



**Arlington County Board**  
**Audit Committee with Arlington Public Schools**  
***Meeting Minutes***

November 20, 2018

**I. Call to order**

Arlington Public Schools (APS) Audit Committee Chair Barbara Kanninen called to order a special meeting of the Arlington County Audit Committee and the APS Audit Committee at 5:00 PM on November 20, 2018 in Room 256 of the Syphax Education Center.

**II. Roll call**

County Audit Committee members present for the meeting:

- **John Vihstadt** – Co-chair
- **Erik Gutshall** – Co-chair
- **Mark Schwartz** – County Manager
- **Tenley Peterson** – Public member, Fiscal Affairs Advisory Committee representative
- **Hal Steinberg** – Public Member
- **Nancy Tate** – Public Member

APS Audit Committee members present for the meeting:

- **Barbara Kanninen**, APS Board member
- **Tannia Talento**, APS Board member
- **Pat Murphy**, APS Superintendent

Also in attendance were

- **Chris Horton**—County Auditor
- **John Mickevice**, APS Internal Auditor
- **Maria Meredith**—Deputy Director, DMF
- **Tom Strandberg**, O’Connor Construction Management (OCMI)
- **Jason Dittrich**, OCMI
- **Libby Garvey**, County Board member
- **Samia Byrd**, Deputy County Manager



- **Aaron Shriber**, County Planning Supervisor

### **III. Introductions and Welcome**

- i) All attendees provided a self-introduction.
- ii) Barbara noted that Cintia Johnson is also on the APS Audit Committee. Barbara stated that the APS Audit Committee is interested in opportunities to collaborate with the County.
- iii) John Vihstadt talked about the need to address various budgetary constraints faced in Arlington County.

### **IV. APS Construction Costs – Market Study and Cost Study**

- 1) Jason and Tom provided an overview of the cost study and the market study performed by O'Connor Construction Management, Inc. (See the APS Internal Audit webpage for the full Market and Cost Studies: <https://www.apsva.us/about-the-school-board/internal-audit/>.)
- 2) The market study revealed regional constraints for APS including labor shortages, materials costs, and competition for labor and materials with other projects.
- 3) The cost study created broad discussion regarding observations and recommendations in the report
  - a) The community engagement process for schools received significant attention. OCMI that the APS process is lengthier than some other school districts' process, and suggested coming to the community with three options rather than a broader set of possibilities.
    - i) Later OCMI reported that they were told by architecture firms that the firms typically charge 25% more for APS projects due to the community engagement process. OCMI also reported that there is an "Arlington Premium" in contractor pricing.
    - ii) OCMI suggested considering when comments stop having an impact on the design process.
      - (1) Barbara noted that an elevated playground at one school was suggested late in the community engagement process, and this suggestion ended up being used.
  - b) OCMI indicated that the Design Build approach to construction may result in a shorter construction timeframe than Design Bid Build, if the contract is structured properly.
  - c) Barbara noted that she would favor more coordination between APS and the County, since school facilities are also regarded as a place for community use.
  - d) OCMI indicated that typically soft costs of construction (e.g., planning, engineering, process management) are 12-20% of total costs.



- e) OCMI noted that outreach to Denver and San Diego school systems, which were identified as good national comparisons for Arlington, were not productive in getting the level of feedback useful for the cost study.
- f) Tannia reminded the group that schools are viewed as community amenities, and it's important to keep this in mind when considering the amount community engagement that is right for Arlington.

#### **V. Use Permit Conditions**

- a) Aaron and Samia provided an update on the changes the County has recently enacted for its Use Permit Conditions.
- b) These changes were in effect for the Board's evaluation of the Reed School at the November Board meeting.

#### **VI. Audit Updates**

- a) John Mickevici provided an overview of his function's audit work in FY 2018, and anticipated audit work in FY 2019. John answered questions about his work, including questions with respect to his audit of Medicaid and how audits get onto his audit plan.
- b) Similarly, Chris Horton provided an overview of his function's audit work in FY 2018, and anticipated audit work in FY 2019.

#### **VII. Joint Committee Activities**

- a) Audit Committee members discussed whether to meet jointly on a regular basis, such as annually. The conclusion was that John Mickevici and Chris Horton should work together to identify any topics that are of common interest and worthy of a joint discussion.
- b) It was also suggested that the bodies should consider livestreaming or taping Audit Committee meetings.

#### **VIII. Adjournment**

Arlington Public Schools (APS) Audit Committee Chair Kanninen adjourned the meeting at 7:30 PM.

Minutes submitted by: Chris Horton, County Auditor