

## MEETING #42 – December 19

At a Continued Meeting of the Madison County Board of Supervisors on December 19, 2013 at 7:00 p.m. in the Madison County Administrative Center Auditorium located at 414 N. Main Street:

PRESENT: J. Dave Allen, Chairman  
Doris G. Lackey, Vice-Chair  
Jerry J. Butler, Member  
Pete J. Elliott, Member  
Jonathon Weakley, Member  
V. R. Shackelford, III, County Attorney  
Ernest C. Hoch County Administrator  
Phillip Tartaglia, Finance Director  
Jacqueline S. Frye, Deputy-Clerk

### **1. Call to Order/Determine the Presence of a Quorum**

Chairman Allen called the meeting to order and noted that all members are present and a quorum was established.

### **2. Pledge of Allegiance & Moment of Silence**

The Board of Supervisors commenced their meeting with the Pledge of Allegiance and a moment of silence.

### **3. Adopt Agenda**

Chairman Allen advised there are two (2) changes to tonight's Agenda:

Item #4 - will need to strike 'proposed resolution' and insert 'recommendation for the Madison County Board of Supervisors to be seated on January 1, 2014.'

Item #5 -will need to strike 'resolution' insert 'recommendation to the Madison County Board of Supervisors to be seated on January 1, 2014.'

Chairman Allen advised the Board will not vote on whether to seek funding, but will make a recommendation to the Board that will be seated next year; it was initially deemed tonight's public hearing would not suffice for the next Board to ask. The County Attorney has also researched this issue and advised it, does, in fact count as an issue that can be acted upon; members of the new Board have been contacted and made aware of these changes, and said changes have been agreed upon by the existing Board.

Chairman Allen called for further corrections, additions or deletions to today's Agenda.

Supervisor Butler moved the Board adopt the Agenda as amended, seconded by Supervisor Lackey, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye
Jonathon Weakley	Aye

### 3. Public Hearing to discuss:

Chairman Allen advised tonight's session is a public hearing to receive public input on the CIP to pertaining whether to borrow additional monies to accomplish two (2) major projects on school buildings which include upgrades of mechanical, electrical and security items at the middle and high school buildings.

The County Attorney advised he has worked with the School Board's Attorney since the initial advertisement to address legal requirements and a time schedule. Following tonight's public hearing, the current members of the Madison County Board of Supervisors will be asked to make recommendations; however, no action will be taken until the new Board meets for the January 2014 Organizational Meeting. Additionally, it was advised the Madison County School Board will need to act by January 19<sup>th</sup> which will allow the new Board members time to attain input.

The County Administrator provided a summary of the original CIP projects involving the middle and high school, along with highlights pertaining to the estimated amount for HVAC and roofing improvements; the CIP Committee recommended that all bids be rejected and a bid document be composed for the work. The CIP Committee and the Madison County School Board ultimately decided to move forward with addressing the total project. The Madison County Board of Supervisors will need to pledge funding for the total projects. Information was also provided on the proposed phases of the projects. Financing options being investigated included

- Commercial paper (VML/VACo) – requires no prepayment penalty and offers a fluctuating interest rate and is the same type of lending used to fund the Courthouse Project; and
- Line of Credit – this option may offer the County an opportunity to save money and use funds from the budgetary process, and also allow a 'safety mechanism.'

A drawdown schedule for review and advised the short-term commercial paper financing may offer a fixed or flexible interest rate – this option will also allow the County to extend payments; if the County decides to move forward with a line of credit, the funds will not be needed until June 2014. If tonight's resolution and financing is put into motion in January 2014, the school board would be able to sign a contract, approve a contract in order to move forward with the proposed schedule. It is the intent of the contractor to work during the summer months while school is out of session – if there is any delay in the process, there will be problems - ,may there is also a clause for liquidated damages within the proposed contract.

In closing, he recommended that in order to move forward with the entire project, the County should utilize the commercial paper (short-term) funding option.

Concerns verbalized by the Board pertained to the amount of costs involved with a fixed rate and why the original bids didn't meet expectations.

The County Administrator advised the fixed rate would impose a payment of about \$160,000.00 per month and will cost about \$400,000.00 throughout the life of the loan (interest rate of 2.9%) The County will have to take the month for eighteen (18) months although it will not be needed just yet; because of the timing, he would recommend the County borrow more than what's needed just now. A line of credit can be in place for up to one (1) year, but this option bumps the interest rate. He also advised the original bids were based on an estimate by the architect – the bids received were higher than projected – conversations were held with the architects and they agreed to lock in their fee and not change any additional funds as a result of their error.

Chairman Allen advised the work for the locker rooms and the bathrooms at the high school weren't included in the bid.

It was also noted the original estimates were done in 2011 and weren't adjusted. Due to the time lapse, there have been changes in the construction market. It was also advised the complete remodel of the locker rooms will cost \$315,000.00, which was already known – the County was trying to place funding within the capital fund in order to be able to offset some of these costs.

Chairman Allen advised there have been comments that the Board is rushing to judgment; he advised the County has spent about three (3) years contemplating these projects; the CIP Committee suggested the work at the middle school be included as an alternate for consideration; the County wants to take care of the work that's needed.

Chairman Allen asked that anyone wishing to speak should provide their name, address, and limit comments to no more than three (3) minutes; anyone wishing to speak again will be given the opportunity after everyone has had an opportunity to speak.

The following citizens provided public comment:

Herbert Putz (Locust Grove) – Advised he was in support of the students getting a good education in a good environment; questioned how much money can the taxpayers afford; taxes increase, there are no jobs in the area; citizens are being loaded with County debt; there is too much spending with no control being imposed.

Al Cuppett (Wolftown): Believes there will be collateral on the CIP loan imposed on taxpayer's real estate property; feels there is a new world order and the citizen's property will be taken as a result of the CIP loan; there will be a wonderful school, but nobody will have a place in which to live; feels that 2014-2015 will be much worse than 2013.

Joe Parker (Brightwood): Has concerns about wasting money on school improvements; visited the DOE website that listed information on inadequate schools vs. inadequate student achievement and provided statistics on the effects of air quality and how this correlates to student achievement and behavior.

Donald Self (Pratts): Feels input on air quality is incorrect; today's schools lack in providing discipline; there is no problem with a sub-standard building, but within today's homes; the locker rooms and air conditioned worked well this year.....what will be offered for what the architect plans to charge the County; more books will be a better asset so the kids can read and write before they leave the public school setting.

Lisa Davis (Locust Dale): Feels all speakers have valid points; first impressions mean a lot; there are costs involved and agrees that discipline is necessary; the newly renovated bathrooms are very nice; feels a cost analysis is necessary for A/C improvements; looking for a comfort factor and feels one should look at what the contractors are proposing versus what will actually be needed; money is stretched as it is and encouraged the County to look at 'checks/balance' in determining what is actually needed.

Joe May (Etlan): Questioned why we should trust the architectural firm that has already botched the bidding process; feels the contractors 'nail' anyone when changes are made; has no problem with renovations that are needed; feels the schools are 'dumps' and haven't been taken care of; the County is planning to pour millions of dollars into the schools and he feels the school system will ignore the need for maintenance of the facilities; many of the citizens are retired and will be charged with funding the costs; wants the tax rate to remain low and doesn't want to see the rate increase; if improvements are done, please do them right; doesn't want to see another situation like the past County Administrator that involved overruns at Hoover Ridge and the Courthouse Project.

Reuben Woodward (Wolftown): All of his children were schooled here and he has paid taxes here all of his life; feels the County charges a \$30.00 license tax and there is no decal or sticker to show for the fee; he doesn't the schools need all these upgrades; afraid this will result in another overrun; questioned if the courthouse wasn't placed out on contract; doesn't agree with 'guesstimates' – a signed contract should stay within the guidelines imposed.

Kim Smith (Brightwood): Pointed out the discussion of mold which can be deadly; she would like an assurance that the County will not have another 'courthouse' where significant funds are diverted to totally unrelated projects; she would like:

- a. A monthly accounting, made public, of what is being accomplished, the cost and if it's within the set budget;
- b. To echo statements made pertaining to discipline and expectations for our students;
- c. Standards in place for all regardless of socio-economic or other criteria/characteristics;
- d. To feel the citizens can trust that what we are doing is wise, realistic and feel that due diligence has been done for the improvements that are quite obviously needed; and
- e. That prioritization is reasonable and sequential.

Russell James (Aroda): Is a member of the Madison County Educational Foundation, which works with various programs within the County to help improve educational opportunities for Madison County students; he appreciates what has been said – due diligence is needed – money must be spent properly; he urged the County to proceed with the funding, and feels the HVAC system is out of date and if continued to be ignored, will cost more in the long run. He feels now is the proper time to move forward and feels the existing environment is a poor one for the students to be educated in.

Gerald Stephenson (Hood): Has concerns about the requirements and the numbers being discussed are very large for Madison County; feels the County should be made aware of the requirements, priorities and have the contractor provide costs for phasing and pricing; he questioned how the contractor built up the prices and what the A&E firm have derived; if the A&E firm isn't sure of what they're doing, they should be replaced; he doesn't suggest the County rush into this; a 'not to exceed' should be attached and the County should seek 'value of engineering' and assess where any trade off can be placed – doesn't feel anyone has grasped that concept; questioned whether enough information has been attained in order to make an intelligent decision in the long run.

Bill Johnston (Town of Madison): Has children enrolled in the local schools; he feels the Madison Primary School and Waverly Yowell Elementary School are both nice schools; the middle school is aging; he encouraged the Board to spend monies on the HVAC system at the middle school; a decision needs to be made to move forward; he understands the feeling of "Madison Pride" in the community; he doesn't feel some of the schools here give the citizens a prideful feeling.

Torri Knighting (Aroda): Has children enrolled in County schools; she feels the children of Madison County deserve better than what they're getting; progress is finally being made and the children have endured poor insight from past officials over several generations; there is a sense of community here, but it's difficult to send one's child(ren) to school in their current condition; we're not asking for anything fancy, but are asking for necessary improvements (that are long overdue) to buildings that are very old and outdated; she thanked the Board for serving the citizens and for listening to our concerns.

Karen Wray (UVA Graduate): Volunteered and one time and now teaches in Madison County; no matter what is decided, the children need better classrooms and air quality; some of the existing classrooms are difficult to teach in; students sit on the floor in the hallway to eat because there is a lack of space in the cafeteria; she feels we need to spend more time listening to the children; they should be given the opportunity to learn in an environment where they feel happy and safe.

Bill Campbell (Graves Mill): As a recent Board elect, he's concerned about public safety and education and the direction in which the County is heading; the County has embarked upon a journey that has led us to tonight; he feels we owe the children a safe, clean and healthy environment; is unconcerned about the amount of funding needed, as long as the work is done once and done right; officials are elected by the citizens and are therefore employed by the taxpayers; also questioned the fact that no one actually read the bid documents (plans/specs) involved with the project; he feels there is a potential for huge cost overruns; the contingency amount of three percent (3%) is insufficient; wants to know if there is anything in writing from the architects to denote they will not charge additional funds to the County (for overruns); also suggested the County proceed with a line of credit – not in favor of using any other monies the County has in place – all monies should be attached to the school projects and be accounted for. In closing, he advised he will be responsible to the citizens who have elected him to serve.

Robert Legge (Etlan): Thanked Mr. Allen, Mr. Elliott and Mr. Butler for their service to the citizens of Madison County; he also feels the past County Administrator was a fine County Administrator; he feels the County is well aware of the need to move forward with the proposed school projects; he also feels the schools are for the entire community, as everyone benefits

from a well-educated populous – achieving this goal will make all citizens feel they have a stake in providing this service to the students and community as a whole.

Valerie Miller (Malvern): As a parent and sister of a teacher, she feels the air and school facilities aren't in good shape; she is concerned about her children entering the middle and high school; the teachers are also working in an unclean environment daily and their need to be taken care of as well; the school environment needs to be addressed now and be improved in order to provide a safe, healthy environment for all who enter the schools.

Mr. Woodward returned to the podium to urge the County to hold the contractors to the contracted costs they pledge for doing the work.

Mr. Campbell advised that he has handouts on points/deficiencies found in the project plans; he will plan to hold a town hall meeting after the holidays.

Jim Smith (Brightwood): Thanked Mr. Allen, Mr. Elliott and Mr. Butler for the service they've given to the County for the past four (4) years.

With no further comments being brought forth, Chairman Allen closed the floor for public comment session.

Supervisor Weakley urged anyone with additional thoughts to feel free to email or call.

Supervisor Lackey assured the citizens that the County is trying to make this project a successful one in order to make the schools a place where citizens can be proud of; she referred to the MOU (between the County and school system; advised the plans for the school improvements are available for public inspection by anyone wishing to review them; the courthouse project wasn't under the Board's watch and was a poorly executed construction project; the Waverly Yowell Elementary School was a well-executed project the County can be proud of.

Supervisor Butler advised it has been a pleasure to serve for the past four (4) years; he urged the new Board to review everything and not sign off unless everything is correct; he also encouraged members to ask for the CIP reports as well; he feels the County has the means to borrow the money, but advised any action be passed onto the new Board in January 2014.

Supervisor Elliott advised he has been on the CIP Committee for the past few years; he believes in what the County is trying to do to provide a safe environment for the children; if the problems are ignored, they will only get larger. In closing, he is concerned about the three percent (3%) for changeovers – he feels there will be a strong Board and School Board.

Chairman Allen advised the journey has last about three (3) years; he doesn't feel this is something the County is rushing into – the decision will be passed onto the new Board. In closing, he referenced a comment that money was diverted with the courthouse project, which wasn't done, to the best of his knowledge.

After discussion, it was the decision of the Board to have the County Administrator investigate Ms. Smith's claim.

Supervisor Elliott advised the County is trying to push the timeline, but if the contractor can't order the supplies in time to begin work at the close of the school year, this will allow the contractor have everything in order in a timely manner.

Board Elect, Kevin McGhee did not wish to add anything to tonight's discussion.

Board Elect, Clay Jackson feels that controlling cost will be of the essence; the schools are in bad shape and need to be addressed.

Board Elect, Robert Campbell stressed that he's in favor of fixing the schools one time.

James Nelson, School Board, was present and addressed comments implicating that administration has purposely ignored maintaining the schools; he advised the middle school and high school buildings are old; most of the items to be renovated are due to wear and tear over time and most replacement parts are no longer being manufactured; teachers and maintenance staff have worked extremely hard to keep these old buildings functioning.

Jeff Early, School Board, was present and advised the goal is to get the 'most bang for the buck' and to move forward with the renovations as efficiently as possible; he advised that spending will be done on repairs that are definitely needed and will be money well spent by the County for the citizens, and no form of waste has been presented tonight. He also feels the Waverly Yowell Elementary School was an exceptional project with a positive outcome. In closing, he thanked the Madison County Board of Supervisors for their service and support of the school system.

Jeffrey Early, school board member, was thanked for his many years of service to the citizens of Madison County.

Martin Boone, former school board member, was present and was thanked for his service to the citizens of Madison County.

Chairman Allen advised the Board will need to act on two (2) motions this evening, if so desired:

- 1) To recommend to the incoming Board which option to take; and
- 2) How much money to borrow and what mechanism to use.

The County Attorney suggested the Board act on two (2) motions, as which option selected will determine how much will need to be borrowed.

Chairman Allen advised the Board will also need to recommend the new Board enter into a Resolution agreement with the school board to fund the CIP projects.

Supervisor Lackey moved the Madison County Board of Supervisor recommend option #1 to include the complete CIP project to the incoming Board of Supervisors, seconded by Supervisor Elliott, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Aye

Pete J. Elliott	Aye
Jonathon Weakley	Aye

Supervisor Lackey moved the County move to secure the opportunity for the amount of \$2,500,000.00 by using a commercial paper loan.

\*Motion died for the lack of a second\*

Supervisor Elliott moved the Board utilize \$1,500,000.00 by using a corporate paper loan, and use remaining funds from the capital improvement fund, seconded by Supervisor Butler.

Supervisor Lackey questioned the shortfall of \$1,500,000.00 – she feels using the monies from the capital improvement fund will drain the fund completely and will preclude the County’s ability to plan for any repairs that may be needed in coming years.

Supervisor Weakley advised he was more for option #2, but after public input, he is inclined to support tonight’s motion.

Chairman Allen advised the bathrooms, roofs and locker rooms weren’t a part of the CIP; funding was placed to the side to cover the expense of these improvements; he’s concerned about how a line of credit for \$2,500,000.00 may be spent if it’s out of the hands of the existing County Administrator.

Supervisor Elliott advised that no money from a line of credit can be used without the authority of the Board.

The County Administrator advised the capital fund can be used for other projects, but the loan money can only be used for the school projects; he also advised there was an original contingency amount of fifteen percent (15%) in the original CIP which paid for the architect and any upfront costs, which have already been paid. .

With the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Nay
Jerry J. Butler	Aye
Pete J. Elliott	Aye
Jonathon Weakley	Aye

Supervisor Butler motioned the Board recommend the Resolution as a draft to approve to the new Board, seconded by Supervisor Weakley, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye
Jonathon Weakley	Aye

#### 6. Information/Correspondence (if any)

The County Administrator thanked Mr. Allen, Mr. Elliott and Mr. Butler for their service to Madison County.

The County Attorney reminded the members the January Organizational Meeting has been scheduled for Thursday, January 2, 2014 at 9:00 a.m.

After discussion, it was also the consensus of the Board to cancel the December Workshop Session.

#### 7. Adjournment

On motion of Supervisor Elliott, seconded by Supervisor Butler, Chairman Allen adjourned the meeting, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye
Jonathon Weakley	Aye

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J. Dave Allen, Chairman  
Madison County Board of Supervisors

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Jacqueline S. Frye, Clerk of the Board

Adopted on: January 14, 2014

Copied: J. Dave Allen, Doris G. Lackey, Jerry J. Butler, Pete J. Elliott,  
Jonathon Weakley, V. R. Shackelford, III, Constitutional Officers

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***Resolutions Recommended as a Draft for Approval in January 2014:***

### **RESOLUTION OF MADISON COUNTY BOARD OF SUPERVISORS TO PROCEED WITH ADDITIONAL FINANCING RESOLUTION #2014-1**

WHEREAS, in order to fund the projects identified in a joint CIP Resolution adopted by the Madison County School Board on December 9, 2013, and by the Madison County Board of Supervisors on December 10, 2013, it may be necessary to secure financing in addition to the Madison Public Facility Lease Revenue Bond, Series 2013 dated January 25, 2013; and WHEREAS, options for such additional financing are set forth in a letter dated December 18, 2013, from VML/VACO Finance.

NOW, THEREFORE, the Madison County Board of Supervisors hereby authorizes the

Madison County Administrator and Madison County Attorney to secure additional financing under the VML/VACO Commercial Paper Program in the amount of \$\_\_\_\_\_.

Final documents for such additional financing shall hereafter be approved by the Madison County Board of Supervisors.

Adopted by the Madison County Board of Supervisors this 2nd day of January, 2014, on a motion by \_\_\_\_\_ and seconded by \_\_\_\_\_.

\_\_\_\_\_, Chair  
Madison County Board of Supervisors

ATTEST:

\_\_\_\_\_  
Clerk, Madison County Board of Supervisors

**RESOLUTION OF MADISON COUNTY BOARD OF SUPERVISORS TO FUND SCHOOL CIP PROJECTS #2014-2**

WHEREAS, the Madison County School Board (School Board) received and opened competitive sealed bids on November 19, 2013, from qualified contractors to construct six (6) school related projects; and

WHEREAS, on December 9, 2013, the School Board adopted a joint CIP Resolution (referred to as the "CIP Resolution"), and on December 10, 2013, the Madison County Board of Supervisors (County Board) adopted the CIP Resolution with the deletion of paragraph 1; and by this joint CIP Resolution the County Board and the School Board agreed to make modifications and adjustments to the Joint CIP Project and Memorandum of Understanding (referred to jointly as the "MOU") which resulted in the addition of the six (6) school related projects for which the School Board has received and opened competitive sealed bids, and which are identified as follows:

- #27 High School Base Bid
- #28 Middle School Section A&B (Alternate Bid 1)
- #29 Middle School Section C&D (Alternate Bid 2)
- #30 High School Locker Rooms (Alternate Bid 3)
- #31 High School Roof – Gym (Alternate Bid 4)
- #32 (High School Roof – 1990 Roof (Alternate Bid 5); and

WHEREAS, as agreed in the CIP Resolution, the Joint County Board and School Board CIP Committee recommended that the School Board accept the lowest responsive and responsible bid received on November 19, 2013, to construct the six (6) school related projects (Base bid plus five alternates)(collectively referred to in the Bid Documents and Bid Sheet as “Alternate Bid 6” and collectively referred to herein as the “Project”); and

WHEREAS, the School Board intends to take action on or before January 18, 2014, to award the contract for the Project to contractor Blair Construction, Inc. in an amount of \$10,059,000.00, the low bid for the Project; and

WHEREAS, because the bid prices received on November 19, 2013, are only guaranteed to remain open for sixty (60) days, the School Board must take action on or before January 19, 2014, to enter into a contract with Blair Construction, Inc. to contractually procure the bid price of \$10,059,000.00; and

WHEREAS, although the County currently has funds available to fund a significant portion of the cost of the Project, the County must secure additional funding to fully fund the cost of the Project and the County Board is currently working diligently to secure such financing on favorable terms; and

WHEREAS, the County Board anticipates that full funding for the Project will not be available and appropriated to the School Board on or before January 18, 2014, the last date on which the School Board must take action to award the construction contract on the Project if the School Board is to contractually benefit from the low bid submitted by Blair Construction, Inc.; and

NOW THEREFORE, be it resolved that the County Board:

1. Affirms its commitment to procure additional funding to fully fund the Project; and
2. Consents to the School Board taking action on or before January 19, 2014, as provided for pursuant to Virginia Code section 22.1-91, to contract to expend \$10,059,000.00 for the construction of the Project although such contract funds shall not be made available or appropriated to the School Board by the County Board by such date.

Adopted by the Madison County Board of Supervisors this 2nd day of January, 2014, on a motion by \_\_\_\_\_ and seconded by \_\_\_\_\_.

\_\_\_\_\_, Chair  
Madison County Board of Supervisors

ATTEST:

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Clerk, Madison County Board of Supervisors



**Agenda**

**Madison County Board of Supervisors**  
Thursday, December 19, 2013 beginning at 7:00 p.m.  
**County Administration Building Auditorium**  
**414 N. Main Street, Madison, Virginia**

**Agenda:**

1. **Call to Order/ Determine Presence of a Quorum**
2. ***Pledge of Allegiance & Moment of Silence***
3. **Public Hearing to discuss:**
  - a) **Consideration of CIP Funding (Request by Madison Schools)**
  - b) **Consideration of Budget Amendment**
4. **Board action to consider a proposed resolution to borrow funds for the school improvement project**
5. **Board action to consider a resolution authorizing the funds for the School Board to enter into a contract for school improvements**
6. **Information/Correspondence (if any)**
7. **Adjournment**