

AT A JOINT MEETING OF THE BOARD OF SUPERVISORS OF ROCKBRIDGE COUNTY VIRGINIA, HELD WITH THE ROCKBRIDGE COUNTY SCHOOL BOARD AT THE ROCKBRIDGE COUNTY SCHOOL BOARD OFFICE AT 2893 COLLIERSTOWN ROAD, LEXINGTON, VIRGINIA ON THURSDAY, SEPTEMBER 17, 2015
AT 5:00 P.M.

PRESENT: CHAIRMAN J.M. HIGGINS,
MEMBERS: R.R. CAMPBELL, R.S. FORD,
D.W. HINTY, JR., A.W. LEWIS, JR.

COUNTY ADMINISTRATOR
AND CLERK TO BOARD: SPENCER H. SUTER
FISCAL SERVICES
DIRECTOR: STEVEN J. BOLSTER

ALSO PRESENT: CHAIRMAN J. LEWIS, II
SCHOOL BOARD MEMBERS: K. BROOKS, L.C. HOOFNAGLE, L. STRONG
D.B. MCDANIEL
RCS SUPERINTENDENT: DR. JACK DONALD
ASST. SUPERINTENDENT: PHILLIP THOMPSON
FINANCE DIRECTOR: MATT CROSSMAN
CLERK TO THE BOARD: RHONDA HUMPHRIES

Call to Order

After a brief supper, Board of Supervisors Chairman John Higgins and School Board Chairman Jay Lewis called the joint Board of Supervisors / School Board Meeting to order at 5:16 P.M.

Chairmen Higgins and Lewis collectively noted that at an August 31 meeting, the respective Boards' Chairs, Vice Chairs and Administrators had conducted a productive meeting, which resulted in the called meeting of the full Boards.

Mr. Suter reviewed the agenda with the group and discussed the goals and objectives of the meeting, which included discussion and direction on improvements to the

operational and capital budget processes, to include agreement on the communication process moving ahead.

Chairman Higgins expressed his appreciation to Dr. Donald for taking time to review the school's budget with him.

Dr. Donald reviewed the first agenda item, which was a review of the school's current year budget. He began with a graph showing a 15 year average of monthly spending in the schools budget. He then reviewed general budget information and stepped through the schools' current year budget booklet, explaining the differences in different categories and lines. He noted that RCHS was almost 25 years old, with the Vo-Tech portion being 40 years old.

Chairman Higgins noted that the County and Schools had worked together to ensure that Effinger Elementary had been returned to productive use.

Dr. Donald reported that 80% of division costs are in personnel, noting that there are 278 teachers, 48 bus drivers, 13 or 14 car drivers and 130 substitute teachers, with a total of 478 full-time equivalent employees [FTE's] in the system. He then reviewed the state's funding template and warned that the state's student enrollment estimates are never correct.

Mr. Suter asked when the localities could expect to see new composite index calculations for the next biennium. Dr. Donald noted that no one knows exactly when these would be released.

Mr. Brooks noted that open space easements have hurt our revenues.

Mr. Ford disagreed, explaining that easements actually increased revenues through a reduced composite index score.

Dr. Donald then reviewed a handout showing the County's state and regional ranking on teacher pay. He noted that the County ranked between 8th and 11th in the 13 County region. It was discussed that the ideal ranking would be in the center.

Chairman Higgins then reviewed the current process of capital purchases for the schools. He discussed the fact that end-of year savings are put into a capital account which has helped fund many improvements. He noted that the problem is with how we determine what to spend it on.

Mr. Suter reiterated that, from a staff perspective, it would be ideal if the Boards could agree on a process to approve capital expenditures from the capital reserve. He suggested a consistent project format and a consistent and effective communication process. He noted that it is good that we are meeting early in the process, since the County started its annual CIP process on September 15th. He added that the County has a standardized CIP request form and had successfully completed its first year of "provisional" CIP adoption. He explained that the Board had considered CIP requests early last year and then provisionally adopted the CIP in January. He noted that there will always be some changes and tweaks prior to final budget adoption, but that adopting a CIP early allowed both staff and the Board to concentrate on operational budgets. Final adjustments to the CIP were/can be made at the end of the budget session. He concluded by noting that the Schools would be presenting a CIP format in context shortly, using a current, pertinent example.

Matt Crossman, Schools Finance Director, then handed out a proposed capital project form. Dr. Donald noted that he would add "ongoing operational costs" to the form. The example on the form was for a new schools financial and personnel management software. Mr. Crossman then reviewed a handout and explained the need for a new

software. Dr. Donald noted that the currently used “Bright” system was 50 years old and operated on an AS400 platform, and that it does not work for the school system any more. Mr. Crossman indicated that the proposed "Munis" Software system was a division of Tyler Systems and that it would integrate seamlessly with the Bright system. Mr. Brooks noted that in communications he has had with others in the state, the common theme is “don’t buy Bright”.

Dr. Donald noted that there is the potential that the Munis system could also be used by the County.

Mr. Suter noted that there are multiple groups and individuals who use the Bright system, including county finance, the Treasurer, the Commissioner of Revenue, and Community Development and Building departments. He also explained that the County is in the process of spending \$40,000 for an upgrade to the Bright system and that part of the upgrade is to allow tax and other payments by credit card.

Chairman Higgins noted that any systems we pursue would “need to be able to talk to each other.”

Mr. Campbell suggested that data be gathered to ensure that this is something that is feasible moving ahead. Mr. Hinty moved to instruct staff to work with the schools to gather data on this financial software package and bring back a recommendation.

During discussion, Mr. Ford asked and was allowed to amend the motion to allow that the county and schools' staff be instructed to consider "any" rather than "this" [Munnis] software package. The motion seconded by Mr. (Buster) Lewis and passed unanimously on a roll call vote.

Mr. Hinty then asked the school board to adopt a similar motion, which it did unanimously on a motion by Mr. McDaniel and second by Mr. Brooks.

Chairman Higgins then asked to discuss the overall process moving ahead. He noted that in the August 31 meeting, the chairs/vice chairs had developed the recommendation that they comprise a joint executive committee, which would meet every other month. On the off months, he explained, the full Boards would meet jointly to consider recommendations of the executive committee. He noted that the executive committee would also be responsible for developing an agenda for the joint, full-board meetings.

Mr. Suter noted that his recollection include the following:

- October and December – Executive Committee meetings
- November and January – Full joint board meetings
- Meetings posited for the 3rd Thursday of each month at 5:00 PM (for both the executive committee and joint board meetings).
- Meetings to occur year-round, with additional meetings called as necessary through budget season.

Mr. Suter further explained that the first four meetings (as listed above) would be intended to concentrate on the budget process and use of capital reserve. The final meeting in this initial set (January), would hopefully result in joint adoption of a provisional CIP.

Mr. McDaniel noted that the school board has done a lot of planning and envisions bringing forward its 5-year Capital Improvement Plan (CIP) and Capital Purchase Plan and would like to bring this forward through the process outlined, for provisional adoption in January.

Mr. Brooks stated that an improved process is necessary for improved budget development, noting that we work better as joint boards.

Mr. Ford noted that the process for approving and releasing funds from escrow for capital needs to be clarified.

Chairman Higgins agreed that something needs to be put into writing.

Chairman Lewis noted that the escrow is a source of funding for capital projects.

Mr. Ford voiced concern about whether there would be Board of Supervisors' approval of capital expenditures.

Chairman Higgins discussed the fact that previous meetings had suggested leaving a minimum balance in the fund for emergencies.

Mr. Campbell asked if we could get an idea of where the County ranks in comparison to Lexington and Buena Vista with regard to teacher pay.

Dr. Donald noted that we know where we rank with Lexington, but that Buena Vista had not responded to the most recent poll.

Mr. Hinty noted that the meeting had been enjoyable.

Mr. (Buster) Lewis noted that as long as we are making progress, he is all for it.

Mr. Suter summarized his understanding of the meeting outcomes, which were:

- Alternating executive committee / joint board meetings on the 3rd Thursday of each month at 5:00 PM, year round, with additional meetings through budget season as required.
- First executive committee meeting to occur in October.
- Format of the CIP/PPP presented by the schools is generally approved, but will be further discussed in the next executive committee meeting.
- Staff is to meet to gain additional data regarding school financial package software and bring back to the boards for discussion.

Concurrence with this summary was expressed.

A motion to adjourn at approximately 6:30 P.M. by Mr. (Buster) Lewis was seconded by Mr. Hinty was unanimously approved. The School Board adjourned as well.