

## MEETING #14 February 29

At a Joint Meeting of the Madison Board of Supervisors and the Madison County School Board for a joint session on Wednesday, February 29, 2012 at 7:00 p.m. in the Madison County School Board Office, 60 School Board Court:

PRESENT: J. Dave Allen, Chairman  
Doris G. Lackey, Vice-Chairman  
Jerry J. Butler, Member  
Pete J. Elliott, Member  
Jonathon Weakley, Member  
V. R. Shackelford, III, County Attorney  
Teresa Miller, Finance Director  
Jacqueline S. Frye, Secretary/Acting Clerk

Matthew Eberhardt, Superintendent  
Jeff Early, Chairman  
Jim Nelson, Vice-Chairman  
Doreen Jenkins, Member  
Martin Boone, Member  
Tonya Taylor, Member  
Tina Cropp, Finance Officer  
Liz Patterson, Clerk

### **Agenda:**

#### **1. Call to Order (Joint w/School Board) – Determine Presence of a Quorum:**

Chairman, Jeffrey Early called the meeting of the Madison County School Board, called their meeting to order and noted that all members are present; therefore, a quorum was established.

Chairman Allen of the Madison County Board of Supervisors called the Board's session to order and noted that all members are present; therefore, a quorum was established.

#### **2. Pledge of Allegiance & Moment of Silence (Joint w/School Board):**

Both governing Boards then proceeded with the Pledge of Allegiance and a Moment of Silence.

#### **3. Adoption of Agenda (as presented):**

Chairman Allen asked the Madison County Board of Supervisors if there were any deletions or corrections needed to tonight's Agenda.



After discussion, on motion of Supervisor Weakley, seconded by Supervisor Lackey, the Madison County Board of Supervisors adopted tonight's Agenda, with the following vote recorded:

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

### **MCPS 2012-2013 Budget**

**Dr. Matthew Eberhardt:** The meeting was opened with a presentation of the VEA salary review and indicated there are still two (2) house bills in discussion; concerns were verbalized regarding the fact that salaries within the school system have been frozen for almost five (5) years and the Department of Education Survey that was done in the fall denotes Madison County as the lowest paying locality on the scale, and doesn't want Madison County to be known as the 'lowest paying school district', which will ultimately cause teachers to leave for more money. In closing, Madison County can't compete with Fairfax County or Fauquier County, but there needs to be a 'middle ground.' Additional comments included that the Governor has taxed VRS increases on the localities and insurance costs will also increase by nine to thirteen (9%-13%) percent; therefore, the school system plans to put the insurance plan out for bid; there must be a push forward to increase teacher salaries, which has been included in the school's proposed budget. In closing, the summer school program has been shortened as a result of decreased funding, precipitated by the poor economy, and the session needs to be increased to a four (4) week program instead of a two (2) week program; therefore, the school's proposed budget also includes funding for future middle school students to include:

- a) Wrestling and cross country (the participants can practice with the high school students [recommended by the Leadership Team]);

Further highlights verbalized included:

- a) The proposed budget invests in people;
- b) The funding request is level funded with a 2.7% proposed salary increase for staff [based on the increased composite index];
- c) This is the first time a proposed salary schedule has been presented.

Supervisor Lackey applauded the school's efforts to improve teacher salaries; however, she questioned the \$1,000,000.00 that has been denoted as an increase in operations and maintenance and the fact there is no funding for facilities; also questioned whether any of this funding will go toward upgrading equipment (i.e. bleachers, playground equipment) or for the repair of school buildings, to which Dr. Eberhardt indicated the aforementioned items aren't included in the school's proposed budget; however, the school system did purchase a small set of bleachers from Greene County for \$1,500.00, as a funding stream can be assumed in this year's budget. Additionally, the proposed



budget doesn't include any of the high dollar items (i.e. items included in the CIP), and some of the salary increases denoted are for the school's facility staff and also indicated there are very few dollars contained in the school's proposed budget to cover the large dollar items denoted in the CIP.

Tina Cropp, School Finance Officer, advised that \$15,000.00 is denoted for leases on school equipment.

Supervisor Butler verbalized concerns regarding the school's contingency fund, to which Dr. Eberhardt advised wasn't in place, but will be established if the supplemental appropriation requests are approved. Supervisor Butler also questioned line item 1000 (instructional category) and the fact that it contained the proposed increases, to which Dr. Eberhardt advised the particular line item also includes insurance and VRS contributions.

Supervisor Weakley verbalized concerns as to whether the above referenced line item also contained funding for textbooks, to which Dr. Eberhardt indicated the school system hasn't kept up with textbook editions, as the cost is extreme; however, they have adopted math books for grades 5 through 12, but not the full series, as funding wasn't in place; also, the school system is currently utilizing history books that are outdated for grades 3 through 12. Supervisor Weakley also questioned whether line item 1800 would be utilized for the replacement of desks for students and/or teachers, to which Dr. Eberhardt also indicated that a schedule for desk replacement needs to be put into place as many desks are currently broken.

Supervisor Lackey: Questioned if the amount of funding in line item 1000 increased from \$223,503.00 to \$1,117,625.00, to which Ms. Cropp indicated contains funding for teachers, school substitutes, guidance counselors and general 'staff', and also advised the above referenced funding will be used solely for salary increases.

Dr. Eberhardt advised the VRS costs per staff member is about \$600.00 and that VRS had ten percent (10%) profit margin; therefore, he questioned the mandate to pass increased costs onto the localities.

Supervisor Elliott asked how much funding was in the textbook fund, to which Ms. Cropp advised she was unsure.

Supervisor Lackey questioned whether the school system had thought about assessing CD's as a learning tool in the classroom versus the use of textbooks, to which Dr. Eberhardt advised that most textbooks do come with online formats; however, most homes in the County don't have online access so hard copies of textbooks are still needed and provided if asked; also concerns were verbalized regarding the cost for producing copies of textbooks has increased.



Chairman Allen expressed appreciation of what the school system does for the children of Madison County; however, he is also aware that funding is tighter this year than the last, and hopes something can be done for the school facilities as well.

Chairman Early called for additional comments from the School Board members.

Board Member, James Nelson, indicated that he feels people will pay to live in an area where there are good schools; therefore, he feels the measure of a community depends on the quality of education that is provided.

Supervisor Lackey questioned the 'cost per pupil' for Madison County, to which Dr. Eberhardt advised that Madison County ranks 95<sup>th</sup> out of 132 Virginia schools and the cost per pupil is about \$9,032.00 and costs are slightly lower for Culpeper and Orange.

Chairman Early provided input on crime in areas where resources are few; currently, the County has 1,800 students enrolled and the teachers have a great impact on the students they serve daily; therefore, he strongly urged the Madison County Board of Supervisors to support the school system's efforts.

### **CIP Discussion**

Chairman Allen advised the Madison County Board of Supervisors would like to make a commitment to fund the CIP and identify projects that need to be addressed, and provided documents to denote the various projects contained in the CIP that will need to have funding factored into place, as well as the possibility of refinancing the courthouse project; he also questioned whether other items denoted could wait or should they be included onto the existing list, as rates are very low at this time.

Supervisor Butler and Supervisor Elliott questioned the annual cost for a four (4) or five (5) year loan, to which Teresa Miller, Finance Director, advised, will cost \$1,000,000.00 (i.e. original cost of the courthouse was about \$7,000,000.00 plus changes which resulted in an overall cost of about \$10,000,000.

Mr. Nelson advised that school projects have usually been on a twenty year (20) payback schedule in the past.

Supervisor Lackey suggested both governing boards look at projects that will promote health and safety which are essential.

Chairman Allen advised that the Board would like to act on the CIP at the April 2012 Regular Meeting.

Board Member, Martin Boone questioned whether the Board has factored any difference in rates and financing long term, to which Chairman Allen advised that the



Board has entertained discussions but no definitive plans have been put into place, as the County isn't really 'financially healthy' at this time with the current cash balance being at a critical low, which is something the County can't 'tax out' of.

Supervisor Lackey advised that the CIP composed by Crabtree, Rohrbaugh, Inc. is a five (5) year program and options #3 and #4 encompass the entire plan which will be too much of a burden to complete at once.

Chairman Early questioned whether replacing windows and doors will provide a cost savings, to which Supervisor Elliott suggested that portions of work be done and other items be completed within a three (3) year period, as there is still no list of businesses to attain any information from. Supervisor Elliott also questioned what would happen in the event the economy doesn't improve over time.

Discussions continued between both governing Boards regarding an estimated loan payment and what items to keep and/or delete from the existing CIP list.

Chairman Allen advised that the improvements to Waverly Yowell Elementary School were done through a literary loan.

Supervisor Butler questioned whether improvements to the E911 Center would include the entire building to include three (3) walls in an upper level with a shingle roof instead of puff roofing.

Chairman Allen pulled numbers from the IP and advised the lighting was replaced at the Extension Office in the 1990's.

Following continued discussions, the adjusted total for improvements denoted in the CIP equaled about \$9,722,588.75.

Chairman Allen questioned whether the debt service payment will be \$10,700,000.00, to which Ms. Miller advised will depend on what form of construction is undertaken, plus interest payments.

The County Attorney advised that the rate for ten (10) year loans is 2.08% and 2.3% for a fifteen (15) year loan and feels it may be best that the County doesn't refinance the courthouse project at this time.

Mr. Nelson suggested that both governing Boards look a long-term financing, as a twenty year (20) repayment options provide better benefits in the long run.

The County Attorney questioned whether there will be a prepayment penalty.



Supervisor Butler asked the school board would be willing to enter into an agreement to have one (1) Board Supervisor, (1) School Board member and a project manager in place to govern projects, to which Dr. Eberhardt advised that the school board should have absolute control over school property and this can't be relinquished. In closing, Supervisor Butler advised that the aforementioned option would be an asset and allow all participating parties to be abreast of what was transpiring; he also suggested the school board seek a legal opinion.

Supervisor Butler explained the aforementioned suggestion was based on the contract information provided by Dr. Eberhardt regarding the process that was in place for a previous project undertaken in Clarke County.

Chairman Early advised that a Clerk of the Works was hired to oversee the project undertaken at the Waverly Yowell Elementary School which proved to be a very good experience for the school system; also, and proved to be a very good experience for the school system. In closing, he suggested legal guidelines must be followed regardless.

Chairman Allen advised that tonight's discussion is a 'starting place'.

Based on the consensus of the Board, the next step in the CIP process will be to identify how best to accomplish the projects and get funding in place and attain a true cost for a 'design/bid/build' project.

Supervisor Weakley suggested the representatives from Crabtree, Rohrbaugh, Inc. be asked to provide input as to where the savings will be.

After discussion, it was the consensus of the School Board to agree to move forward.

Supervisor Weakley further suggested that VML/Varco be asked to provide input.

Ms. Miller advised that she would contact representatives from VACo tomorrow.

The County Attorney suggested that funding options be attained for ten, fifteen and twenty years, and for \$8,000,000.00, \$9,000,000.00, \$10,000,000.00 \$11,000,000.00 and \$12,000,000.00.

After discussion, it was the consensus of the Board to contract Crabtree, Rohrbaugh, Inc. to attain specific costs for grouped projects.

Supervisor Elliott questioned who would draft the specifications for design/bid/build items, to which Chairman Allen advised that Crabtree, Rohrbaugh, Inc. has offered to do all the initial specifications.



Board Member, Martin Boone, verbalized agreement that it may be more cost effective to move forward with the aforementioned suggestion since they've performed the initial legwork.

After discussion, it was the consensus of both governing Boards to allow Chairman Allen, and Chairman Early, to contact Crabtree, Rohrbaugh, Inc. to schedule a meeting, and schedule a future meeting with both governing Boards to report the outcome.

**Adjournment:**

With no further action being required by both local governing Boards, on motion of Board Member, Doreen Jenkins, seconded by Board Member, Martin Boone, Chairman Early closed the joint session of the Madison County School Board.

On motion of Supervisor Lackey, seconded by Supervisor Weakley, Chairman Allen closed the joint session of the Madison County Board of Supervisors, 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, Acting Clerk for the Board

Date Adopted by the Board: May 8, 2012

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

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