

VIRGINIA: At a Joint Meeting of the Board of Supervisors for the County of Accomack and the Accomack County School Board held at the Sage Restaurant in Onley, Virginia on the 23rd day of September, A.D., 2015 at 5:00 p.m...

Members Present: C. Reneta Major, Chair
Ron S. Wolff, Vice Chair
Wanda J. Thornton
Grayson Chesser
John Charles "Jack" Gray
Kay W. Lewis
Robert D. Crockett
Laura Belle Gordy
Donald L. Hart, Jr.

Others Present: Steven B. Miner, County Administrator
Michael Mason, Finance Director
Shelia West, Administrative Assistant

School Board: Margaret Miles, Chair
Travis Thornton, Vice Chair
Audrey Furness
Aaron Kane
Paul Bull
Janet Turner
Ronnie Holden
Naudya Mapp

Absent: Camesha Handy

Call to Order

The meeting was called to order and opened with a prayer by the Chair by the Chair after which, the Pledge of Allegiance to the Flag was recited. School Board Chair Margaret Miles called the meeting of the Accomack County School Board to order followed by roll call by Gretta Smith, Clerk of the School Board.

School Board Resolution for County Financing of CIP

Dr. Holden made a motion to adopt the following resolution. Mr. Bull seconded the motion. The motion was unanimously approved with Ms. Handy.

A RESOLUTION OF THE SCHOOL BOARD OF THE COUNTY OF ACCOMACK, VIRGINIA WITH RESPECT TO THE FINANCING OF CERTAIN PUBLIC FACILITIES

A. The Board of Supervisors (the "Board") of the County of Accomack, Virginia (the "County") has determined that it is advisable to finance all or a portion of the costs (or to reimburse the County for payment of such costs) of various capital improvements, including, but not limited to, the acquisition and construction of and the equipping of improvements to (i) facilities for the County's Health Department and Public Works Department and the Commonwealth's Attorney, (ii) capital projects for public school purposes primarily including, but not limited to, the renewal and renovation of Kegotank Elementary School, Arcadia High School and Accomack Primary School and (iii) renovations to various governmental administration buildings (collectively, the "Project")

B. The County proposes to finance the Project through the issuance by the Authority of lease revenue refunding bonds (the "Bonds").

C. The Bonds will be payable from moneys provided by the County, subject to appropriation by the Board of Supervisors, to the Authority pursuant to a Lease Agreement (the "Financing Lease") between the Authority, the County and the School Board of the County (the "School Board").

D. As security for the Bonds, the Authority will lease certain real property and improvements that will be determined by the County (collectively, the "Leased Project") and may include Kegotank Elementary School pursuant to a Prime Lease (the "Lease") between the Authority, the School Board and, if necessary, the County.

E. The Authority will lease the Leased Project back to the School Board and the County pursuant to the Financing Lease.

F. The Bonds will be issued pursuant to the following documents:

(i) the Lease;

(ii) the Financing Lease; and

(iii) an assignment of the Authority's interest in the Lease and Financing Lease to the Trustee, which may be in the form of an assignment of rents and leases or leasehold deed of trust (or both).

G. The documents listed in Recital (F) above are referred to in this Resolution as the "Basic Documents."

NOW, THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF THE COUNTY OF ACCOMACK, VIRGINIA:

1. Authorization of Basic Documents. The execution and delivery of and performance by the School Board of its obligations under the Basic Documents to which it is a party are hereby authorized. The Basic Documents shall be in such form and contain such provisions as the Chairman of the School Board and the Division Superintendent, or either of them, shall approve. The approval of the Chairman of the School Board or the Division Superintendent regarding any Basic Document shall be evidenced conclusively by the execution and delivery of such Basic Document by such officer.

2. Execution of Documents. The Chairman of the School Board and the Division Superintendent, or either of them, are hereby authorized to execute on behalf of the School Board the Basic Documents to which the School Board is a party, and, if required, to affix or to cause to be affixed the seal of the School Board to the Basic Documents. The Clerk is hereby authorized to attest such seal. Such officers or their designees are hereby authorized to execute and deliver on behalf of the School Board such agreements, instruments, documents or certificates, and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Basic Documents. If any of the foregoing actions were previously done or performed by such officers or agents of the School Board, they are in all respects hereby approved, ratified and confirmed.

3. Nature of Obligations. Nothing in this Resolution, the Bonds or the Basic Documents shall constitute a debt of the County or the School Board. The Authority shall not be obligated to make any payments under the Bonds or the Basic Documents except from payments made by or on behalf of the County under the Financing Lease. Nothing in this Resolution, the Bonds or the Basic Documents shall constitute a pledge of the full faith and credit of the County beyond the constitutionally permitted annual appropriations.

4. Effective Date. This Resolution shall take effect immediately.

The undersigned Clerk of the School Board of the County of Accomack, Virginia, certifies that the foregoing constitutes a true, complete and correct copy of the Resolution adopted at a joint meeting of the School Board of the County of Accomack, Virginia, and the Board of Supervisors of the County of Accomack, Virginia, held on September 23, 2015.

Clerk, School Board, County of Accomack, Virginia

Collaborative Development of Fund Balance Sharing Policy for School Surpluses

Finance Director Michael Mason gave key points concerning written policies setting forth the disposition of unassigned fund balance (surpluses) which were considered a “best practice” by the GFOA. He stated the County currently has a written policy that dictates the use of unassigned fund balance in its General Fund, but did not have a policy that governs how School Division unassigned fund balance would be distributed. He continued and said past practice had been for the Board of Supervisors to simply appropriate any remaining School Division fund balance entirely to the School Board in subsequent fiscal year budgets. Mr. Mason stated as budgets become tighter and the demand for services grows larger, this process would likely be discontinued and County staff believes that a more strategic approach needs to be taken when it comes to evaluating future capital needs for funding, one that pools together all County and School Board available funds to be used to fund priorities whether they be County or School related. Mr. Mason said County Staff believes that a policy should be developed, in collaboration with School Finance staff that apportions school unassigned fund balance by formula, for the following purposes:

- a) To establish a Budget Contingency. Staff recommends that the School Division be allowed to retain an amount of unappropriated fund balance equal to no more than XX% of their adopted operating budget for use as a budget contingency. These funds would be used to meet unanticipated expenditures or revenue shortfalls that may arise during the fiscal year.
- b) To create a funding mechanism for minor School Division capital and one-time operating expenditures. Staff suggests that the School Board be allowed to retain XX% of the School Division’s ending unappropriated fund balance to fund capital and one-time operating expenditures. Funds would be subject to appropriation by the Board of Supervisors.
- c) To provide a funding mechanism for County AND School Division CIP projects. Staff recommends that all remaining School Division unappropriated fund balance not assigned as outlined above be transferred back to the General Fund where it would be combined with other County resources which have been dedicated for meeting capital needs by the Board of Supervisors. He said the total which would be used to finance capital projects is listed in the County/School Division CIP and the selection of how CIP projects would be initiated is at the discretion of the Board of Supervisors as is the manner in which they would be financed through the issuance of debt or pay-as-you-go financing.

It was consensus of both Boards to meet with County staff to discuss surplus funds.

Accomac Primary Discussion

Dr. Miner gave a brief overview about a meeting that had been held with the architect concerning the renovation of the Accomac Primary School. Mr. Gray stated it was a good idea of renovating the Accomac Primary School for the school board badly

needed central administrative office space if it was feasible. Mr. Gray stated he had asked the school board at a recent meeting to turn the property back over to the Board of Supervisors and he would ask the school board again at this meeting to turn it back over to the County because nothing can be done until they turn it over.

Several members of the Board of Supervisors and School Board stated standards to do a full historical restoration to meet requirements for a tax credit program could be too costly and restrictive, but appeared to be the consensus that the idea of renovating the school should at least be considered.

A lengthy discussion ensued concerning tax credits and renovation of the school. Mr. Crockett asked if the School was suitable to be remodeled or rebuilt for what is needed today and if so, what would the cost the project be. He continued and said he did not know the School would have to be turned over to the County before the questions could be answered. He stated he would need those answers before he could make a decision. A discussion ensued.

It was the consensus of both Boards that Accomack County Public Works Director Stewart Hall and the School Board Chief of Operations Management Mike Tolbert look at previous studies about the feasibility of re-purposing the Accomac Primary property to include the 1932 school and the older building (Bailey Hall) and report their findings by November or December.

Schedule for School and County Capital Planning

Dr. Miner stated the CIP process is scheduled to go to the Planning Commission in November and tentatively be considered by the Board of Supervisors in February and preferably, the schools would be prepared to provide their updated priorities on this cycle.

Adjournment

Mrs. Thornton made a motion to adjourn the meeting of the Board of Supervisors. Mrs. Lewis seconded the motion.

A discussion ensued concerning holding a spring and fall meeting of both Boards from this point forward.

The motion, as stated, was unanimously approved. The meeting adjourned at 7:32p.m.

Dr. Holden made a motion to adjourn the meeting of the School Board. Mr. Thornton seconded the motion. The motion was unanimously approved with Ms. Handy absent. The meeting adjourned at 7:32p.m.

C. Reneta Major, Chair

Date