



**Minutes of the
Colonial Beach Town Council
Work Session held on
Thursday, April 27, 2017 at 6:00 p.m.**

Colonial Beach Town Center
22 Washington Avenue
Colonial Beach, VA 22443

Present

Mayor, Eddie Blunt
Member, Frank Alger III
Member, Bill Dellar
Member, Burkett Lyburn
Member, Phil Rogers

Absent

All Council Members were present except Mr. Cirbee and Mr. Leamon.

Also Present

Town Manager, Val Foulds
Town Attorney, Andrea Erard
CFO, Joan Grant
Town Clerk, Kathleen Flanagan

Call to Order

Mayor Blunt called the meeting to order at 6:03 p.m.

Roll Call of Members

Mayor Blunt noted that all council members were present with the exception of Mr. Cirbee and Mr. Leamon.

All Council Members were present, except Mr. Cirbee and Mr. Leamon.

Public Hearing

Proposed FY 2018 School Budget

At 6:03 p.m. Mayor Blunt opened the Public Hearing.

Dr. Kevin Newman, School Superintendent opened his remarks by thanking the Mayor and Council for the opportunity to present the school budget.

Dr. Newman noted he has met with Mr. Rogers and Mr. Alger and would recap that discussion for Council.

Dr. Newman reported that the budget that has been presented is not asking for additional funding. The total amount requested is \$2,299,916.

In March 2014 the school requested \$2,530,700 and received \$2,103,098. As a result, the school board cut ten positions.

In March 2015 the school requested \$2,430,435. The board then reduced their request to \$2,299,916. The total amount received was \$2,299,916.

In 2017 the school requested \$2,299,916. To maintain that budget, the school eliminated a bus lease and cut a library assistant.

There is a position needed, a third English teacher at the High School. The Board cut one Business teacher at the High School to facilitate hiring the English teacher.

The Board has also eliminated a custodial position and a cafeteria staff position.

Dr. Newman explained that schools receive their money from three pots, local, state and federal funding based on ADM, Average Daily Membership, which was, for the second year, 575 students.

In creating the budget, the school uses the governor's proposed budget.

Dr. Newman reported that this year Colonial Beach will lose \$70,000 in federal funds.

Dr. Newman explained the Board is asking for \$2,299,916 from the local government; will receive \$4,018,217 from the state; will receive \$559,113 from the federal government; will receive \$62,719 local e-rate funds and Medicaid reimbursement; will receive \$18,181 in alternative education funds; and is projecting to receive \$229,651 from cafeteria funds, which is a combination of federal funds and food sales. The total budget for the school totals \$7,187,797.

Dr. Newman further noted there has been an increase in VRS required contributions, which has been estimated at \$42,258.

Dr. Newman then moved to discussing how actual expenditures are tracked. Once a month he meets with the Finance Director and tracks each line item in the budget. Dr. Newman further

noted he takes the number of months in each year, multiples that by 8.33% and take that percentage and look at each line to determine if they are hitting the mark to stay within the budget.

If a line item is above the mark, other line items are reviewed to cover the increase and to balance out the budget.

Dr. Newman explained that on March 30th the School submitted documentation to the State on ADM and then receives an official ADM number from the State.

Dr. Newman noted he and his staff work with Ms. Grant and her staff as money, such as the insurance money received, comes into the town and that every dime is accounted for.

Dr. Newman turned his attention to any audit issues and noted the auditors performed an exit interview with the School. The new finance director, Mr. Schope, has taken training sessions on how to prepare for audit and reporting do's and don't's in an effort to not repeat the same mistakes twice.

Public Comment

Wayne Kennedy thanked Council for allowing public input and thanked staff, Council, fire department, Dominion Power, Verizon, and all volunteers throughout the storm.

Mr. Kennedy urged Council to provide level funding.

At 6:26 Mayor Blunt closed the Public Hearing.

Council Discussion

Mr. Lyburn thanked Dr. Newman for presenting the budget.

Mr. Dellar thanked Dr. Newman for his presentation and noted he had a couple of follow-up questions.

(1) The Board of Education, the State, has determined that the local funding from the town should be approximately \$1.7 million. That's a difference from what you're requesting of about \$600,000. What would be the impact should that \$600,000 be withheld and we fund you at the \$1.7 million level?

Dr. Newman answered "If we were funded at the \$1.7 million, as I explained to Mr. Rogers, we don't have the ability to cut programs. Our programs comes with dollars. If we cut a CLC program, we won't receive the \$159,000 from the federal government that we receive. Any cut, it would be \$600,000 in personnel cuts. In a school division of our size, it would be devastating.

(2) How does the Department of Education and the State get it so wrong?

Dr. Newman answered “I don’t want to speak further, Mr. Dellar. Actually, they have a formula in what they provide school divisions and I’m not familiar with the formula they use or the composite index – they use that. I can just tell you that the request from Colonial Beach Public Schools to the Town Council is not something that – is not requested from the majority of school divisions – nobody gets by on what the Board of Education states for the local.

(3) We’ve been asking for the budget to actual expenditures. I believe Mr. Rogers has a copy of that. So we’ll be looking at that over the next week or so.

Thank you very much for providing that information.

(4) I noticed that the Elementary School budget requested \$660,000 for special education. That’s about 44 percent of the total elementary school budget, which is \$1.5 million. Isn’t this an unusually high amount for special education, particularly when we look at Gifted and Talented program which is funded at \$13,000.

Dr. Newman replied the funding for that covers the high number of students that we have in our special education program. Of the 340 students that are in the elementary school, our SPED numbers are in the mid-to-high 70’s. I can give you an exact number once I get back to the office. But it’s because of the number of students that are involved in the program and the accommodations that those students need are just higher than what the cost is to educate a gifted and talented student.

Mr. Dellar then asked if the definition for special education is correct that it addresses the needs of those students with learning disabilities, communication disability, emotional and behavioral disorders, physical disabilities and developmental disabilities.

Dr. Newman answered yes.

Mr. Dellar asked what the percentage of the number was.

Dr. Newman answered it’s either 75 or 79 – I can get you the exact number.

(5) Will you be requesting additional funding toward the elementary school construction this year?

Dr. Newman answered we won’t be requesting additional funding. The money that we are requesting for the school is – this is the confusion. And, Mr. Rogers had asked for clarification on this.

When we presented a cost, that it was going to cost \$9.2 million, rounded up to \$9.3 million, the bond amount was for \$8.5 million. So if you look at the funding sources to pay for the school, it was \$8.5 million plus the sale, the proceeds from the sale of property. After the school was approved by the Town Council, the School Board turned over two pieces of property that the sale proceeds would go towards finishing the school. I’m not sure where you are in the process.

We also discussed the amount – in the Capital Improvement Plan it also says the school, I think it says \$9.3.

Mr. Dellar stated it says \$9.6, but that is out of whack.

Mr. Dellar noted he wants to verify the total estimated costs for the full construction process. Mr. Dellar will share the numbers he received from Dr. Newman earlier in the year.

Mr. Dellar noted the total construction costs for Southwood Construction Company is estimated to be \$7.9 million. There is a contingency for \$358,000 for unforeseen construction items. There is a \$609,000 design charge. There was \$188,000 for project management. There was also \$183,000 in other costs, which included review fees, permit fees, testing, things of that nature. That brings your total projected budget costs for the project up to \$9.265 million.

Mr. Dellar stated if we can agree on the total estimated costs, we've come a long way.

Dr. Newman agreed.

Mr. Dellar asked if there are any funding streams beyond the bond of \$8.5 million.

Dr. Newman replied, yes, the property sales.

Mr. Dellar responded that what he has gotten hung up on is there was a resolution, Res #12-16, that was the insurance carrier funding for \$890,000 for capital improvements. Mr. Dellar asked where that money went.

Dr. Newman replied that money went to remodel the high school, finishing up the parking lot, as well as some equipment for the kitchen.

Mr. Dellar responded none of that money went to the elementary school, either in the design or anything else. That money all went to –

Dr. Newman replied except for the modpods, which was a big chunk of that money.

Mr. Dellar stated your single source of funding to date is the \$8.5 million bond.

Dr. Newman agreed.

Mr. Dellar stated we have an \$8.5 million bond and an estimated project cost of \$9.26 million. I think that's very enlightening.

Mr. Rogers thanked Dr. Newman and Mr. Schope and noted he felt comfortable and confident at how you put the budget together.

Mayor Blunt noted Council will take action on the school budget on May 8, 2017.

At 6:38 p.m. Mayor Blunt closed Council Discussion

Resolution #27-17, Ratifying a Declaration of a State of Local Emergency

There was consensus among Council to move consideration of Resolution #12-17 to next on the agenda.

Mayor Blunt read the resolution.

Mr. Lyburn made a motion to approve Resolution #27-17 as written. Mr. Alger seconded the motion.

Mayor Blunt requested a roll call vote. Mr. Alger voted “aye,” Mr. Lyburn voted “aye,” Mr. Dellar voted “aye,” Mr. Rogers voted “aye,” and Mayor Blunt voted “aye.”

The motion to adopt Resolution #27-17, as written, passed with a unanimous vote of council members present.

RESOLUTION #27-17, RATIFYING A DECLARATION OF A STATE OF LOCAL EMERGENCY

WHEREAS on April 21, 2017, the effects of severe weather and loss and interruption of vital Town services posed by the severe storm with straight line winds in excess of 75 MPH that occurred on April 21, 2017 was determined to be of sufficient severity and magnitude to warrant coordinated local government action to alleviate damage, loss, hardship or suffering; and

WHEREAS the Coordinator of Emergency Management for the Town of Colonial Beach declared a state of local emergency on April 21, 2017 at 7:30 p.m.

NOW THEREFORE BE IT RESOLVED by the Colonial Beach Town Council at its Meeting on April 27, 2017, that the effects of severe weather and loss and interruption of vital Town services posed by the storm on April 21, 2017 is recognized, and the Declaration of Local Emergency made by the Coordinator of Emergency Management on April 21, 2017 is ratified.

BE IT FINALLY RESOLVED that the Colonial Beach Town Council declares that the State of Local Emergency remained in effect until April 23, 2017.

Adjournment/Recess

Mr. Alger made a motion to adjourn. Mr. Lyburn seconded the motion.

At 6:41 p.m. the meeting was adjourned.

Kathleen Flanagan, Town Clerk