

Joint Meeting, Wednesday, December 3, 2014, at 6:00 p.m. Government Center, Verona, VA.

PRESENT: AUGUSTA COUNTY BOARD OF SUPERVISORS

Larry J. Wills, Chairman
Michael L. Shull, Vice-Chairman
Carolyn S. Bragg
David A. Karaffa
Jeffrey A. Moore
Marshall W. Pattie
Tracy C. Pyles, Jr.

STAFF: Patrick J. Coffield, Augusta County Administrator
Patrick J. Morgan, Augusta County Attorney
Timmy Fitzgerald, Director of Community Development
Jennifer Whetzel, Finance Director

PRESENT: AUGUSTA COUNTY SCHOOL BOARD

Nicholas T. Collins, Chairman
Dr. John L. Ocheltree, Jr., Vice-Chairman
Elizabeth P. Godfrey
Timothy R. Quillen
Dana M. Sensabaugh
David R. Shiflett
Tim Z. Swortzel

STAFF: Dr. Eric W. Bond, Superintendent, Augusta County Schools
George Earhart, Assistant Superintendent for Administration
John Matherly, Director of Instruction
Mark Lotts, Director of Finance
Dr. Douglas W. Shiflett, Jr., Assistant Superintendent of Personnel
Marsha K. Buehner, Clerk of Augusta County School Board

VIRGINIA: At a joint meeting of the Augusta County School Board and the Augusta County Board of Supervisors, held on Wednesday, December 3, 2014, at 6:00 p.m., at the Government Center, Verona, Virginia, and in the 239th year of the Commonwealth....

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Chairman Wills welcomed everyone and expressed appreciation that everyone would come together to discuss issues that have been present for the past five years. Chairman Wills called the meeting of the Board of Supervisors to order. Chairman Collins called the meeting of the School Board to order.

Chairman Wills referenced the agenda which had several main topics for consideration:

- Duties and Responsibilities of Each Respective Board
- Communication
- Annual Debt Funding Level
- School Board Facilities Plan
- Future Needs

Each member was given an opportunity to address each subject.

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DUTIES & RESPONSIBILITIES

Chairman Wills introduced the first topic regarding Duties and Responsibilities. There had been some concern expressed by some members of the School Board that the Board of Supervisors is overstepping its bounds into areas that are School Board issues.

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DUTIES & RESPONSIBILITIES (cont'd)

Chairman Collins read the following statement:

The catalyst for this meeting tonight stems from the need for a clearer understanding of the duties and responsibilities of each elected board. We are hopeful that after tonight's meeting, we will have a mutual understanding and mutual respect as it pertains to our respective duties and responsibilities as directed by the Constitution of Virginia. As an elected body, local school boards in Virginia are vested with exclusive supervisory authority over public schools, and this authority originates in the Virginia Constitution Article 8, Section 7 and it is clear that the supervision of schools in each school division shall be vested in a school board. Virginia statutory law also recognizes the preeminent authority of school boards in Virginia Code 22.1-71 which states in part: 'Every such school board is declared a body corporate, and in its corporate capacity is vested with all the powers and charged with all the duties, obligations and responsibilities proposed upon school board by laws.' It is our hope that this facilitation meeting will lend itself to a better understanding of our respective duties and responsibilities as elected officials so we may better serve our community and school division.

Chairman Collins asked if any School Board Member wanted to add anything to that statement. All School Board members were in agreement.

Chairman Wills asked if any Board of Supervisors cared to make a comment.

J. Moore: Recognized that the School Board is elected and responsible for school division decisions. Understands that a sizable portion of the School Board budget comes from local dollars. Funding for the schools is framed from the perspective of other Board of Supervisors' obligations and the current tax rate. Funding is the responsibility of the Board of Supervisors – beyond that, it is not the responsibility or right of the Board of Supervisors to direct how funds are to be spent.

D. Karaffa: There is a good understanding of what the responsibilities of the Board are – communication is the key. State and local challenges for Augusta are not unusual – other localities are facing similar problems. There is a need to improve communication between the boards. Not only vocalizing our problems but also offering solutions.

T. Pyles: Board of Supervisors tried to come up with a division of funding: 50/50 growth. School Board accepted this as long as funding was increasing. Board of Supervisors has increased capital funding following reassessment. I must know/understand decisions are fiscally sound before I vote – I am responsible for my vote. The School Board can generate a large turnout for Board of Supervisors meetings. Construction funding requests come from School Board members – not the public. The two school closings are operational dollars and the School Board wants those funds to be directed to capital.

J. Moore: The School Board is not asking for any increase in the annual debt service ceiling – the 10-year plan is built upon the current debt funding level.

Dr. Bond: Confirms that no additional funds is required from Augusta County. Operational savings would be directed toward the 10-year plan for capital needs.

T. Pyles: The public is concerned about instructional programs and the need for increased funding. The School Board is experiencing decreasing student enrollments. Schools will be hit next year with reductions from the state. If funds are redirected from operations, how will the School Board meet operational needs in the face of declining state revenues?

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DUTIES & RESPONSIBILITIES (cont'd)

N. Collins: All the issues Mr. Pyles have raised have been dealt with every year when the School Board develops its budget.

T. Pyles: The School Board is stating that taxes need to be raised.

N. Collins: Every year we are faced with developing a needs based budget or submit a balanced budget.

T. Pyles: The Board of Supervisors have raised taxes for the last three years. The Board of Supervisors gave a \$3 million gift. The public is still saying that the Board of Supervisors is not funding the schools adequately. The 10-year plan is misleading in that only five schools are less than 30 years old – this makes the Board of Supervisors look bad. I am advocating for fiscal soundness/responsibility. How can the School Board spend so much money on architectural planning?

N. Collins: Where have we made bad decisions?

T. Pyles: Wilson Middle School – undersized originally. When you compare Riverheads High School, Fort Defiance High School, Buffalo Gap High School expenditures to Wilson Middle High School/Stuarts Draft High School – it was an overreach.

D. Karaffa: It is fair to say that when the schools have had needs, the Board of Supervisors has funded them through their capital accounts and tax rate increases.

M. Shull: If communication is the problem – maybe we need to come up with a solution of how to present information clearly. It is our responsibility to come up with the communication to be released.

C. Bragg: It is how the information is presented. The presentation of the issues makes a difference.

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COMMUNICATION

C. Bragg: It is beneficial to have respective representatives from the two boards meet – perhaps quarterly.

D. Karaffa: I would like to see some type of committee – two members from each board.

E. Godfrey: You get focused/blinded – by concentrating only what your board is dealing with. Sharing information will make it a healthier relationship.

M. Shull: It would be good to have someone from the public from each district to sit in on the committee.

T. Pyles: My concern is how we approach school closures. A heads-up would be in order instead of reading about it in the paper. The School Board should share some information with the Board of Supervisors. Discussions should be held with the public as well before stating a school should be closed. Get public input.

L. Wills: Communication at staff level is helpful and should be encouraged – promote goodwill.

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COMMUNICATION (cont'd)

J. Moore: The 10-year document states that it is a “working plan”. Mr. Shomo was the only board member that he is aware of that promoted the closing of Craigsville. The 10-year plan eliminates the discussion of closing Craigsville. We will have more schools/facilities than we will have students because of dropping enrollments. All it takes is one comment in a meeting and it ends up in the paper – there is no way you can have discussions if you have to bring everything to the Board of Supervisors.

M. Shull: Nick – you were not the first to mention the closing of Verona Elementary School. Dr. Bishop had referenced the potential closure more than a year ago.

D. Sensabaugh: Closing of a school is a School Board issue – and there is a procedure to follow. Anytime a school is to be closed – I guarantee we will follow the procedure. There is a cloud over the School Board. The configuration of Augusta County Public Schools is the duty/responsibility of the School Board (relative to K-5, 6-8, 9-12). This should be mentioned to a particular Supervisor. Will we hear anything more about the configuration?

L. Wills: Not officially from this board.

E. Godfrey: Two years ago I wrote an op-ed piece in the paper giving a “heads-up” of changes that were to come – school closures/boundary lines.

C. Bragg: Mr. Pyles has a gift of looking at things from an outside-the-box perspective – he was not wrong in his interest in looking at things from a different perspective. I agree it is a School Board responsibility.

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ANNUAL DEBT FUNDING LEVEL

L. Wills: The School Board needs a figure so they can plan. I fully support maintaining that level for construction. Savings from operations should be used for maintenance needs.

J. Moore: This is the first time funds have gone into a depreciation account to maintain facilities. The savings may be more – the School Board may elect to expend a portion for depreciation and a portion for operating needs. If we keep using the facilities, we need to fix them. This plan addresses the schools we are going to use and the ones to be closed if they are not going to be used. If we do not maintain the current debt level funding – there is nothing else to talk about relative to the 10-year plan.

T. Pyles: I don't think there is any big heartache keeping the \$7.265 million.

C. Bragg: I agree with the current debt level. I do agree savings need to be directed toward maintenance needs.

M. Pattie: I have always said that I am fine with \$7.265. What I have been asking for for the last three years is how to use the funds that are not used (below \$7.265) now that some debt is coming off.

D. Karaffa: I can continue to support the \$7.265 million. What we were told the savings from Ladd were – were spent somewhere else. My biggest concern is that operational savings will be needed to be used in operations and will jeopardize the 10-year plan. I would like to see a commitment to use the operational savings for the 10-year plan – if there are operational issues – then good communication will be needed to

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ANNUAL DEBT FUNDING LEVEL (cont'd)

see how we address operational needs.

M. Shull: I support maintaining the \$7.265 – it is necessary to make the 10-year plan work. We need to keep/maintain a good school system for our kids – to educate the kids to the best level we can.

D. Karaffa: The \$1.2 million allocated to the School Board for the last three years has been from interest. The Board of Supervisors has capital needs – the court house, water tower. By giving the \$1.2 million – the County is not addressing all of its needs.

L. Wills: The School Board must make a commitment to the 10-year plan.

J. Moore: Year-end fund balances can also be used to address capital needs.

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SCHOOL BOARD FACILITIES PLAN

N. Collins: The plan addresses a number of issues (see prepared notes). We are committed to the vision of the plan.

D. Sensabugh: It is 100% for Augusta County students – it saves money – it places all students in up-to-date schools. No more pod schools – an excellent plan.

T. Quillen: If there is a down turn in the economy – it can become a 12-year plan – it is a working document.

D. Shiflett: You all have seen the 10-year plan. What it contains is a cash flow analysis. It is not carved in stone – it is flexible – changes can be made. We have been very conservative in the estimates – it does not include year-end fund balances. Savings from mothballing goes into funding maintenance. We have also made allowances for technology. It is a very sound plan. It is not perfect – there will be changes. It is built with the best information we have. Can we, the two boards, embrace this plan and move forward? The cash flow analysis is a good, solid, plan – the figures are solid. With the best information we have – this is a good cash flow analysis.

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BOUNDARY LINE STUDY

Dr. Bond: The boundary line committee is continuing to work on the study – 90% complete on the first draft with hopes of completing before the Christmas holiday. Present first version to the School Board in January. Final decisions hopefully in late January/early February.

E. Godfrey: The whole process is carefully thought out. The committee is evaluating many different scenarios. We will come up with what is best for kids. The process will be open to the public.

G. Earhart: All boundary lines are being evaluated. Could potentially impact 10 of the 11 elementary schools.

Dr. Bond: The 10-year plan is being used as a “guiding document” – but there has been a need to evaluate all boundary lines.

Dr. Ocheltree: The evaluation of Ladd was done on a street-by- street basis. You can’t satisfy everybody – but we have not had any complaints. I can assure you that the process received due diligence.

T. Swortzel: There was minimal turnout when we had the last boundary line public hearings.

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SCHOOL BOARD FACILITIES PLAN (cont'd)

BOUNDARY LINE STUDY (cont'd)

E. Godfrey: We understand that people are devoted to their high schools. We want to address elementary schools first.

M. Shull: Are we going to have public hearings at each elementary school – or just in each district?

G. Earhart: We will probably hold them in high schools. All hearings will be advertised in advanced.

D. Karaffa: Before the process starts to close Verona Elementary School – we need to have the boundary lines in place.

M. Pattie: The process is flawed – the boundary line study should have been done first before the 10-year plan.

T. Pyles: I agree with Dr. Pattie. The 10-year plan calls for the closing Beverley Manor Middle School and the opening of Riverheads Middle School & Buffalo Gap Middle School – does the boundary line study address middle school boundaries?

E. Godfrey: The plan is focusing on the elementary.

T. Pyles: Will you fully show where all kids will go? How will the schools be filled? Where will they go to middle school?

C. Bragg: Prior to the public hearing – will the Board of Supervisors have the option of viewing the boundary lines?

Dr. Bond: Boundary line adjustments are a function of the School Board. It is our intent to share the information with the Board of Supervisors – this may not have always been the case.

L. Wills: I have a concern as you move forward with the closing of Verona Elementary School – the lines at Wilson/Cassell – need to be looked at fairly quickly (including Wilson Middle).

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RIVERHEADS ELEMENTARY SCHOOL

J. Moore: I think it makes sense if the Wilson Elementary School plans can be used at Riverheads and/or Cassell. A common design/plan may result in a cost savings. I do support a new school at Riverheads.

T. Pyles: I support a new Riverheads Elementary School. What if we renovate or build 3 schools – are there any savings there? Why not use existing plans (i.e. Churchville)? We have asked for these savings – but the School Board has not been very forthcoming. If we do not own the plans, can we ask what the cost would be for the use of the plans? The public does not mind paying for a school – but they do not want to pay for luxury.

C. Bragg: We want to have good facilities – but we do not want everything. The Board of Supervisors is responsible for the use of the funds – we need to explore all options to save funds. We need to make sure the boundary line study fits with the facilities.

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SCHOOL BOARD FACILITIES PLAN (cont'd)
RIVERHEADS ELEMENTARY SCHOOL (cont'd)

M. Shull: I support Riverheads Elementary School. It makes sense to look at every option when you are spending this kind of money. The configuration of the school is a School Board issue. The School Board has always had boundary lines in mind when making decisions. We need to finish out the plan we started 20 years ago so we can realize the savings of not having to do major renovations and direct those funds to maintenance.

D. Karaffa: I agree we have a problem at Riverheads Elementary School. My concern is that the capital debt cap will be extended. My worry is flexibility to address all your other needs (maintenance) – it will not, however, keep me from voting for the project.

M. Pattie: Was there ever a study showing the cost/layout of a renovated Riverheads Elementary School?

Dr. Bond: Yes – it was presented at a School Board meeting (Dr. Pattie will be given a copy).

L. Wills: I think a new Riverheads Elementary School is greatly needed. The conditions at Riverheads Elementary School, as far as plumbing and electrical, does not lend itself to renovation. I want to make sure it is done in the most economically beneficial matter. I am a strong proponent of design-built.

N. Collins: Dr. Bond has been evaluating previous plans (Churchville).

D. Sensabaugh: A new school is definitely needed at Riverheads – we only want what other schools throughout the district have. An environmentally, safe, 21st century facility.

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CLOSURES / SAVINGS

T. Swortzel: The 10-year plan calls for closures in order to direct funds toward funding maintenance needs and the depreciation schedule.

J. Moore: Cassell's needs are similar to Riverheads. All the pod schools need to be addressed – the 10-year plan addresses these schools. Enrollments are projected to decrease. We will have more capacity than needed – the mothballing is something I like. It allows for flexibility to meet future needs. Verona Elementary School is not conducive to be renovated – it is 2 miles from Clymore and has a tight site. If we are going to use facilities – we need to fix/maintain them.

Dr. Ocheltree: The 10-year plan addresses the pod schools. We will have public hearings prior to a school closure. I do not see a lot of people being alarmed at the closing of a school. We need to begin to address the 10-year plan.

T. Pyles: Both Riverheads Elementary School and Cassell need to be done.

T. Quillen: We need to spend some money to save money in the long run – eliminate pod schools.

C. Bragg: I am glad to see Beverley Manor mothballed – because it can serve a purpose. When we get closer to the closings – we will have to evaluate the plan at that time.

M. Shull: Some years ago several schools were closed when Riverheads opened. Hindsight is 20/20 – maybe we should have kept the K-7 configuration until we had the

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SCHOOL BOARD FACILITIES PLAN (cont'd)

CLOSURES / SAVINGS (cont'd)

funds to open middle schools at Buffalo Gap & Riverheads. We also need to focus on the needs of our Tech School. Maybe we can convert Beverley Manor to be used for the Governor's School to allow Vo-Tech to expand. For economic growth we need to focus on technical programs.

D. Sensabaugh: Savings from Verona Elementary School and Beverley Manor Elementary can be used to update/maintain other schools. We are putting technology into schools – to meet 21st century needs.

D. Karaffa: It is never easy to close a school. We need to keep in mind that many people bought or built homes based upon where their children would be attending schools. If schools are to be closed to allow for the redirecting of funds, we need to be committed to using those funds as intended – we would be obligated to use those funds in that matter.

E. Godfrey: Money is almost free – the rates will start inching up – we need to move now on the bonds needed to finance Riverheads Elementary School. My Pyles pointed out that we need to fill empty seats and close schools.

M. Pattie: I have never been opposed to closing schools. Communication is the key to allow us to meet the needs of our community.

D. Shiflett: Schools will be closed in the future – but we have no crystal ball. We have to take the best information we have and make the best decisions we can and move forward. The 10-year plan is well thought out. It is time to move forward.

N. Collins: The 10-year plan is a tool that the School Board will be using in the future. We have strongly discussed on how we can repurpose Beverley Manor and offer more space for Valley Career and Technical Center in Fishersville.

L. Wills: The parents have more anxiety over a closing and boundary line adjustment than do students. Verona Elementary School has been an issue for years in terms of its location, ability to expand, and in terms of security. I have no problem with the closure of schools. I like the 10-plan because it looks at the efficiencies of closing schools.

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FUTURE NEEDS

L. Wills: The County will have upcoming demands – such as the court house, we need to cover the cost of Rt. 636, and the cost of the water tank at Mill Place. There are HVAC issues at the Government Center. There is no “slush fund” – those dollars are designated.

N. Collins: Are there other formulas to be used to determine funding?

L. Wills: We need to be open to operational efficiencies. Additional funding is not there at the state level.

D. Karaffa: I recently toured Valley Career and Technical Center. You receive a “spectrum” of education/exposure. The center is a valuable resource. I am glad to see the focus on technology and how to use and incorporate it in our lives and businesses.

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FUTURE NEEDS (cont'd)

The SOL scores are on my mind. On the County side – our roads are a terrible subject with state government. More of our local resources are going to have to go toward roads. Fire and Rescue will have ever increasing needs. More and more people are relying on services of the sheriff’s office. All of this equates to more of a demand on the pie. Sound planning is great. The 10-year plan for capital plans is wonderful.

E. Godfrey: Both VCTC and Governor School programs are growing. A future need will be to determine where to place the Governor’s School.

C. Bragg: The Board of Supervisors are all pro-school. We do ask that when you (the School Board) come to us asking for funding that you understand that we have other needs.

J. Moore: Buses are aging and the fleet needs updating.

M. Pattie: I think by moving the Governor’s School to Blue Ridge Community College is the only logical choice. It would save money and the students would receive college credit.

M. Shull: You would be mixing minor with adults.

L. Wills: Utilization of online classes could be used to offer college type courses to high school students.

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CLOSING STATEMENTS

M. Shull: The outdated building at Riverheads Elementary School is an inconvenience. Our minutes contains comments made by Board members. Can the School Board minutes include comments by their board members? The 10-year plan is flexible – but right now we can start on the plan with the funds that are currently available. We need to work on maintenance needs – i.e. chiller at Fort Defiance High School – possibly use a local vendor as a resource. Look at local businesses to see if they can contribute/support our schools. We need to try to meet the needs of our students the most efficient way we can. I did not come on this board to raise taxes, but to run the county as efficiently as possible. I am not an advocate to raise taxes, but we may have to.

D. Sensabaugh: I am appreciative of all that the Board of Supervisors do. We have to do all we can to provide the best plan for education for our students to keep them here.

D. Karaffa: I thank everyone for coming tonight. I would like to make a motion to form a committee to enhance communications between the two boards. The committee would meet quarterly and would be comprised of the chair and vice-chair of each board.

Mr. Karaffa moved, seconded by Mr. Moore, that a “Joint Committee,” consisting of respective Chairs and Vice-Chairs meet on a quarterly basis to ensure a closer working relationship between the two Boards.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

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CLOSING STATEMENTS (cont'd)

E. Godfrey: I wish to thank everyone for tonight.

M. Pattie: Thanks for all being here tonight. This has been my concern for three years. We have been here for three hours and we have not talked about education. The Schools' top priorities are who has power and how much is used for construction. What parents are concerned about is education – 80% of the dollars used. We spent \$600k at Stewart Middle School but did not see improvements in test scores. There have been communication issues. You need to sell the plan. When asking for funds – we have a right and obligation to ask questions. We hear conflicting information. Using fear and hearing inconsistencies needs to stop.

T. Swartzel: I think we need to move forward with the 10-year plan and make it work. Communication can get better. We do not need to be micromanaged on every little aspect of what we do. As boards, we need to trust the decisions that are being made.

J. Moore: The \$7.265 million is limited. There are three projects that need to be done – Riverheads Elementary School, Cassell, Wilson Middle School.

Dr. Ocheltree: I do not think the 10-year plan is a hard sale. Everyone that I have talked to that have read it like it. I understand the Board of Supervisors' interest in the cost of construction. The staff of the School Board know what they are doing. I think tonight's meeting was needed. I think we will have good communication go forward.

T. Pyles: I will never be happy – it is not my job to be happy. We need to keep improving and doing the best we can. We pushed you about moving central office and directed you to use the space we had here. I am all about business when I am here. We celebrate how good we are 11 months out of the year, but then complain one month out of the year when we develop the budget. I am for Riverheads and Cassell, but I want continual improvement.

T. Quillen: Generally, I think everybody is for the same thing – good facilities for our students. Our biggest issue has been communications.

C. Bragg: I think presentation as well as communication needs to be looked at. It is important that we support each other. We will do the best we can when it comes to budgeting. Riverheads needs to be done. I am concerned about Wilson.

D. Shiflett: Communications is vitally important. The most important people in this whole discussion are the kids. We may not always agree, but we need to try to do what is best for the students. We try our very best to bring you a balanced budget. It is my job to come to you and ask for "x" number of dollars – if you don't have it, we'll do the best we can. We will try to spend dollars the very best way we can for the education of our kids.

N. Collins: We need to offer our students the same opportunities that surrounding localities offer so they can compete. Pre-K education is becoming more important. Technology strides need to continue. Career & Technical opportunities need to continue. We are learning more about the impact poverty has on education. I believe the School Board has made sound financial and instructional decisions over the years. I am extremely pleased with the team of professional administrators we have as well as the leadership of Dr. Bond and his staff.

L. Wills: I want to thank all of you for coming out and participating in this meeting. I am proud of both boards. We have proved that we do it the "Augusta County way".

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CLOSING STATEMENTS (cont'd)

We have conversations in a kind and respectful way.

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ADJOURNMENT

There being no other business to come before the Board Mr. Shull moved, seconded by Mr. Karaffa, that the Board of Supervisors meeting be adjourned subject to the call of the Chairman.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Bragg and Pyles

Nays: None

Motion carried.

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Chairman, Board of Supervisors
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County Administrator