

October 26, 2006

At a called joint meeting of the Prince Edward County Board of Supervisors and School Board held in the Third Floor Conference Room of the Court House, on Thursday the 26th day of October, 2006, at 5:00 p.m., there were present:

William G. Fore, Jr., Chairman

Howard F. Simpson, Vice-Chairman

Pattie Cooper-Jones

Sally W. Gilfillan

Robert M. Jones

Charles W. McKay

James C. Moore

Lacy B. Ward

Also Present: Mrs. Sarah Puckett, Acting County Administrator and James Ennis, County Attorney.

Chairman Fore called the Board to order and asked for a motion to convene in closed session in the adjoining Board of Supervisors Room.

In Re: Closed Session

Mr. Moore moved that the Prince Edward County Board of Supervisors enter into closed session for consultation with legal counsel pertaining to actual litigation filed against the County of Prince Edward by Woodland Associates, pursuant to Section 2.2-3711 (A)(7) of the Code of Virginia.

The motion was seconded by Mr. McKay and carried:

Aye: Pattie Cooper-Jones
William G. Fore, Jr.
Sally W. Gilfillan
Robert M. Jones
Charles W. McKay
James C. Moore
Howard F. Simpson
Lacy B. Ward

Nay: None

The Board returned to regular session by motion of Mr. Simpson, seconded by Mrs. Cooper-Jones, and adopted as follows:

Aye: Pattie Cooper-Jones
William G. Fore, Jr.
Sally W. Gilfillan
Robert M. Jones
Charles W. McKay
James C. Moore
Howard F. Simpson
Lacy B. Ward

Nay: None

On motion of Mr. Simpson, seconded by Mrs. Cooper-Jones, and carried by the following roll call vote:

Aye: Pattie Cooper-Jones
William G. Fore, Jr.
Sally W. Gilfillan
Robert M. Jones
Charles W. McKay
James C. Moore
Howard F. Simpson
Lacy B. Ward

Nay: None

the following certification of Closed Meeting was adopted in accordance with the Virginia Freedom of Information Act:

WHEREAS, the Prince Edward County Board of Supervisors convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board of Supervisors that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Prince Edward County Board of Supervisors hereby certifies that to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the Prince Edward County Board of Supervisors.

Following the closed session, the Board returned to the Third Floor Conference Room to meet with the School Board.

Chairman Dove called the School Board to order at this time.

In Re: Qualified Zone Academy Bond & Elementary School Bathroom Construction Project

Assistant County Administrator, Sarah Puckett, provided the following information regarding concerns that had been expressed during the October 5, 2006 meeting with the School Board on the terms and conditions of the second QZAB. The information was obtained from Mr. Arthur Anderson, Bond Council with McGuire Woods.

1. QUESTION: Are special conditions or terms being required by banks in the QZAB financing proposals to mitigate their risk that Congress may retroactively change legislation involving QZAB allocations of previous years?

ANSWER: McGuire Woods is executing QZAB loans for two other Virginia localities. Bank of America is the lender on both deals and is not requiring any special conditions in either loan agreement.

2. QUESTION: Does the County have the ability to “turn down” an offer from a bank upon learning of any special conditions or terms?

ANSWER: Yes. The Board of Supervisors has the final approval on any financing agreement.

Mrs. Puckett also indicated she had been contacted by a representative of Bank of America concerning the status of the County’s QZAB application. “Bank of America reiterated that if they were successful in being the lender on our deal, they would be assuming all of the risks. The financing proposal they are writing for this QZAB would have the same terms and conditions as the one a year ago. So, if there were any future congressional action that should change the terms and conditions of this program, Bank of America would take the responsibility—it could not convert back. The County would still retain the 0% interest. If there was something in the financing proposal the County and/or the School Board did not like, we would have the ultimate decision in turning it down.”

Discussion then shifted to the elementary school bathroom project that was rebid per directive of the Board of Supervisors at a meeting held August 21, 2006. Initially, only one bid had been received. The

School Board informed the Supervisors that three contractors responded to the second request for bids. The bids were as follows:

Kenbridge Construction	\$258,000
J. E. Jamerson	\$181,498
Mid-Atlantic Contractors	\$156,500

Supervisor Simpson noted the substantial difference between the original bid of \$283,000 and the low bid from Mid-Atlantic Contractors. Mr. McKay commented that this should be a lesson for both bodies, and felt that in all cases when only one bid was received, a project should be rebid.

After some further discussion, a motion was made by Mr. Simpson that the Board of Supervisors approve the School Board's request for a second \$1 million QZAB bond, and monies from the QZAB be used for the elementary school bathroom addition. It was pointed out that QZAB monies could not be used for new construction, however the School Board indicated that by having the additional million dollars it could reallocate funding within its budget for the bathroom project.

Mrs. Gilfillan made a substitute motion that the County approve both the QZAB and the \$156,500 for the elementary school bathroom.

Mr. Ward asked Board members to share their reasoning for not wanting to approve monies for the bathroom project. Chairman Fore pointed out that in considering the School Board's FY 2006-07 budget request, \$225,000 had purposely been deducted. "We did not do it to penalize the School, we did it because of our year ending balance. If we award the payment of this low bid, we will have spent \$156,500 of that \$225,000. We would have an unexpected expense of \$156,500."

Mr. Ward's sentiment was that \$156,500 was a "piddling" amount when compared with some of the other commitments the County had made. He cited the YMCA as an example.

Mr. McKay questioned the substitute motion indicating it had been his understanding that the Board would either approve the \$1 million QZAB and the School Board would use part of the money for the bathroom, or it would approve funding for the bathroom and reject the QZAB.

Supervisor Gilfillan asked if it would be acceptable to offer a separate motion to: 1) approve the QZAB, and 2) have the Administrator present information on the County's fund balance during the November Board meeting so it may be reviewed prior to making a decision on the bathrooms.

Mrs. Puckett advised that information on the fund balance would not be available until the County received its final audit report, which would not be by the November 15th Board meeting.

Chairman Fore also advised that there were two motions on the floor and in order to accommodate Mrs. Gilfillan's request to separate the two issues, both would have to be withdrawn.

Mrs. Gilfillan withdrew her substitute motion leaving Mr. Simpson's motion on the floor. Mr. Moore then offered a substitute motion to approve the \$1 million QZAB.

The Chairman indicated that the Board needed to determine which of the motions would become the main motion: 1) Mr. Simpson's original motion to approve the QZAB and deny the \$156,500 for the bathroom addition, or 2) the substitute motion to approve the QZAB. He then called for a vote of those in favor of the substitute motion becoming the main motion. The vote was unanimous:

Aye:	Pattie Cooper-Jones William G. Fore, Jr. Sally W. Gilfillan Robert M. Jones Charles W. McKay James C. Moore Howard F. Simpson Lacy B. Ward	Nay: None
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With the substitute motion now being the main motion, Chairman Fore asked for a vote of those in favor of approving the School Board's request for a second \$1 million QZAB. The motion carried:

Aye:	Pattie Cooper-Jones William G. Fore, Jr. Sally W. Gilfillan Robert M. Jones Charles W. McKay James C. Moore Howard F. Simpson Lacy B. Ward	Nay: None
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Mr. Ward moved that the Board of Supervisors approve funding \$156,500 for the bathroom addition at the elementary school. During discussion, Mr. Moore asked that if the motion should fail, the School Board be granted the option of coming back to the Supervisors for additional consideration of the request.

Mr. Ward accused Mr. Moore of "influencing the outcome of the motion". Mr. Moore stated that his point had been that in the past, if circumstances arose and the School Board was facing hard times, the Board of Supervisors funded additional money.

Mrs. Gilfillan called the Board's attention to the minutes of the October 5th joint meeting with the School Board that included a list of the projects proposed for the second QZAB. She specifically noted items the School Board had added to the list since its budget was adopted in the spring—particularly security cameras for twenty buses as well as the bus lot. "The QZAB bond is a wonderful thing for this County and we are very fortunate to have it. If we look at the items on the list, I think it would be appropriate to have it all done and the bathroom as well."

While reviewing the list, Mr. Fore questioned a proposed expenditure of \$45,171 identified as Fixtures and Finishing in Bathrooms. It was determined that these items were included in the bid from Mid-Atlantic Contractors and could be deducted from their proposal. That being the case, Mr. Ward amended his motion to state that the Board of Supervisors approve \$111,329 for the bathroom addition at the elementary school. The motion failed:

Aye: Pattie Cooper-Jones
Sally W. Gilfillan
Lacy B. Ward

Nay: William G. Fore, Jr.
Robert M. Jones
Charles W. McKay
James C. Moore
Howard F. Simpson

Mr. Moore again stated that should hard times develop for the School Board, it be allowed to come back to the Board of Supervisors with a funding request. "I have been on this Board for twenty-seven years and this Board has been considerate of the School Board under those conditions." Mr. Simpson indicated he was also in agreement.

In Re: Recess

Chairman Fore called for a motion to recess the meeting until 4:30 p.m. on November 15, 2006, for a joint work session with the Prince Edward County Planning Commission on the revised zoning ordinance.

Mrs. Gilfillan asked if the time could be changed as she had classes until 5:15 p.m. She also advised that she had received requests from members of the public asking that meetings be held after 5:00 p.m. because of work schedules.

The Chairman indicated the time could not be changed at this point, as there were fifteen other people to be considered.

Mr. Ward questioned the purpose of the work session. Mr. Jones advised that the Planning Commission had come up with three separate proposals, and wished to present them to the Supervisors in order “to get a feel for the one the Board would be most comfortable with”.

Mr. Simpson then moved that the meeting be recessed. The motion carried:

Aye:	Pattie Cooper-Jones	Nay: None
	William G. Fore, Jr.	
	Sally W. Gilfillan	
	Robert M. Jones	
	Charles W. McKay	
	James C. Moore	
	Howard F. Simpson	
	Lacy B. Ward	