentives for doing that that would offset plus the cost of those systems. Those are probably going to go away, but we would still like the district to consider a geothermal solution when we're doing design of new facilities at minimum, simply because the long-term operating cost is, or the total life cycle cost is lower for geothermal systems than traditional systems.

[00:30:20] All right. This is Jason's turn. Yeah, guys, the part of my presentation is really going to be around trying to increase the amount of recycling, composting programs, school gardens, wildflower and pollinator meadows, and things like that.

[00:30:43] And as Justin mentioned, I am a teacher here in the county. I teach at Carver Academy. I teach biology and ecology this year. I've done environmental science and earth science in the past. Along with that, I also help run the Carver Garden Club. So this is a student interest club that's really based on growing some vegetables and doing some native plantings around the campus.

[00:31:04] One of the things I've become more convinced of the more years I teach is the value of experiential education. I believe that if a student can experience the curriculum and have a positive learning experience, that that transfers into like long-term quality learning.

[00:31:20] And we believe that things like pollinator gardens, composting programs, we believe those can be positive learning experiences for our students and help them be more engaged in environmental issues and be more engaged citizens once they graduate high school.

[00:31:36] As these projects have taken off at schools, it's usually because you have a staff member or several staff members that are interested and excited in doing these things. The issue becomes is that when those people either leave education, retire, or move schools, the work that they've done tends to kind of fall apart and go away.

[00:32:01] So for these things to, you know, have a lifespan in a school, it takes an adult that's excited about it and interested in doing it. Part of what we're asking for is to make some of this a part of the curriculum and have staff that are on campus that are kind of charged with this.

[00:32:20] And there's a bunch of different ways you could do this. Since we presented this last time, one of the things we've done is talk to this committee or this version of the committee that exists in Fairfax. And they actually have a very robust program that's really centered around these types of projects in schools.

[00:32:37] They've done that through a couple of different ways. Some of that is having people that are paid staff that are responsible at the county level for helping with these programs. Some of it is they've plugged into existing programs like the Get to Green program and EcoSchools, and they kind of use that as their model, and it can provide some ways for, you know, a classroom to take on a project like this.

[00:33:01] We understand that, you know, it may not be the best way to come out and ask for multiple paid positions for this type of thing. So what we're requesting is just kind of starting this program up, and we believe the way to do that is to have these to be part of the curriculum.

[00:33:19] There's really two classes that would make sense to do this in, and that would be ecology or environmental science at the high school level. Within the environmental science curriculum, there's already like citizen science projects and service projects as part of that.

[00:33:38] What we're suggesting is to be more specific in how this is in the curriculum and have this be explicitly part of a class. So we're suggesting that we have a list of projects that schools can take on, and instead of just doing it if time permits at the end of the fourth nine weeks having this be something these classes engage with over the long haul what you guys are looking at now is actually a this is a video that was recorded in my classroom what you're looking at the brown insect there is an oleander aphid and we discovered this that was growing in our school garden on some plants and I brought

[00:34:18] it in to originally just talk about predation how you know these aphids are eating these vegetables and you know they are predators for that plant one of my students actually observed the the

brown aphid with the little black insect coming out of it after researching a little bit we were able to learn that that's a parasitic wasp and that the wasp actually laid its eggs inside that aphid the wasp hatched out and was eating its way from the inside out from that moment on anytime I talked about parasitism in class my students reflected back to this learning experience and we actually watched this

[00:34:55] unfold for about three days in the classroom I don't know if this is making anybody squeamish you might be happy to know the wasp did not survive I got stuck as it was crawling out so both the aphid aphid and wasp died but we were able to reflect back on this throughout the entire school year whether we were talking about you know food cycles whether we were talking about parasites and you know again this created a memorable learning experience for these students I have students that participated in this two years ago that still actually talked about it you know they'll come up okay you remember when we

[00:35:30] saw the aphid and the you know the wasp and how cool that was so we really want to see more of these kinds of things you know in all of our schools right and we we think it's important that our students have this opportunity and along with that we feel that you know this is a way for them to get engaged in their community and to have an impact right a lot of times with environmental issues it can be almost overwhelming and seem like the scale of these issues is beyond what the average person can do these types of learning experiences show our students that they can get involved they can make a difference even if it's at

[00:36:08] the local level you know some of the things that we're looking at that would help us do this is if we could provide a stipend to teachers who are willing to take these projects off that would help you know those teachers that are doing that are taking oftentimes their own time they're volunteering to do this it's often outside the scope of what they're teaching as we move forward if we're able to get this off the ground it would be a good chance to bring in other people within the school system like cafeteria people and even

[00:36:44] our like maintenance people I know that this year we have grown cabbages in our school garden and we were able to donate some of those cabbages to our culinary program so some students were engaged in both. They grew the food, then they were able to cook the food and make something with it. We've also made a boatload of kimchi. If you guys ever come out, let us know. You can try some of it. Our students were able to learn about anaerobic respiration and actually see it happen by making kimchi on campus, right? So we're just asking that we try to find some way to make it worthwhile for teachers to do this and to have this be in the curriculum

[00:37:22] to where when that one, you know, really passionate teacher leaves, that the program doesn't die with that it can continue on and really we're looking to expand environmental literacy improve you know waste from the cafeteria I know my garden clubs currently trying to work on developing a composting program where we you know we build a composter on campus and we're trying to figure out with the cafeteria how to make it work to where we can collect food scraps and then ultimately you know have soil for our garden do you guys have any questions for me before I

[00:37:59] turn this back over to Justin. Board members, any questions for Mr. Woodby? Ms. Chatters? I just want to say I thoroughly enjoyed the presentation on how we can make science fun because we need to find a way to keep our kids engaged. And the first thing that came to mind is if we can partner with work-based learning, do we have businesses in the community that are doing what you're saying you would want our kids to do? Because funding being what it is, it might be easier if we partnered with someone in work-based learning who is proficient in that or are gardeners.

[00:38:38] I know that now his name is Berkeley. If we work with Berkeley because we're doing our own growing, he's got a connection with our local gardeners too. So perhaps we can do what you're asking for cost efficiently by using the resources that we already have. So I'm thoroughly excited about how we can make that happen. So that was all I wanted to say. Ms. Hutchins? Thank you for that. Also, a little shout out that slide. I had seen

[00:39:16] that slide before, but thank you for making that come to life. We will not forget it either. But I am sad. I wanted to lost to survive. But I do have one question. You asked about a stipend. You're talking about curriculum, and I totally understand when somebody's super pumped about something and everybody loves it and then they leave or whatever we lose steam and it goes away so then if we put it into the curriculum would it uh would they would that still necessitate a stipend or would that be something totally different or are we just guessing or um i think

[00:39:55] that if you put it into curriculum it um maybe reduces the importance of the stipend i think the stipend would still be helpful um i think the i think by putting in the into the curriculum you're really um providing longevity with the program and making sure that it doesn't just go away um i do know that you know if you're taking on a project like a school garden or a wildflower meadow that that is going to require time outside of the the standard school day um for our school garden most of my time that i put into it outside of school hours is over the summer um and i think it's you know it's i'm lucky enough i live close to my school and you know i'm pretty passionate

[00:40:34] about gardening and stuff so it makes it a little easier but i think for a lot of people that's a big ask to come in over the summer and you know continue working on something outside of what you're being paid for i see what you're saying there is a difference that makes sense thank you for that you're welcome thank you guys oh sorry mr parante i i greatly appreciate the presentation thank you and in all respect i my questions were for for justin but thank you thank you I did want to say Justin brought up the air quality monitoring.

[00:41:06] I know that I would be excited as a teacher to be able to use that data in my classes as well. There's lots of applications for that kind of stuff in the classroom as well as providing extra data, you know, just from what's going on in our bus loops. Thank you, guys.

[00:41:24] Real quick aside, I just want to say, Jason, thank you for inspiring our students to be curious about the world. He mentioned anaerobic digestion. As a country, we're about five to ten years away from having a major deficiency in wastewater operators.

[00:41:40] And anaerobic digestion is a big part of wastewater operations. So, Jason, thank you. Go ahead. Mr. Bronto. Thank you. I want to go to slide seven, please. The last point on there, the annual savings from \$50,000 to \$100,000.

[00:41:56] Where did that range come from? We have a couple of folks on our committee, myself included, who work in related industries. And this is based on historical data. So ballpark based upon your professional experience for school sizes of VARs that have done this before?

[00:42:16] Correct. Yes. Very good. And then I guess that ties in, maybe it's the same answer on slide eight. The utility cost escalation is accelerating up to 6% increase in 2026. Where did the 6% number come from? That actually came from John Thuma.

[00:42:32] Okay. That's his estimate. Very good. I had actually ballparked it at three to four. And he said, nope, it's going to be six, at least for next year. Okay. And then on slide 11, the graph, the 10 to 25, those are the years.

[00:42:51] Is that accurate? Oh, correct. Yes. I'm sorry, that's not labeled. But, yes, that's annual. Yeah, that's the years. And so I just want to make sure I'm understanding and reading this correctly. On the far left, in the negative \$2 million to \$4 million, that's what we would start off with in the investment. Cash flow, right. And then by year 10, we'd break even.

[00:43:07] Right. and by year 15 or maybe 13, we would start to see an ROI. You would surpass the savings that you would have gotten from the PPA, and then you hit that total breakeven point considering time value money, somewhere around that year 13 to 15.

[00:43:27] Okay. Thank you. You're welcome. Ms. Hutchins, quick question on the LED, the cost outlay. So you're talking about the savings of 1.5 to 1.7. Correct. And then I think you were talking about some creative funding.

[00:43:44] I remember hearing those. But do we have a number for just, boom, here's cash, we're going to be loud, and let's go for it. What is that number? Yeah, thank you. I meant to mention that. We think it's somewhere in the \$14 to \$16 million range for a capital project, and that is a district-wide interior that's based on some pretty high-level assumptions, but we've talked those over with staff here and also had a very good conversation with Clay Bowles at the county and sort of come to an agreement on, yeah, we collectively feel like this is a pretty good target range for what the county needs.

[00:44:25] And I have one more question. Sure. This is a little bit naive, so please bear with me, but we don't really smell exhaust on the roads anymore. Right. And I'll be driving on the road, and I'll smell exhaust in my car, and I'll think, what's happening? I look up and there's an older vehicle in front of me, right? So I'm assuming that that idea is true with school buses. So the newer school buses, or is it just diesel smells or are newer school buses also going to smell a little more? Your instinct is right. Newer buses do have better

[00:45:04] technology that reduce emissions that that can be considered harmful diesel itself is inherently more there's more particulate meaning more stuff that floats around that can stay closer to the ground so it's something to consider in general your your instinct is right though newer buses should help us avoid some of those problems miss chatters i love it all these questions well i was waiting for you to come back up too. I will talk all day. So please keep asking. So my question is

[00:45:40] regarding the slide that we're on right now. And I was going to ask you, when you say efficiency as a service model, which could offset the cost entirely, are we saying that if we do the project 14 to 16 million, let's say we do that, does that mean that we become the example for other people and that's why they would offset the cost? Or are we saying, like, I wanted to understand how we're offsetting the cost by being a service model yeah in in the as a service model a the company that you would contract to do the work brings the financing so there's no out-of-pocket

[00:46:14] money from the district either in direct capital purchase or a lease purchase bond anything and no borrowing of any kind the money would be provided by for the work would be provided by the company doing the work and then they would sell the district that service of lighting the buildings over, over the term. Um, and when this want to make sure that I've, uh, I've described it thoroughly when we say

offset entirely, what that means is the, from day one, the project would be budget positive to the district. You would save more in the first year than you would spend in service

[00:46:51] payments for the work. And that continues throughout the entire term. Uh, committee feels like that term probably could be somewhere between 10 to 12 years. The lighting product is going to last 25 to 30 years. So after year 10 to 12, the district is free and clear of the service contract and all the savings go straight to the bottom line.

[00:47:14] Quick side note, those savings can also be monetized in the same model to try to address other capital improvement projects and in the same model, meaning you could address some of those without debt burden or capital purchase.

[00:47:32] Thank you. I just wanted to make sure I understood, and if you would explain it one more time for everybody listening. It's pretty complicated, and it's a different way of purchasing for sure, and it deserves a lot of explanation, and we feel like it's worth considering, but we are more than happy to continue the discussion with any follow-up questions you might have about it.

[00:47:50] Thank you. Certainly. I love all the questions. Me too. I'm privy to being in the meeting, so I don't have any questions. I just have a statement to Jason and to you, Justin. Thank you for your dedication to the ESEC committee.

[00:48:10] This is one of the most thorough committees when it comes to what ideas you want to bring to the board and all of the research and work that you put into it. It's very thoughtful and great, great work. Thank you. I really appreciate that.

[00:48:25] A lot of times I leave the meetings feeling like we haven't done nearly enough. So thank you for sharing that thought. And thank you for your continued support of the committee. Thank you. Happy holidays, everyone. Yes, happy holidays. Next, we have a finance update on the 2025 VRN from Mr. Meister.

[00:48:54] Good afternoon, Madam Chair, Vice Chair, other members of the board. Handful of things we'll cover here this afternoon on the finance update. We'll give you a quick preview of the 27 budget overview from our perspective.

[00:49:12] You heard Mr. Harris talk a little earlier from the county. I'll round out that story with our early thoughts on that process. Then we'll go back in time to last year and close out FY27 or FY25. Then we'll talk about a few other things that are related to both, mostly around funding CTC health.

[00:49:31] So with that, budget timing, where are we? We are in the middle of three separate budget processes to keep you in the public square on that. You see we are ending last year's budget, FY25. so we went through the audit process and completed the review of the financials and have results to share based on that, and we'll have some funding to allocate here tonight.

[00:49:57] Roughly \$22 million, so a good chunk of money, and we'll talk about that in a few minutes. Needless to say, we're in the middle of the existing fiscal year 26, and we're spending and educating kids and doing all we're doing there. We're not going to talk much about FY26 today, but important to note that that's there.

[00:50:15] And we're going to sort of formally kick off the FY27 budget process here today. Obviously, the actual kickoff of that comes with the budget presentation from Dr. Murray and myself in late January, but

we'll give you a little bit of things that we're thinking about with respect to FY27.

[00:50:35] So what does that process look like? It begins for me, Denise, and our team pretty much right as the fiscal year starts in July. We've been working tirelessly over the last several months, working with departments, collecting white papers, understanding what the needs are across the division.

[00:50:53] We're in the process now of consolidating that and pulling that all together for your consumption in January. We'll look forward to that presentation in late January. I think it's the 22nd. From there, that rolls into a series of both work sessions where we'll come in and dig a little bit deeper on certain topics, compensation, operations, et cetera.

[00:51:17] Standard topics we'll come back and talk to you with. Parallel to that, we'll also go out into the community and have our town halls where we'll hand the same presentation to our community members. We encourage you, the community, to please engage in those conversations.

[00:51:33] It's a great opportunity to get your questions answered real time in those sessions. That all leads to eventually the late February school board approval of the budget, different from adoption, school board approval. From there, that approved school board budget gets handed off to Mr. Harris, Dr. Casey, and the county.

[00:51:54] They go through their process over the course of March. All the while, the state finishes their process. We actively wait, and then we'll come back in May to June to finish that process. All that sounds somewhat reasonable until you take a step back and realize what that means for our revenue picture.

[00:52:13] So we're creating a budget while we are largely unknown what our revenue story will ultimately be. So we got the first note of the state budget just yesterday when Governor Youngkin came forward with his proposal.

[00:52:30] I'll talk a little bit more about that on the next slide. That really kicks off the state process. That will roll forward Governor-elect Spanberger, and we'll see that to conclusion. That process has run as late as end of June.

[00:52:47] In recent years, we're hoping for something sooner than that, so there's a bit of a question mark on when that line ends. As I mentioned, the county process kicks off pretty much immediately following ours, although as Mr. Harris said, there's a lot of active work going on with that process even now as we speak. So you put that all together, we're going to present to you a budget in January where we're going to have an estimate of what that revenue looks like. What's not on here that I will put on eventually with the January process is the federal process. That's even more delayed

[00:53:21] here. That hasn't been an issue historically, although recent findings have suggested that there may be more risk with our various title fundings than there has been historically. We won't know the answer to that throughout this process. That will be later in the year, even still.

[00:53:39] So we'll continue to monitor that one closely as we go forward. But suffice it to say, the revenue story will come together later than the expense story, and we'll come back and try and make that all make sense to the board before we ultimately adopt the budget after that county process wraps up in, call it March, early April.

[00:54:01] The metaphor of this year is cloudy. We're going to stick with Cloudy for a little while here. I mentioned federal funding. I'll start there really quickly. As I mentioned, there was some uncertainty on

the current federal administration and their willingness to fund certain title funds this past year with the continuing resolution.

[00:54:20] We've gotten comfort that this year that those funds will be level funded, although I know that that is uncertain going forward. We'll see where the federal government funding process rolls out with that, and especially as some of these K-12 grants get shifted around out of the Department of Education.

[00:54:38] We'll be monitoring that closely. I will say for the board here and what we'll eventually say in January is I am certainly not going to know the answer to that question when we go through our budget. I will propose a grant budget that looks probably pretty close to level funding from what it was before.

[00:54:55] That's where we wound up this year. That's what I'll assume as we go forward, but that's one of the items that we will need to continually monitor, have some contingency plans in place if something odd happens. That is definitely a new risk this year that we haven't historically had to deal with, but we will actively monitor that. The next thing I'll talk about on here is a few of these clouds related to the state. You see the state election there. I've already alluded to the big impact of this is that the budget that was just released yesterday by Governor Youngkin, And he will not be the governor when we see this thing through.

[00:55:30] What Governor Alex Van Berger and the House and Senate do with that is still very much to be determined. What we do know out of that is with respect to the new biennium, or we will know shortly, is some of the impacts of that.

[00:55:47] What comes with the new biennium is largely two things for us. It's an update for our local composite index, which basically says how much is the Chesterfield County locality responsible for, how much is the state responsible for relative to the base funding levels.

[00:56:07] Good news, or at least lack of bad news, is that is flat. Only a 0.01% change in that, so no real impact to LCI. So we'll consider no change good news there. The other thing we learned from the new biennium is what is commonly referred to, and you heard Governor Youngkin talk about this yesterday, is re-benchmarking.

[00:56:29] What this looks at is essentially the slew of underlying assumptions that make up the state funding formula, teacher salaries being the main one. that generally winds up being positive it is a estimated over the biennium of give or take a billion dollars across the state over two years for the cost of re-benchmarking hence it tends to be positive what the impact will be for chesterfield county we'll need some time to figure out the state will need to come out with what they call the calc tool that's usually out

[00:57:03] sometime over the holidays we'll dig deep into that and take a look at that so from that side we do know a few things. The other piece, as we talk about what Governor Youngkin talked about yesterday, is he did mention in his talking points a 2% raise being assumed at the state level for teachers and other support positions, so that will be at least the starting point for the wage conversation at the state level. And the other item, Mr. Smith did the digging on this, it wasn't talked about, but I'm happy to report that continuing funding for our Recovery Academy

[00:57:39] he was included in his base budget of \$500,000, so we know we were anxiously awaiting that to ensure that that was there, so that is in fact there, so we're happy about that. Outside of that, not much else I can say in the state. We're going to digest that as we go forward, and the good news of this meeting being

delayed, I'm able to say a little bit more today than I would have been last Tuesday on that piece, but that's more or less where we are on the state.

[00:58:06] Several other clouds here that are worth mentioning at least a little bit. I'll talk mostly about that one in the upper right, all-in cliff. If you remember a couple years ago, the state provided us with just over \$22 million in one-time funding to support absenteeism, learning loss, and literacy work.

[00:58:28] We've been working through that. We've got a lot of important investments in that. That funding expires at the end of this year, so there are certain items that we will need to be mindful of as we roll into next year's budget as to whether we continue them and how do we continue them relative to our operating budget.

[00:58:46] Other items on here, debt service, major maintenance. Mr. Harris gave you a pretty good update on that. Those are things that we'll need to continue to watch for. Overall economic uncertainty, always there. It's a pretty important one. The two sitting middle compensation and special ed costs have been items that have continued to cause us to pay close attention.

[00:59:09] We know we need to continue to lean into compensation, and I'll be the first one to say it here. I don't think 2% that the state provided will be enough. We'll see where we are able to afford at the end of the day, but we know that that's an area of great interest to the superintendent and the board as well, and we'll continue to look to that one closely.

[00:59:29] Special ed costs continue to increase, not just in CCPS, but that's across the state, across the country. We'll continue to monitor that one closely. That is an ongoing item that will not go away anytime soon. So what does this all add up to?

[00:59:45] FY27, obviously year one of the biennium. I've talked a little bit about that and the changeover in the administration. We'll watch that. But what I want to make sure I leave the board with here is a continued understanding that the superintendent, myself, and a recognition that your priority will continue to be compensation and making sure that that becomes a key focus, not to minimize any of those other clouds or any of the items that Mr. Harris talked about relative to construction.

[01:00:11] We recognize that there are priorities there as well, but compensation will continue to top the list just given the overall magnitude of that one as we go forward. So I'm going to take a step back and look at FY25 for a moment.

[01:00:26] I mentioned that \$22 million number when you take into context of give or take a billion-dollar budget. It's about a 2% variance, so not a massive amount when you look at the overall budget, although \$22 million is a fair amount of money to look at as we consider what to do with it.

[01:00:43] You can see where that savings came from by a major area. No real change in revenue. The bulk of the savings in instruction, quite frankly, that's where the bulk of our spending is. Teacher vacancies, other items there, making up the bulk of that instruction savings.

[01:00:59] A little bit of savings in transportation and operations as well leads you with that \$22 million. So what do I propose to the board to do with that \$22 million? FY27 one-time funding of \$7 million as the first chunk.

[01:01:16] In our FY26 budget, we had 8.8 of this one-time funding assumed. This was north of \$10 million going back a few years as we've tried to continue to keep pace with compensation primarily. This is

another step in the continuing reduction of our reliance on one-time funds.

[01:01:34] I would be challenged to come to the board and say to take 8.8 down to zero. So I feel obligated to provide some funding here and not create a massive hole in the budget. So creating a just under \$2 million step down in one-time funding leads to the first allocation of that \$7 million.

[01:01:54] You heard Mr. Harris talk about debt and the ongoing need to continue to fill this debt reserve. We've got ample capacity, but the ongoing affordability, essentially being able to make that mortgage payment, is important rather than continuing to burden the ongoing operating with what I hope to be a bit of a bubble with things like the high school coming on board, the more money we can put into this debt reserve, the better off we'll be to help manage that essentially mortgage payment bubble as we go forward.

[01:02:25] So I would propose to the board to set aside \$8 million for that debt reserve. Next one on this list, CTC Hull renovation of about \$3.1 million. I've got a couple slides on that later. I will only say here that \$3 million helps fill the remaining gap to complete that project.

[01:02:43] And I'll talk more about that later. The last one on here, replacement cycles of \$4 million, which I'll talk about on the next page, which is really where we take another step toward trying to close some of those primarily technology but also vehicle gap.

[01:03:02] So of that \$4 million, I propose to the board to spend the first \$2.5 million on staff laptops. The key stat here, if you can see in the middle of that blurb, is approximately or just under 80% of the division staff laptops will be Beyond Useful Life at the end of next year.

[01:03:19] Let's not have too many laptops Beyond Useful Life in teachers' hands, et cetera. So let's put some money into that and ensure that our teachers have devices that work so they can be as effective as they can be in front of the students. The next one, you see that just under 80% number again, intercoms running Beyond Useful life here half a million dollars would support two to three depending on size of school intercom upgrades that'll help move that forward classroom projection another half million there don't quite get to the 79 percent number on this one but 38 percent of the classroom displays will be beyond useful

[01:03:57] life next year this would replace about 230 of those units as well again leaning into that technology in the classroom and the last item on here relates to vehicle replacement. You hear a lot of talk about school buses. Dr. Wattica will talk about that as well. We have a number of other vehicles across the district to, quite frankly, get the job done, both in Mr. Thuma's shop and elsewhere. You can see that we have over 100 that are over 15 years old, 25 of them with mileage over 200,000. That's a ticking time, you know what, as we look here. This, just over half a million dollars, would purchase about eight vans. It's a

[01:04:36] small dent, but it's a step in the process of trying to more modernize that particular fleet as well. So with that, I will share with you this evening the formal memo to request that allocation of those funds this evening. But a big piece of that that I mostly skipped over, only because there's a lot more to it than just that one-time allocation, is related to the work being done at CTC. So what are we doing at CTC Hull? As a reminder, this is a graph that Chad Macklin talked you about a little while ago, which talks about the phasing of the programs. You see some of the

[01:05:13] amazing programming that is going into our CTC Hull facility with this renovation. We'll do it in two phases. We'll have an operating portion of this that we'll talk about as part of the budget to actually pay for the teachers and curriculum for it. We're not talking about that here, but this is really all about

getting the building ready. This shows you what will go in there, business, IT, hospitality, health science, a lot of fantastic programming phased in over the next two years starting next fall which means we've got a ticking clock here as well so how much is that going to cost our estimate right now is just a hair over 14 million we'll see what the contract

[01:05:51] comes back at but we're pretty confident that we'll be right in this neighborhood so how do we afford that when we started this project and we first ideated we had a year-end saving similar to what we just talked about earlier and part of that process several years ago we set aside three million dollars for that. That's the first piece of money. We knew that was not going to be enough to complete the project, but that was a start to the project. Now that we are at the point where we are needing to find the full 14, it's time to come to the board and talk about where that is coming from. The first area and where we're anticipating a good chunk of that

[01:06:30] coming from is project savings. As we complete various school buildings, we take a look. Dr. Wataka and his gang, John, check all the boxes on what's done, and you, at least as long as I've been here, there's been money left over at the end. You can see Seekla and Mosley are pretty much done. Let's check that box all the way off. There's just about a quarter million dollars in those two projects that we can officially close and move that money. The other big chunks are in the middle school projects. Both Falling Creek and Deep Creek have plus or minus two and a half million. One's a little bit more, one's a little bit less there that is available that

[01:07:08] we're confident that we won't need as those projects are obviously complete. They've got kids in them. We still have checklists and we're working through that. So there is a couple dollars left over to handle anything that may come forward, but we're confident that that \$5 million across those projects can be reallocated to the CTC Hull project. The next one on the list, all-in funding.

[01:07:30] We've talked about that as a cliff going forward. One of the big pieces of that was tutoring. Over the last couple years, we've allocated as part of our plan significant funding toward tutoring. Unfortunately, we have not been able to spend all that we have set aside, whether that's because of teacher availability, whether that's because of take up of the various digital tools. We have seen a lot of use, just not as much as we had set aside. So we've got about \$3 million left over from previous years. Use of that all in funds that we're going to choose to allocate towards CTC Hull and last that \$3.1 million of the year-end allocation to get to

[01:08:09] our \$14 million here. I won't spend a lot of time on this page, but this is just a bit of a cross-reference. You see two different memos. We'll piece it together between the year-end funds and an item on your consent to shift some money around as well within that all-in money to close this piece of the story to allow Dr. Wadick and John to really hit the ground running in January on CTC Hull. So with all that, I've got two memos for you this evening, one on the year end and one on consent about some certain appropriation changes relative to CTC Hull, and I look forward

[01:08:48] to coming back and talking about those in a few hours. But with that, I'll turn it over to you, Madam Chair, with questions. Thank you, Mr. Meister. Board members, any questions or comments? Dominique. Hi, Mr. Meister. Thank you so much for that presentation. I do have three questions starting on slide nine, and you mentioned it's about the instruction savings, the \$19.5 million.

[01:09:15] You probably don't have the answer on top of your head, but I just wanted to know, it says staff vacancies and lower benefit costs. Can you break out that \$19.5 into those two areas at some point? I

certainly can. The benefit cost is primarily just related to the staff not being there and related benefits on their piece but I was just trying to figure out how much of it is staff vacancies if that's that breakout is possible I mean nearly all is the short answer right it's either staff vacancies or costs related to their not being here which would be the benefit costs associated with that open season we just did so that's that's not related to that no okay

[01:09:53] gotcha the next question is on slide 11 and it's about the intercoms and the class projection so I we don't have enough to do every one does that mean there's been a list created on how those upgrades for the intercoms get given out to the 67 schools that might be in line for it and then that 230 units being replaced classroom projection i was looking for the denominator for the 230 so 230 out of that like classroom teachers do we have it's probably a reasonable proxy uh not i don't i don't expect you to have those i'm just saying that's but i would just be curious what's

[01:10:32] the denominator, so I know how much more. If 0.5 covers 230 and we have 1,000, I'm just doing, trying to figure out the math. Probably closer to 7,000, but yes. Okay. Yeah. You said 700. Seven. Give her six, seven. Sorry. Couldn't resist. Oh my gosh. I'm sorry. I am really sorry.

[01:10:55] She prompted me, I swear. Okay. But to get to the spirit of your question though, I'm working closely with Ernie and his team on this list. I know he's got that. I don't have it. It's my fingers chipped. If it exists, I just wanted to take a look at it. And then the last question is on page 14. We talked about the middle schools.

[01:11:18] Are we saying that we have money left over to put into CTC Hull because we already have money put aside for athletic fields for Falling Creek Middle, for example? We do not have funding identified yet for athletic fields.

[01:11:34] It's one of the items working closely with mr harris to ensure we have funding for so do we want to give the 2.7 million to ctc hall if we need it for i'm just we will we will be sure that we work with the county to fund the athletic fields without this 2.7 we are delayed a year on ctc hall sounds like to me it's based on a priority of time timeline right yeah we need this money now for ctc hall so that we can complete

[01:12:09] the bid where the whole or the field we have a little bit more time to work with the county to fund secure because we'd have to demo. Okay good question thank you. I was just making sure the community understood that we're not finished with Falling Creek Middle School but we have a plan to finish Falling Creek Middle School even though we're going to give this money. Yes and you'll see that block on Dr. Wattica's presentation in three minutes. Thank you. Mr. Baranto. Thank you.

[01:12:41] Don't want to put you on the spot, so if you don't have the answer, not a problem. Do you know, per each percentage increase for salary purposes, what does that cost us? This is not a joke, I promise, \$6 to \$7 million.

[01:13:00] Okay. Okay, let's just get it out of the way. Hands were firmly on the podium. Yeah, got it. Thank you. Thank you, Mr. Meister.

[01:13:15] Thank you. Next, we have an update on the ERP modernization project from Ms. Aldis.

[01:13:34] Good evening, Madam Chair, distinguished board members.

[01:13:53] If you're having a good evening, and thank you for your time, for allowing me to give you an update on our ERP. Just a quick reminder, ERP is a software that basically is comprehensive software where it can support many functions of an organization, so say from hire to retire, from people to procurement, from learning to leave, right? It can cover all the functions, or most of the functions, maybe not all the functions of a school system, but most of them. And so this is the system that

[01:14:33] we've been working on for several years now, and this is a real-time update. Just a reminder what our vision was, basically to promote self-sufficiency for folks to be able to, sorry, we're really close, it's been some long days, so it's device neutral, you can access it on any device, anywhere, no longer on the school's network or VPN, so that will open the access up quite a bit.

[01:15:10] Self-service, so we want the employees to be able to do the things for themselves, which will also help with a lot of administrative tasks that we have today we will also reduce plenty of paper but anyway and then we have all these goals that will long game help us move to a more efficient more effective data-driven organization with plenty of insights while we have hit these goals in some most of our functional areas there's definitely room for

[01:15:43] improvement that we will continue to seek these efficiencies in the future some major milestones and again very much real time so in January of 2022 this is three years ago we started this project where we hired a consultant to help us investigate all the ERPs that were out there in December of 23, we selected Accenture as our consultant and decided to move forward with Workday as the ERP.

[01:16:15] In August of 24, we shifted from the Big Bang implementation to a phased approach with FIN going first, finance going first, HCM going second. October of this year, we did go live with our financials. On Monday, that's this Monday coming up, we do go live with our HCM, which is also probably indicative of my appearance and my countenance right now.

[01:16:43] And then in 2026, looking forward, Phase X, again, we were quite ambitious with what we attempted to do with this project, and I think it's better to set high goals and strive for them and maybe fall a little bit short.

[01:17:01] So totally okay with that, but 2026 will present opportunities to just improve upon or springboard from the efficiencies that we will gain from this project. Okay, so financial go live, the status and outcome of that.

[01:17:17] So we did go live in October of this year, and I think you'll see by the statistics that are on this screen that adoption is taking place. So these numbers were as of, I think, October 9th, so they're a little dated, but still pretty relevant, right?

[01:17:36] So over 3,500 purchase orders have been processed. Last I checked, it was over 10,000 supplier invoices and I think about 3,500 expense reports. We also implemented the use of Incident IQ, which is the ticketing system that our current IT department already uses for capturing and categorizing our issues so that we could find commonality and work with the county for a holistic solution.

[01:18:08] And we're sharing those results with the county weekly. Lessons learned from our FENGO live. So one of our little stumbling points was security, whether the proper role was not created or assigned.

[01:18:23] And so I literally left a security meeting right before this where I met with all the timekeepers on the fourth floor. It was a rowdy bunch. to attempt to ensure that our security was as accurate as we

could have it for go live.

[01:18:40] There's nothing more frustrating when you're supposed to be able to get into a system and do things and you can't, right? So workflow confusion, I think this is to be expected. One of our goals was to align business processes, schools and county where possible.

[01:18:55] And we did. We tried. In many cases, we thought we had it. But when rubber hit the road, maybe what we call a manager might be slightly different than what the county calls a manager. So we had to make some tweaks to those workflows.

[01:19:11] But I will say that the county has been very accommodating to modify the business process, to write those if-then statements. Sorry, I'm getting a little technical. All right, so the logic, they're implementing that logic to allow us to customize our definitions of managers, if you will.

[01:19:30] So support approach. Again, we're using a ticketing system, which helps us categorize, and so that we can come up with consistent messages to reply. We have also been very transparent asking for patients.

[01:19:49] We have a limited amount of resources working on this project. We're all stretched pretty thin while also trying to implement phase two that was thin, Ask a little patience because we're now working on HCM, which is just as taxing, right? But one of the things that we have been doing is offering office hours for initially just financials.

[01:20:12] And then we started seeing some patterns. And so we refined those office hours to target expense reports or spend authorizations or purchase orders or supplier invoices, right? so that we could drill into the nitty-gritty to help the end users feel more competent and confident in their work.

[01:20:32] And then, finally, reporting challenges. Data and financial data in Workday is very different than financial data in most of your typical accounting systems. It's a different form of accounting structure that my folks in finance who play with numbers all the time would expect.

[01:20:58] It just looks different. So it's taken some adaptation to the way of thinking and also to extracting that data through reports. But we have a consultant, a dedicated reporting consultant, who's been working with both county and staff to refine and create those custom reports.

[01:21:16] We're not letting her do all the work. While she is doing those reports, we are actually learning right beside her so that that knowledge is transferring with the production of those reports so that we can continue with those custom reports and modifications because we know that's just for FIN.

[01:21:36] And when we get to the HCM side, that's going to be a requirement as well. So focus, December 22nd, again, that's Monday, and we did some stuff to prepare for that. So there were some transaction freezes in HR.

[01:21:55] Thank you, HR friends. So from November 8th through January 2nd, we've kind of put a freeze on changing some of the personal information, contact, emergency contacts, that sort of thing, because we are now paralleling. We have things going on in both systems.

[01:22:11] Again, same resources on this project are keeping the other boat afloat, right? So also from December 20th through January 5th, there was a job posting. Well, we took it down, right, or it will go down, and that will also help with the transition period because we do go live on the 22nd.

[01:22:36] So it's migrating those in process over to the new system. Time tracking. So it does go live on Monday. This is not the best time to go live. We understand that. We've been as empathetic as possible.

[01:22:52] One of the things to celebrate is it's not our entire 14,000 employees. It's only 1,400, give or take. And we have had multiple sessions, communications, trainings to prepare our folks, mitigation plans on what will happen if folks can't record their time.

[01:23:13] I'm happy to report that teachers do not have to do a single thing over break. So, again, we'll celebrate that. In fact, we had a training today, a two-hour training for our departments today, and on Tuesday we had a two-hour training for our schools because there are a handful of folks at the schools that are 12-month employees.

[01:23:34] And so, again, we've given them very specific instructions on what to do over these next two weeks. We've made some accommodations so that they can submit it all at once, not have to do it a week at a time. And again, we have mitigation plans should someone not actually submit their time.

[01:23:54] And then supporting the transition again, we've had those office hours. They haven't stopped since we went live with FIN. We started HCM, or specifically time tracking, at the beginning of November. We've had those twice a week, every week.

[01:24:11] And then, again, we followed up with a training refresher, two-hour training refresher on Tuesday for schools and today for our departments. Workforce readiness, it's almost like I was thinking.

[01:24:26] So, again, training, original timekeeper training was September, refresher today, and Tuesday this week, just in time, right? Refresh it, keep it current, and then I met with fourth-floor timekeepers, again, for another hour and a half to get them comfortable.

[01:24:44] they support a lot of the 12-month employees it's our largest group and so I wanted to make sure that they had what they needed so that was a that was a good meeting employees online learning was assigned this December by assigned it is on their recommended list so every single employee received recommendation for the employee specific impact you learning and then managers also received a secondary now inside those those impact you courses were

[01:25:19] videos time tracking videos each of them under five minutes that were targeting very specific audiences we did isolate those videos because they are just quick hits and that's what people are most interested in and so those have been distributed you know we've canvassed every communication medium we've put them in their hands independently they're also on the training hub went over how they could receive them again today forced everyone to watch them again today our timekeepers in both Tuesday and Thursday so we do know that every timekeeper has seen these videos knows how they can get their

[01:25:56] hands on them and distribute them to any employee who has questions and I think I've beaten that one pretty good so what will employees learn on that self-service impact you is some navigation time tracking personal information stuff about their career and benefits so it's right basically just acclimating acclimating them to this system getting them comfortable with it but I think once the dust settles I think we'll hear a lot of compliments about just how intuitive the system is compared to the current system for managers again we're focusing on approvals team management

[01:26:36] recruiting accessibility but ultimately what we're looking for is for managers to have greater insights to people that they do manage so that it's informed decision coaching managing of their

employees so on the conclusion we have successfully implemented the fin it's not that it's been a smooth road but it's getting smoother every day and we are very excited about the future of going live with HCM and I think we will experience some relief from not having to maintain two systems

[01:27:13] right so right now it's pretty taxing if I'm being honest so we're looking forward to that and then to really digging in and optimizing leveraging the advances that come with this system and once again future focus phase x once again once we get into a pattern and a cadence of consistency and stability, we'll start launching into additional efficiencies.

[01:27:41] And with that, I'll open it up for any questions. Thank you, Ms. Aldis, for that presentation. I know it's been a long road. A little long. Yes. But I thank you for all of your work and your team's work to get us this far.

[01:27:59] Absolutely. Board members, Ms. Chatters. Good afternoon. I just want to say first I empathize with what you're going through fielded SAP for the ERP that I had to do been there done that yeah so I fully I fully understand I did want to also thank you because of one of my questions about customization that was an issue for us and I heard that you're watching how they do it so that you can do it yourself because every time we customize every time there's an update we have to re customize and it costs money and so I'm glad to hear that you're you're aware of that and we're learning how to

[01:28:35] to do it ourselves so we don't have to continue to pay them and I love the micro learning that you that you established with impact you because we write we don't have the attention span of a gnat and so we need little bits and pieces and I appreciate the work that went into making that happen the only other question I had was you didn't discuss it but I'm sure you have when I just be you know ERP nerdy here asking about your OCM plan because it sounds like you've met some resistance and you've had to figure out how to navigate that. So I would just be curious. You don't have to talk about it. I just wanted to, for those of you, the organizational change management plan for how we convince people to do things that are

[01:29:13] going to benefit them and drink the Kool-Aid. So I'd be curious. I'll give you the cliff note version. So I'm actually the OCM lead. And when I hit pockets of resistance, I invite those individuals to come help me, come sit with me, help me figure this out. And then, and I won't mention names because because we've already because i've i'm down that rabbit hole with several people i have um we have at least seven different industries nested inside of the school

[01:29:48] system and they each have their own business processes and business needs and so i i have to find um my tough nugget in each and can i can convince them i've got everybody right so i do have individual I have a 630 meeting with on substitutes on Monday and I have a 630 meeting with trans facilities on Tuesday they work early I can meet their schedule to understand their needs and their concerns and address them and if they feel that I'm listening which I will be

[01:30:26] listening and not not just feeling but we can get through the bumpies right as long as they know that we're in their corner, ultimately working to get them there. Thank you. The Iceberg is Melting was my favorite book to help convey that message.

[01:30:43] All right. I think I have that one. Mr. Perranto. Thank you. Paula, I don't have any questions for you. I have someone that has been in your shoes in regards to ERP, and I share with board members, my company has gone through that and then coming to board meetings and enlisting to the school's ERP.

[01:31:05] it's been rough okay it's been rough uh however i greatly appreciate all the efforts you know there's a lot of folks behind the scenes they're doing a lot of things that the general public is not aware of and just to make the lights come on and things flow as seamlessly as possible and that's thanks to many folks including yourself who are leading by example in many different avenues and fields so thank you it is it does not go unnoticed well thank you Thank you for everything.

[01:31:43] You have been coming before us for quite a long time. I have candy up here. I really want to throw it at you. I feel like you need a little perk me up, but you have done. I almost stole Lottie's coffee on the way in. All right, you're set. You guys are doing a great job, and every question I've ever had, you're like, boom, boom, boom.

[01:32:04] Either you've already thought about it, implemented. It's just, I'm very impressed. So I just only have one question. In the schools, you say managers. The managers, blah, blah, blah. Who are the managers in the schools?

[01:32:21] Sure. So interesting. There's something called a soup org. That's the short hand for supervisory organization in Workday. And what that is is basically everything is organized in Workday.

[01:32:37] So when they say soup org, they mean how things are organized. So, for example, like a hierarchy or an org chart, if you will. And each soup org has a manager assigned, and that's their title for the soup org.

[01:32:59] But it's not necessarily their title. So, for example, for every school, the principal is at the top or the manager of this soup org. Now, under the principal, we have a soup org that has the building operations supervisor as the manager of that soup org.

[01:33:22] And so it's a nested, drilled down, if you will, relationship so that you can carve off different groups to report to different groups. Now, we're in our infancy right now where you're like, really, those are the supervisory orgs that we have at a school.

[01:33:39] But if I'm thinking about a high school long game, right, you might take your chairs, your department chairs, and they might be nested under the principal, and then they might have a group of teachers reporting to them so that the finger on the pulse of management is closer to where it's happening, boots on the ground.

[01:34:00] And the closer we get to actually touching the activity, the more effective that information will be to drive our actions right and that's the ultimate goal but right now we're sitting at 600 supports just with where we are and so when we start to journey down that um it won't be without a lot of conversation and um analyzing what it will take to maintain that level of detail right but i do think that would be ultimately where we would get the biggest bang for our buck with our

[01:34:38] human capital that answer your question that's exactly that i didn't say that that's literally what i was asking um and that's you you proved the point that i made just now so thank you well done and yes that's that's exactly right because you don't want a classroom teacher to have to go run into the principal every time there's an issue so of course you've thought of it well i was the teacher at the i know the very end of the right i was at the furthest end of the building from the principal there you go yeah it's way too far to run yes thank you thank you so much thank you

[01:35:13] Paula thank you next we have an update on the capital improvement plan from Dr. Wadaka well good afternoon everyone it's so good to be with you to talk about really what is my favorite topic to talk about and that is our capital improvement plan here at Chesterfield County Public Schools and the reason that it is my favorite thing to talk about is because really I believe the capital planning and the work that we do in construction is really about high quality instruction.

[01:35:47] It's about creating a high quality learning environment for our students. So if our teachers and our principals are worried about the roof leaking or the heat is not working correctly, then they're not able to focus as much on instruction as we would hope they would be. And so our goal is to try to create the learning environment that is best as it possibly can be in our community and provide the opportunity for teachers and students to do the best that they possibly can.

[01:36:11] So this presentation is divided into three parts. The first is a celebration of some of the great work that's going on right now and some anticipation of future work. The second part is a little bit of an opportunity for us to, we'll say, solve a couple of puzzles that we might have here in the school division.

[01:36:28] And then we'll finish up with another, again, celebration of some great work that's going on to help our community continue to be great. So I am respectful of the time. I know you have another presentation after this, so I'm going to zoom through those number one, number three sections for you. But please feel free to slow me down and stop me if you want to talk a little bit more about a particular topic.

[01:36:46] But I do want to make sure that you have time to hear about the Recovery Academy as well. But before I get into that, I do want to just talk a little bit about the environment that we do capital planning in. So when we go out and we say, hey, we're going to do a construction project, we don't do that in sort of a vacuum.

[01:37:02] We don't say, hey, I really like this principal, so we're going to build a new school here, or this is a good part of town, so we're going to do a renovation of a school. We do have really robust policy guidance in school board policy about how we make the decisions that we do in terms of capital planning for the school division.

[01:37:22] That's policy 7240. So I'm not going to read all of these policy goals to you, but there's a couple of goals in there that are particularly appropriate for this conversation that, as we move forward, we'll continue to take some time to talk about. So the first one there is that we want to provide permanent classrooms throughout the school division and take into account long-term enrollment.

[01:37:42] And we want to make sure that we're also thinking about how we care for the buildings that we have. And so when we think about the work that we've done, we've done really, really incredible work. There's a lot to be proud of in Chesterfield County in terms of sort of building new schools.

[01:37:57] But we also want to make sure that we're really thinking about how do we care for the buildings that we have so that they are able to serve our community for the long run. If there's one thing that I might add to this policy, and nobody has asked me to do that, but if I might add something to this policy, it's that when we develop long-range financial plans, excuse me, I just gave it away, when we develop long-term facilities plans, we really need to be thinking about developing a long-term financial plan that's associated with that work.

[01:38:26] So you've heard from Bob, you've heard from Matt tonight, great partnerships, as they've both said, about the work that we're doing. But what we want to do is say, you know, it's really easy to say, we need to build, you know, five new schools every single year. And that sounds really good, but the work that we do and the partnership that we have with the county has to really be focused on, can we actually get this work done? Is it the responsible thing to do both for our community and financially?

[01:38:47] And that's the word we're doing. So that's the sort of the context that we are developing this capital work going forward. So to start off, that's section one. Again, I'm going to cruise through these as fast as I possibly can because you know about a lot of these. But they are really good celebrations as we go forward.

[01:39:03] So the first two projects that we have that are ongoing are Bensley Elementary School and Deep Creek Elementary School. Of course, Bensley is a replacement school on the eastern part of the county. If you haven't been to that site, if you come off the highway, it really looks great in the neighborhood.

[01:39:21] It will be a great addition or a change to the neighborhood as we go forward. Across town at the Deep Creek site, this is a new school that's associated with growth that's on the western part of the county. We are all very aware of that. Both of those schools are on budget and on track for time.

[01:39:38] They both have substantial completion dates of around early May of this year. We have some actually slight deductive change orders, so we're slightly actually under budget. We'll continue to move through that as we go forward as well. So if you haven't been to those sites, it's a little easier to get to the Bensley site, but definitely go see that if you can.

[01:39:56] Very close to the Deep Creek Elementary site, which is, of course, close to also the Deep Creek Middle site that opened last year, is our new Western Area high school site. We have a substantial completion date of June of next year, so fiscal year 2027. Again, we have another year and a half before that school will open.

[01:40:13] I'll show you a bigger picture here to just give you an idea of how we're doing. We have a very small change order that when is a little bit over budget there. But we certainly have that available in funds that are available for the project. We will continue to take a look at some of those site allowances as we move into the springtime. We think we're going to be in good shape as well. So the only issue we have right now with current delivery concerns is related to the permanent electric service. We're working with Dominion Power to get that resolved. It's kind of an easy issue and we're working through that. So just know that that's something that we're working on very hard and is a very important part of what we're doing.

[01:40:48] This is a more up-to-date picture and a little bit easier to see of the site because you probably aren't able to drive out there based on where it is. What you're seeing on the left side of the screen in the foreground, you see the auditorium, then you see the auxiliary gym, and then the main gym. And then on the right side, you'll see the classroom wing, and you're starting to see steel go up on that side.

[01:41:07] So great progress, lots of work to continue to do. And so we're looking forward to that process going forward. I've said it this morning to the county citizens' budget advisory committees that very rarely does a community actually get to build a new high school, just in general. But certainly adding a high school and building a new school community is really exciting.

[01:41:27] It just doesn't happen very much in most communities. And so I think this is a great opportunity for us to celebrate as well. Bob talked quite a bit about CTC at Hull. I won't go into those details any further, but that project is ongoing. Again, this is a very fast construction project, so we're bidding the project right now.

[01:41:45] Hopefully, those funds are appropriated to continue forward with that, and we will keep going and move forward with that. The next couple of slides are just some future plan projects that are all projects that you've heard about before, kind of giving a status update on where we are.

[01:42:02] You probably read in the news that the Grange Hall site was identified by the county. I think that project, that site will close this month before the first of the year. That is a referendum project from 2022. We also have on this list, this is not a referendum project, but it's a very, very important project as we continue to move forward.

[01:42:22] We started to put some timeframes on this that we're proposing, and that is the addition of the Dale Area Elementary School. And we think that's a very critically important project. We've done some sort of initial analysis of potential rezoning in the area. I think Dr. Murray mentioned at the last meeting that we think, depending on how we do rezoning for that, if that were to develop, we think we could get rid of about 60-plus trailers in that area.

[01:42:45] So that's tremendously important, and I think will benefit that part of the county tremendously. I won't go through all of these just for time, but you're aware of all of those, and we're looking forward to continuing those projects. I'll just take a look at this slide. This is a map, very quickly, of the projects that are sort of ongoing and recent.

[01:43:05] And the point here is that we're doing projects all over the county. There's more projects that are needed, but certainly we need to think about developmental pressures, but also we need to be thinking about how we're taking care again of those buildings that have been around with us for a very long time. So moving forward, additional major construction projects that we'll need to think about in the future.

[01:43:24] Of course, we will need to have some additional schools related to new residential development. Again, also dealing with the number of trailers, one of the major important parts of our strategic plan, and certainly our leadership's goal is to reduce as many trailer classrooms as we possibly can. That will take further construction as we go forward and particularly as further residential development occurs, we know that will occur.

[01:43:46] We also will talk about the need for replacement schools. So I'm going to talk in the next session about major maintenance and that's really important, but there are certain circumstances where there will need to be replacement schools as we continue forward and then we'll need to make sure we have program improvements like we're doing at the CTC at home project.

[01:44:03] So that was really fast going through the current capital projects. How do you take any questions you might have before we move on to the next? Okay. So this is where I need to slow down just a little bit and talk about major maintenance funding. So major maintenance is an issue I know that has been a concern throughout the school division for a number of years.

[01:44:21] I had the opportunity right when I first came to work here. I've been here about five and a half months. I had the opportunity to visit every single school in the county. I met just about every principal

there. And so one of the things that I noticed walking through the buildings, there's a lot of pride, a lot of great things happening.

[01:44:37] But you'll notice that sometimes, you know, it's hot, then it's cold, then it's hot, or, you know, hadn't been painted in a long time, or those sorts of things. And so the building condition in a lot of cases really has an opportunity for us to grow as well. So a major maintenance project is designed to help us extend the useful life of an existing school.

[01:44:57] So the idea here is that we want to make sure that we are taking care of those school buildings so that we provide a smaller amount of funding up front so we don't have larger expenditures down the road. And our goal here is to think about how we might do that. Addressing code concerns, safety and security concerns, physical quality of learning spaces, all those sorts of things that are over \$50,000.

[01:45:20] That's how we define a major maintenance budget. Some examples there, these are rooftop HVAC units that we're doing this year, water heater replacement, boiler replacement. So these are things that are, you know, I'll be honest, they're not that exciting, right? They are very important to the work that we do, but nobody's holding a ribbon cutting for the boiler replacement at Jacobs Road, right?

[01:45:41] I think we can all agree to that. But they are very, very important, again, to the work that we do as we go forward. And the school board, I'm sorry, I didn't change the slide, the school board has had a number of conversations prior to my time and through time about the need to fund major maintenance in a way that is adequate, right?

[01:46:00] And so over the last number of years, the school board has been able to fund a number of major maintenance projects using one-time funds, using, there was an earlier bond issue for major projects. But the goal here is to say that we need to think about how we develop a long-term strategic plan where we are investing in major maintenance projects throughout the school division for the long run, right?

[01:46:26] This is not something we do one time, and it's done. We need to be thinking about replacement cycles. And that's not to say that lists of work that needs to be done hasn't been developed before. That certainly hasn't been the case. That certainly doesn't mean that there haven't been replacement plans that have been identified. But my goal in the conversation today is to say, hey, we really need to say, yes, let's create those lists.

[01:46:45] Let's create that work. But we also need to connect that with a feasible and responsible and sustainable financial plan with our partners in finance and at the county in order to get the work done in the long run and be responsible with the taxpayers' dollars. So I'm sure you're kind of getting the point that I'm saying, hey, we need a little bit more spending in this area.

[01:47:07] This is sort of everybody thinks that is the case. But what is the sort of way that you'd identify how do you know how much should be appropriated for this kind of work? Because we have a very large system. It's very complex.

[01:47:23] There's lots of buildings. How do you come up with a number that is appropriate based on where we are right now? There's a couple of different approaches, and I'm going to go through each one and how that is going to work for each one because it does matter. So the first one is what we call a current replacement value approach.

[01:47:40] So in this way, we take a look at the replacement value of every single building, and we say, okay, we want to invest X percentage of that replacement value in a building, and then complete those funding, develop a funding mechanism to provide resources to that point.

[01:47:59] That is a way that it's done to identify what your budget numbers maybe should be for that, but it's certainly one approach. The opposite side of that is what we call a facility condition assessment, and that's where we go and we say we're going to professionally evaluate the major systems in every single building, so HVAC, roofs, electric, plumbing, those sorts of things, to say what is the condition of every single one of those systems how do we how do we look at the replacement schedules that we need and how do we develop a plan to estimate the costs and the financial plan to develop the future so two two

[01:48:35] different ways to get to the same result but we'll talk through what that means for us and so we wanted to kind of go through it both ways for the school division to be able to see where we are so I'm gonna start with the current replacement value again this is where we're sort of taking the the big-picture costs of the value of our buildings, saying we need to put an X percent of dollars into the maintenance. In Chesterfield County, we use 2.5% as a goal of that amount. So we'll use that, just think about that 2.5%. So our current replacement value of all CCPS buildings is about

[01:49:10] \$3.5 billion, right? That's a lot of money. So if you say 2.5% of that, that's \$85 million a year that under this method would suggest that we should be spending on maintenance, right? The fiscal year 2026 major maintenance contribution from the operating budget, now that's not taking into account one-time funds and those sorts of other funds that are available, is about \$9 million.

[01:49:35] So one of the things we've talked about, I know the school board has talked about, is that beginning of fiscal year 2027, there's going to need to be new funding to get those numbers up to where it's going to be. So I don't think that we're going to find \$76 million to start putting towards our building, But it provides you a little bit of scale of the amount of money that we really need to be working towards in order to maintain the buildings appropriately.

[01:49:59] So that \$9 million that we've identified there is about 0.2% of that CRB. And again, the county's goal is 2.5%. So that gives you some context, right, of where we are. Now, it's easy to say that, and I can just say, hey, give me that money, and you're probably going to say no, right?

[01:50:14] We're going to work together to figure that out. What if I were you, I would be saying, well, tell me a little bit more about what are the actual systems of the condition that they're in, and how do we develop a plan to do that? And we do that through the facility condition assessment process. When I started here in July, I worked with the construction facilities team to start working through the professional analysis of the systems that we have in the school division.

[01:50:38] And we started to take a look at HVAC, electric, plumbing, all this work throughout the division. And so we have folks that know these buildings up and down, and they know what is needed right now. And so what we've worked on is developing the sort of systematic replacement analysis for the next five years and what's needed in order to maintain the buildings to at least the extent that they are now.

[01:51:00] And then we'll estimate those funding areas. So I've been here five and a half months. Our really incredible staff and facilities and construction have worked really hard to develop those numbers. We're not through all of those systems, and so of the systems that we're through, we've listed them here.

[01:51:19] In the mechanical side, that's at HVAC, we've identified about \$230 million worth of projects that are needed. I think that's not a surprise probably to everyone if you've been in our buildings. Electric, we've identified about 20 million roofs, 76 million fire protection, a smaller amount.

[01:51:36] And then as we continue to go forward, we need to continue this process. We need to take a look at architectural improvements that are needed to be made, plumbing, civil or site improvements. So this might be as simple as when parking lots need to be paved, playgrounds, athletics, and other security concerns.

[01:51:51] And so over the next several months, we're going to spend more time doing that. We're not really quite ready to say here's what the financial plan is going forward, but we want to make sure that that's done in a really professional, really thoughtful way as we move forward. If you don't know what any of those systems mean, if you look at the very last slide of this presentation, Those definitions are there.

[01:52:10] I won't go into detail just for time at this point. So our path forward with this, I've just showed you some really, really big numbers. That can be pretty frightening, right? And I understand that. But we need to spend the time to work with our partners on the county side and in school finance to, again, really develop a thoughtful financial plan that you'll be able to consider in the following year's budget.

[01:52:35] So for the remainder of fiscal year 2027, we're going to continue to, well, we would ask that we use that process we've kind of used before in new projects where we need to, keep that funding level about where it is, maybe a little bit more, hopefully, but then develop that financial plan for you to consider for the fiscal year 28 budget, and we'll partner it together.

[01:52:54] We need to be thinking about a couple things. What are those major maintenance projects and priorities? We need to be thinking about the financial capacity to fund these projects, and then the operational capacity to actually complete these projects as well. And so we'll consider that going forward. I want to point out a couple of things.

[01:53:10] There was a 2017 study that identified about \$900 million worth of deferred maintenance projects that needed to be completed at the time. So that was in 2017. There have been a lot of things that have been done positively. We've built some new schools.

[01:53:26] So, you know, A.M. Davis and a couple of others that have been open are part of that \$900 million. And so it's not to say there hasn't been lots of incredible good work, but that gives you some scale about sort of where we are. And so maintaining these buildings now will allow us to keep them in such a position that we can elongate their lives to the best we possibly can and, again, be proactive in how we manage some of these facilities.

[01:53:50] Again, this is not anything new. Our facilities team has thought a lot about this, has wanted to do this work, has developed plans, but, again, it's about developing that financial plan together so that we can actually feasibly do the work that we have. So if I've scared you to death here, I'm sorry about that, But that's the condition that we're in right now.

[01:54:10] All right, that's the major maintenance. That's the sandwich part that wasn't so happy we'd go forward. Any questions about major maintenance? Okay, we'll finish up with, again, what I think is a really happy part of our partnership, again, with our folks, our friends at the county.

[01:54:27] One of the issues that we've had in Chetrafild County for quite some time is a consistent school bus replacement program. And so there have been certainly school buses that have been replaced over time. There have been school buses that have been bought, but there hasn't necessarily been a systematic approach to buying a number of buses over time so that we can ensure that we don't have these bubbles of the large numbers of buses that go out of service at one time or maybe start to have maintenance issues at one time.

[01:54:56] So our goal here is to develop a reasonable approach that we might want to use. So in fiscal year 26, we have about \$3.5 million for bus replacements. We bought 22 buses. If you just do that math out, we're at like a 29-year replacement cycle, which is just not feasible in the long run.

[01:55:15] So we have worked together, as Mr. Harris mentioned previously, to create a financially feasible bus replacement plan that meets our needs as a school division. We'll continue to work through that and have those expectations for long-term expenditures so we know what's going on for the long run.

[01:55:32] So there's a couple of plan components there. we will replace 45 school buses every single year. We have about 600 school buses in the fleet. We'll continue to adjust that as we need to with the way the school division is changing. Again, using that fiscal year 26 budget number of \$3.4 million, as we move forward, we'll use that cash to buy buses, and then we will use the county's financing capacity to buy about another 50% of the school buses that are in that 45.

[01:56:01] So we're going to mix both cash and financing opportunities, but we want to do it again in a way that is not financially straining on the operating budget. We want to make sure that you're able to reserve operating funds for teacher pay and for the things that you want to do every single year. So our goal here is that buses will be financed for 10 years, but we'll keep them for 15.

[01:56:21] They will remain on the front line for 12 years, and they will then move to training and spares for the remainder three years of their life, and then they'll go out of service as we move forward. What this will require is that the school board appropriates an additional \$500,000 a year towards debt service payments as we continue forward.

[01:56:40] That'll occur for the first 10 years or so, and then it'll change as we go along through time. And so that will be the financial component. Again, if we're buying that many buses, that's probably \$7 or \$8 million a year as opposed to half a million dollars more going forward. So that's, I think, a really good way to develop a relationship using the different financing means that we've had.

[01:57:01] And I'll just mention over time, it's going to be necessary to true up some of these numbers, the number of buses we have, the financial contribution. The school division is changing. It will continue to change, and the capacity will need to change. So that is a plan in time now.

[01:57:16] We'll continue to evaluate it as we move forward. Again, we're really, really excited about this. This, I think, is solving a long-term problem in our school division as well. So happy to take any questions. That was really fast to go through, but I'm glad to hear any thoughts you might have.

[01:57:32] Thank you, Dr. Wataka, for rapid fire of a very informational and important topic, so I appreciate that. Board members, any questions or comments? I just appreciate that there is another facilities assessment being done.

[01:57:54] We're approaching a 10-year mark, so definitely time for that to be looked at again. and looking forward to the results of that. So thank you so much. And in the essence of time, we are going to move our Chesterfield Recovery Academy update, sorry, Mr. Savoy, to January.

[01:58:15] Thank you for sticking it out and being here with us this afternoon. So we'll move on to our next, which is announcements and comments from the school board. School board members, are there any announcements or comments?

[01:58:32] The next school board business meeting will be held this evening, December 18th, 2025, at 6.30 p.m. here in the public meeting room. If there's no further business, we will enter into a closed session, which will be held in the PMR conference room.

[01:58:50] Madam Clerk, please announce the items for today's closed session. It is my understanding that the school board desires to enter into closed session in accordance with section 2.2-3711.A of the Code of Virginia, the Virginia Freedom of Information Act, and specifically under subsection 1, the discussion and consideration of personnel disciplinary matters, and 2, the discussion and consideration of student disciplinary matters, and matters that would involve the disclosure of student records.

[01:59:18] Members of the board, you've just heard the items requested to be discussed in closed session. Do I have a motion in that regard? I make a motion to enter into closed session. Is there a second? Second. Madam Clerk, would you please call roll on the motion? Dominique Chatters. Aye. Stephen Pronto. Aye. Lisa Hudgens.

[01:59:35] Aye. Ann Cooker. Aye. We are now in closed session. Do I have a motion to reconvene in open session? Make a motion. Is there a second? Second. The board is now in open session.

[01:59:51] Madam Clerk, would you please read the resolution certifying the closed session? Now, therefore, be it resolved that the school board hereby certifies that to the best of each member's knowledge one only public business matters lawfully exempted from open meeting requirements by virginia law were discussed in the closed meeting to which this certification resolution applies and two only such public business matters as were identified in the motion convening the closed meeting were heard discussed or considered by the school board is there a motion to adopt the resolution so moved is there a second second madam clerk would you please call

[02:00:27] roll on the motion. Dominique Chatters. Aye. Stephen Pronto. Aye. Lisa Hudgens. Aye. Ann Cooker. Aye. The motion carries. Is there a motion regarding the first student matter? In case numbers 2025-26 slash RE28, it is recommended that the superintendent's recommendation be upheld. Is there a second? I second the motion. Madam Clerk, would you please call roll on the motion? Dominique Chatters. Aye. Stephen Pronto. Aye. Lisa Hudgens. Aye.

[02:00:59] Ann Coker. Aye. The motion carries. Is there a motion regarding the next student matter? In case numbers 2025-26-2, it is recommended that the superintendent's recommendation be upheld. Is there a second? I second.

[02:01:15] Madam Clerk, would you please call roll on the motion? Dominique Chatters. Aye. Stephen Pronto. Aye. Lisa Hudgens. Aye. Ann Coker. Aye. The motion carries. Is there a motion regarding the next student matter? In case numbers 2025-26-DP01, it is recommended that the superintendent's recommendation be upheld.

[02:01:36] Is there a second? I second the motion. Madam Clerk, would you please call roll on the motion? Dominique Chatters. Aye. Stephen Pronto. Aye. Lisa Hudgens. Aye. Ann Coker. Aye. The motion carries. Is there a motion regarding the first personnel matter? In case number 2025-26-39-HR, it is recommended that the superintendent's recommendation be upheld.

[02:02:00] Is there a second? Second. Madam Clerk, would you please call roll on the motion? Dominique Chatters. Aye. Stephen Pronto. Aye. Lisa Hudgens. Aye. Ann Coker. Aye. The motion carries. Is there a motion regarding the next personnel matter? In case number 2025-26-40-HR, it is recommended that the superintendent's recommendation be upheld.

[02:02:23] Is there a second? Second. Madam Clerk, would you please call roll of the motion? Dominique Chatters. Aye. Stephen Pronto. Aye. Lisa Hudgens. Aye. Ann Cooker. Aye. The motion carries. Is there a motion regarding the next personnel matter? In case number 2025-26-41-HR, it is recommended that the superintendent's recommendation be upheld.

[02:02:44] Is there a second? Second. Madam Clerk, would you please call roll on the motion? Dominique Chatters? Aye. Stephen Pronto? Aye. Lisa Hudgens? Aye. Ann Cooker? Aye. The motion carries. Is there a motion regarding the next personnel matter? In case number 2025-26-42-HR, it is recommended that the superintendent's recommendation be upheld.

[02:03:06] Is there a second? Second. Madam Clerk, would you please call roll on the motion? Dominique Chatters? Aye. Stephen Pronto? Aye. Lisa Hudgens? Aye. Ann Coker. Aye. The motion carries.



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