MEETING #7 – February 9

At a Regular Meeting of the Madison County Board of Supervisors on February 9, 2016 at 4:00 p.m. in the Madison County Administrative Center Auditorium located at 414 N. Main Street:

PRESENT: R. Clay Jackson, Chairman
Jonathon Weakley, Vice-Chairman
Robert Campbell, Member
Kevin McGhee, Member
Charlotte Hoffman, Member
Daniel J. Campbell, County Administrator
V. R. Shackelford, III, County Attorney
Jacqueline S. Frye, Deputy Clerk

Agenda Items:

Call to Order
Pledge of Allegiance & Moment of Silence

1. Determine Presence of a Quorum/Adopt Agenda:
Chairman Jackson noted that all members are present; a quorum was established.

Chairman Jackson called for any additions to today's Agenda:

Suggested addition included:
Add Item: Item 4a "School Liaison" (to comment)

Supervisor McGhee moved the Board approve today's Agenda as amended, seconded by Supervisor Campbell. *Ayes: Jackson, Weakley, Campbell, McGhee, Hoffman. Nays: (0).*

2. Public Comment:
Chairman Jackson opened the floor for public comment.

With no public comment being brought forth, Chairman Jackson closed the public comment opportunity.

3. Constitutional Officers: None.

4. County Departments:
a. School Liaison: Robert Chappell, School Board Liaison, was present and provided a brief overview of the school board meeting held on Monday, February 8th; advised that the school board approving a resolution to request the 2016 General Assembly approve the school budget as proposed. Local school board members plan to travel to a conference in Richmond to meet with legislators; a copy of the proposed resolution was provided to the Board for review and information.

The Board thanked the school board for working with the County and expressing a strong willingness to serve the citizens of Madison County.

5. Independent Committees/Organizations:
a. School Appropriations ($10,402.00 & $73,843.65): Tina Cropp, School Finance Officer, and Sam Utz, Director of Technology were present to provide information regarding the school's supplemental appropriation requests.

Ms. Cropp noted that both supplemental requests will consist of carryover funding from FY2015; $10,402.00 is for state textbook revenue that the school system did not spent. By Virginia Code, these funds are allowed to be 'rolled over' into the school's textbook fund and will be placed in the schools' textbook fund to be used in a year when there is a large adoption of textbooks (although not in FY2016). The appropriation request for $73,843.65 is also being asked from 'carryover funds' to be used as a match for a Category 2 E-Rate funds totaling $172,301.83 (grant requires a twenty-five-thirty percent [25%-30%] match that equals the funding amount being requested).

Mr. Utz noted that the school applied for the Category 2 E-Rate grant for the purchase network switches, cabling, routers, racks, firewalls, and AP's; the school system is fortunate to attain this opportunity that will allow a $240,000.000+ network system to be built. Once grant funding is in place, the school system will be able to replace switches and network items at each school facility that will allow for a better network system for the students, and the future purchase of better equipment.

© Official Content of Madison County, VA Government

Questions from the Board focused on:

- Chairman Jackson: Questioned the lifespan of proposed technology
- Supervisor Campbell: Referred to the:
  - Plan submitted (by the school system) in the spring of 2015 (regarding rollover funds)
  - Current audit report of the school's original budget
  - Amount of spending (for the school system) was more than the original budget
  - Supplemental appropriations and 'leftover money'
  - Numbers provided don't actually agree

Mr. Utz noted that the existing switches have been in place between five (5) to eight (8) years; the company the school system is looking to go with currently utilizes an up and coming brand that is being sought across the nation; the system should last a good five (5) years or more.

The County Administrator noted that the confusion with today's request lies in the manner in which the County improperly booked some of the funding amounts allocated to the school system; the audit shows what the school system acknowledged as the approved funding amount (i.e. unspent funds in FY2015 budget). In closing, he noted that any discrepancies were on the County's side (of the budget) and not the school's budget.

- Supervisor McGhee: Verbalized the desire to support today's request in the event the County is honoring a prior commitment (to the school system) and if the requested funding is 'carryover'

Mary Jane Costello, Interim Finance Director, was present and referred to figures in the FY2015 audit which show that the school system didn't spent all the funding that was allocated for their usage, nor did they exceed their FY2015 budgeted funding, and further advised that the computed amount (of funding to the school system) wasn't accurately accounted or appropriated as had been approved (by the Board).

The County Administrator noted that page 88 of the FY2015 audit (governmental contributions to the school board) shows:

- The amount budgeted, as amended and appropriated (to the school system)
- The actual amount that was spent vs. the actual amount that wasn't spent (by the school system)
- Method by which the County booked the funding (for the school system) wasn't done correctly

Additional comments:

- Supervisor Weakley: Questioned whether today's funding request will be taken from contingency; also noted that prior discussions focused on the desire for 'rollover funds' to be applied to a capital outline (within the school's budget)

- Chairman Jackson: Noted that the school system abided by the County's guidelines, and that an accounting error was made on the part of the County (as identified by the auditors); also noted that the FY2015 audit is correct and that today's process will be necessary to correct the oversight

Ms. Cropp noted that the school system can create a capital line item, and advised that the Category 2 E-Rate grant funding was initially deemed to be a capital item – funding can be placed in the school's capital account (8100, 8200) for budgeting/auditing purposes.

- Supervisor Campbell: Feels the FY2015 audit shouldn't be approved based on the error as discussed ***(but did approve the FY2015 audit as presented under Item 9-b)***

The County Administrator referred to an excerpt in the management letter (from Robinson, Farmer, Cox Associates) that referred to the intergovernmental contribution adopted by the county regarding revenue contribution to the school board totaling $8,426.424.00.

- Supervisor McGhee: Questioned whether the school system has plans to pursue anything for the remaining funds

Ms. Cropp noted that in prior discussions the plan was that remaining funds (from the $192,000.00 allocation) would be placed into a capital fund and would be controlled by the Board of Supervisors or the school board by placing it within a separate construction fund that is non-appropriated.

It was also clarified that the school system can't hold any remaining funding at the end of a fiscal year; unused funding returns to the County's general fund and must be appropriated by the County.
The County Administrator noted that the County could investigate encumbrances and implement budgeting techniques to fund an obligation that was established during a prior year by the school system.

It was advised that a supplemental appropriation would be necessary if the school system desired to receive any allocations from the County's general fund, and that all supplemental appropriations must be initiated by June 30th of each fiscal year.

© Official Content of Madison County, VA Government

Supervisor Weakley moved the Board approve the school's supplemental appropriation request in the amount of $10,402.00 for textbooks, seconded by Supervisor Campbell. *Ayes: Jackson, Weakley, Campbell, McGhee, Hoffman. Nays: (0).*

Discussions on the request totaling $73,843.65 focused on the fact that the future purchase would be considered as a capital improvement.

Supervisor McGhee moved the Board approve the school's supplemental request in the amount of $73,843.65 from the contingency fund for network infrastructure for the school system, seconded by Supervisor Hoffman.

Discussion:

- Supervisor Campbell: Questioned if the school system is anticipating the need to spend funding (during FY2017) for any items (i.e. telephones, computers, IT equipment) from remaining FY2016 funding

Ms. Cropp noted that the school system will always have unexpended funding, and noted that:
It's uncertain how any future requests can be added
There is no way to determine a total funding figure that will not be accurate
Once all auditing numbers are in place
The school usually returns to request a supplemental appropriation for a specific item/project

In closing, reference was made regarding the school's accrual/reconciliation process (One [1] to [2] months after June) and that more accurate numbers should be in place by late August or the first of September.

Additional comments:
Interim Finance Director: Suggested a process be established to determine any encumbrances (by July/August of each year) for the school system

- Chairman Jackson: Suggested the process be incentivized (by all funding recipients), and that the County continue to apply accurate bookkeeping techniques

It was also noted that the school system requested funding last year for a new phone system, but later funded the project internally.

The County Administrator suggested the school system move the reconciliation time frame to the end of August instead of mid-September.

Supervisor Campbell asked that his questions (regarding today's request) presented to Ms. Cropp not be misinterpreted.

Ayes: Jackson, Weakley, McGhee, Hoffman. Nays: Campbell.

Ms. Cropp thanked the Board on behalf of the Madison County School Board and the Superintendent.

6. Committee Reports:

a. Shenandoah National Park: Jim Northop, Superintendent: Jim Northop, Superintendent, was present to provide an annual update for 2015 and accomplishments at the park:

Highlights focused on:

- Averaged 1,300,000 visits to the park in 2015 (5% increase over visits in 2014)
- Congress has reached a two-year budget agreement (for park services)
- Park continues to be a huge economic investment for the region
- Visitors spend over $84,000,000.00 annually in the local communities surrounding the park
- Presence of the park supports 1,085 jobs (excluding facility staff) for surrounding localities
- Community relationships are very good with all surrounding localities (Blue Ridge Committee & Shenandoah Group)
- Ninety-seven percent (97%) of surveyed visitors to the park are very well satisfied
- Volunteer efforts being provided to assist with maintaining trails at the park
- Strong park and community support to promote endeavors transpiring within the facility
- Major upgrades and renovations (rooms, restrooms, sidewalks, building, etc.)
- Replacement of all outdoor information resources (i.e. kiosk, trail and wayside signage)
- Entrance fees to the park were increased in 2015
- Increase in entrance fees has been well received by the public
- About eighty percent (80%) of funds collected are utilized within the park facility
- A plan has been developed to deal with chronic wasting disease (should the outbreak arrive at the park)

© Official Content of Madison County, VA Government

- Actively treating hemlock trees to fight off emerald ash bores
- Efforts being made to make park operations more sustainable (i.e. use of highway vehicles, propane powered mowers, night sky solar lighting, new electrical charging stations, etc.)
- Improved air quality
- Maintenance of view sheds
- Protecting night sky
- Promote wilderness care
- Provide quiet environment
- New mobile visitor's center has been established to provide better public service at the south end of the park
- New sister-park arrangement has been established with the nature reserve located in China (to promote foreign visitation to the park)

Additional items of interest focused on:

- "Every Kid in the Park" Program (free pass for 4th graders)
- US Mint to develop centennial commemorative coin, [available for sale on March 24, 2016)
- IMAX film to be shown to focus on the park experience
- Park Neighbor Day (June 2016)
- Reading Across America
- Philadelphia Flower Show (March 2016)
- Special Exhibit at the Capital Gardens (Washington, D.C.)
- National Park Week (April 2016)
- Earth Day (will showcase four [4] live musical performances (April 2016)
- National Quilt Show (October 2016
- Rededication of historic stone observation platform

The Board members provided accolades to Superintendent Northop, Bruce Bowman and Jim Ballard (citizen representatives), and also to the great staff employed at the Shenandoah National Park.

Mr. Bowman commended the park for all the hard work that has been done, despite the availability of limited resources.

7. Finance: Post Year

Claims:
February 2016– FY2016

Vendor Payments Register:

a. $99,104.34

Supervisor Campbell moved the Board approve the vendor payments (February 2016) Totaling $99,104.34.

The County Administrator advised of a change in the claim amount to include an electronic funds transfer related to interest/fees for VML/VACo totaling $1,781.49, which will bring the total of the vendor payments to $100,885.83.

Supervisor Campbell re-stated his motion that the Board approve the vendor payments (February 2016) totaling $100,885.83, seconded by Supervisor Hoffman. *Ayes: Jackson, Weakley, Campbell, McGhee. Hoffman. Nays: (0).*

b. $40,485.09

Supervisor Campbell moved the Board approve the vendor payments totaling $40,485.09, seconded by Supervisor Weakley.
Ayes: Jackson, Weakley, Campbell, McGhee, Hoffman. Nays: (0).

i. **Expenditure Report*:*** Mary Jane Costello, Interim Finance Director, provided a copy of the County expenditure report through February 9, 2016; report showed breakdown of expenditures by fund, department and line item; funding expended to this point is usually between 55%-65%.

Additional highlights focused on the following items:

- General fund balance is on budget
- Auditors (46% expended (audit bill [$30,000.00] hasn't been received)
- Electoral Board [38% expended (three elections budgeted – only one has taken place thus far)]
- Circuit Court [15% expended]
- Madison Volunteer Fire Department [35% expended]
- Central Virginia Regional Jail [53% expended]
- Transfer Station [51% expended]
- Parks & Recreation [County side – 73% expended – PRA [27% expended]

© Official Content of Madison County, VA Government

- Extension Office [28% expended]

Funding information was also provided on the following outside agencies:
- CSB
- Skyline CAP
- Madison County Library
- Culpeper Soil & Water Conservation District

Additional information:
- County's contingency fund [remaining balance of $355,000.00 (13% of the balance has been appropriated to date)]
- CSA fund (65% expended) [local share – 75%]
- TOT fund (31% expended)
- School fund (47% expended)
- All large debt service payments have been made ($69,000.00 owed on two remaining payments [to be paid in April 2016]

Concerns:
Supervisor Campbell a feels there will be a funding shortfall for CSA, and also verbalized concerns regarding PRA's anticipated revenue amounts.

Valerie Ward, DSS Director, was present and noted that a meeting was held today to discuss CSA and the foster care placements that are being assessed.

The Interim Finance Director advised that techniques used to place revenue on the County's books in the 2016 budget were different than the method utilized in 2015. In closing, it was also noted that the gross expenditure for CSA is in a different category (Fund 26) than the local funds.

It was also suggested that the budget be closely monitored from this point forward.

8. Minutes

a. #4 through #6

Minutes #4:
Corrections needed on page 1 (Weakley – present); page 3 (Weakley - motioned only); Remove "Lackey"

Minutes #5:
Correction needed on page 1 (remove the "Pledge & Moment of Silence" from budget work sessions)

Supervisor McGhee moved the Board approve Minutes #4 through Minutes #6 as corrected, seconded by Supervisor Weakley. *Ayes: Lackey, Weakley, Campbell, McGhee, Hoffman. Nays: (0).*

Chairman Jackson called for a five (5) minute recess.

Chairman Jackson reconvened the meeting.

9. Discussions/Actions

a. Annual Sick Leave – Year 1: The County Administrator provided a draft resolution to be considered regarding:
- Proposed sick leave accumulation guidelines
- A breakdown of annual leave earned based on years of service
- Retroactive process for six (6) employees hired after August 12, 2014 to the present time

It was further noted that a discussion was held with Chairman Jackson regarding today's proposed items, at the request of the Board of Supervisors.

It was also suggested that the Board maintain consistency for 'like' positions and ensure compliance with state statutes regarding annual and sick leave for employees.

The County Administrator also noted that the adopted leave policy places the County at a competitive disadvantage for hiring new and highly qualified staff in the future.

Supervisor Campbell moved that the Board accept the Resolution (#2016-2) as presented, seconded by Supervisor Hoffman. *Ayes: Jackson, Weakley, Campbell, McGhee. Hoffman. Nays: (0).*

© Official Content of Madison County, VA Government

b. ***Acceptance of Audit (FY2015) from Robinson, Farmer, Cox Associates:*** The County Administrator suggested the Board accept the FY2015 audit as presented. In closing he noted that concerns have been verbalized/discussed and although all members may not agree with the contents, the document can still be accepted.

Supervisor Campbell moved that the Board accept the FY2015 Audit as presented, seconded by Supervisor McGhee. *Ayes: Jackson, Weakley, Campbell, McGhee. Hoffman. Nays: (0).*

c. ***Cost Allocation Plan Proposal:*** Chairman Jackson referred to a letter provided by Robinson, Farmer, Cox Associates regarding their proposed fees for the County's cost allocation plan.

The County Administrator noted that two (2) options are being provided for review:

a. *Robinson, Farmer, Cox Associates proposes to provide the above noted services in connection with the County's Central Services Cost Allocation Plan for costs incurred during the fiscal year ended June 30, 2015 for a fixed fee of $4,200.00. Payment will be due and payable when the services outlined in this proposal are complete and accepted by the County*

b. *As an alternative, Robinson, Farmer, Cox Associates proposes to provide the above noted services in connection with the county's Central Services Cost Allocation plans for costs incurred during the fiscal years 2015 through 2017 for the price of $11,400.00, one third of said fee shall be due and payable annually when the services outlined in this proposal are complete and accepted by the County.*

The County Administrator suggested the Board consider the three (3) year proposal as presented.

Supervisor Weakley moved the Board approve the three-year (3) Central Services Cost Allocation Plan as presented, seconded by Supervisor Hoffman.

Discussion:
The County Administrator noted that the County has been utilizing the aforementioned service, and advised that the process helps the locality recapture some federal funding through the Department of Social Services; the County will receive an asset by accepting the proposed plan that will be greater than the amount of payment being requested. In closing, he noted that today's proposal advises that auditors are required to perform the cost allocation plan at the time the audit is being prepared, and that by approving today's plan, the County provides the belief that there is independence and no conflict with standard practices being implemented by Robinson, Farmer, Cox Associates, Inc.

Ayes: Jackson, Weakley, Campbell, McGhee, Hoffman. Nays: (0).

c. ***Security Improvements/Camera System for Admin Building:*** The County Administrator noted that cost estimates have been received for security improvements at the County Admin Building.

Wes Smith, Building Official, was present and advised that a quote for the installation of security cameras in certain areas at the Admin Building has been received from Nighthawk Security Co.; this company currently monitors the County's alarm system in the building. The proposal calls for:

- Installation of eight (8) cameras (three [3] in hallway; two [2] in Treasurer's Office; two [2] in auditorium and one [1] in the Commissioner's Office)
- A recording system (that will accommodate up to eight [8] cameras)
- One 22" LED monitor w/power supply
- Necessary cable for installation
- Labor

Options include:

- Upgrade recording system to accommodate sixteen (16) cameras [+$700.00]
- Install a single microphone system in the auditorium to be recorded in the system [+$595.00]
- Install two (2) microphones in the auditorium [+$800.00]

Recommendation agreed upon by the Treasurer was to install the recording device and monitor in her office.

Comments from the Public:

- Jerry Butler: Questioned if the County considered compliance guidelines concerning the wiretap law for the State of Virginia

Comments from the Board focused on:

- Whether signage would need to be in place for the public (i.e. video surveillance)

© Official Content of Madison County, VA Government

- Wiretap laws
- Whether recording a public venue would be considered as being acceptable
- Security is needed due to the amount of funds handled in the Treasurer's Office

The Building Official noted that the proposal didn't mention any pricing or signage.

The County Attorney noted that the County building is a public venue and that anything said in a public meeting isn't subject to privacy laws, and that closed sessions aren't recorded; any microphones in the area will need to be turned off.

The County Administrator noted that many jurisdictions do record their board meetings and replay them later.

Additional discussions focused on:
- Recording all communications in the building
- Whether there is a need for microphones if cameras are in place
- The need to abide by State laws

The County Administrator noted that the purchase could be funded through contingency or the facilities departmental budget (i.e. maintenance funds), as today's proposal wasn't anticipated at the beginning of the current budget year. In closing, he noted that representatives from Nighthawk Security Company already provide security services for the County and would be an appropriate candidate under the County's procurement plan as a sole source candidate.

After discussion, it was the consensus of the Board to fund the aforementioned purchase through the contingency fund instead of from the facilities/maintenance departmental budget.

The Building Official also noted that he was uncertain if the microphone would be attached to the camera or installed elsewhere in the room.

Supervisor Hoffman noted that security has been discussed for the admin building due to the large amount of funding handled within the Treasurer's Office; today's action will be a starting point to initiate security as requested by the Treasurer.

Supervisor Hoffman moved that the Board accept the first proposal with eight (8) cameras and no microphones at this time, to be funded through the contingency fund, seconded by Supervisor Weakley. *Ayes: Jackson, Weakley, Campbell, McGhee. Hoffman. Nays: (0).*

Miscellaneous:
The County Administrator noted that the County Attorney has recommended that Resolution #2016-2 be amended to state "earned leave" instead of 'accrual'.

The County Attorney noted that the 'accrual' guidelines will remain the same, but the 'earned leave' will be addressed.

Supervisor Campbell amended his original motion (for Resolution #2016-2) to read as "earned leave" as suggested, seconded by Supervisor Hoffman. *Ayes: Jackson, Weakley, Campbell, McGhee, Hoffman. Nays: (0).*

10. Information/Correspondence:
Miscellaneous: Chairman Jackson advised that a note of thanks has been provided from Jerry Butler to acknowledge his assignment to the DSS Board.

Public Comment:
Chairman Jackson opened the floor for public comment.

With no public comment being brought forth, Chairman Jackson closed the public comment opportunity.

12. Adjournment:
With no further action being required, on motion of Supervisor Campbell, seconded by Supervisor Hoffman, Chairman Jackson adjourned tonight's meeting.

_____
R. Clay Jackson, Chairman
Madison County Board of Supervisors

© Official Content of Madison County, VA Government

_____

Clerk of the Board of the Madison County Board of Supervisors

Adopted on: February 23, 2016

Copies: R. Clay Jackson, Jonathon Weakley, Robert Campbell, Kevin McGhee, Charlotte Hoffman, V. R. Shackelford, III, Constitutional Officers

****

Agenda
Regular Meeting
Madison County Board of Supervisors
Tuesday, February 9, 2016
County Administration Building, Auditorium
414 N. Main Street, Madison, Virginia 22727

Call to Order

Pledge of Allegiance & Moment of Silence

1. **Determine Presence of a Quorum / Adopt agenda**
2. **Public Comment**
3. **Constitutional Officers**
4. **County Departments**
   a. **School Board Liaison**
5. **Independent Committees / Organizations**
   a. **School Appropriations ($10,402.00 & $73,843.65)**
6. **Committee Reports**
   a. **Shenandoah National Park – Jim Northup, Superintendent**
7. **Finance**
   a. **Claims for February FY2016**
8. **Minutes:**
   a. #4 through #6
9. **Discussion/Action:**
   a. **Annual/Sick Leave – Year 1 [Resolution #2016-2]**
   b. **Acceptance of Audit (FY2015) from Robinson, Farmer, Cox Associates**
   c. **Cost Allocation Plan Proposal**
   d. **Security Improvements/Camera System for Admin Building**
10. **Closed Session (if needed)**
11. **Information/Correspondence**
12. **Adjournment**

AMENDMENT(S) DENOTED IN ROYAL BLUE WITH YELLOW HIGHLIGHT

© Official Content of Madison County, VA Government