

VIRGINIA:

A Joint Work Session of the Lancaster County Board of Supervisors with the Lancaster County School Board was held in the Administrative Building Board/Commission Meeting Room of said county on Tuesday, August 7, 2018.

Members Present: Jason D. Bellows, Vice Chair

Ernest W. Palin, Jr., Board Member

Robert S. Westbrook, Board Member

Members Absent: William R. Lee, Chair

Jack D. Larson, Board Member

Staff Present: Don G. Gill, Interim County Administrator and
Planning/Land Use Director

Crystal Whay, Clerk to the Board and
Building/Land Use Assistant

School Board Members Present:

Audrey Thomasson, Chair

Carolyn Young, Vice Chair

Joan Gravatt, Board Member

Katherine Keith, Board Member

Kenya Moody, Board Member

Mr. Bellows called the meeting to order at 5:30 p.m.

Mr. Bellows stated Chairman Lee's mother had passed away and asked that everyone say a prayer for the family.

Ms. Thomasson called the School Board meeting to order at 5:30 p.m.

Work Session – Proposed FY 19 School Capital Improvement Requests

Mr. Bellows stated that the purpose of the meeting was to have a work session with the School Board and to hear from the architects, VMDO.

Bob Moje of VMDO stated that he had gathered that there was some confusion concerning the proposed project and he thought that it was a communication problem. He stated that, at the last joint meeting, there was some controversy about authorizing the School Board to use some of its existing funds to get started. He stated that there were some procedural issues, but the use was allowed. He stated that they have started with surveying, test borings and other investigations on the site that are critical to moving forward. He stated that the most significant piece, so far, is the educational programming piece. He stated that what that means is figuring out how and what we are going to teach the future generations of students. He stated that, for those who are not involved in education, there are some major changes going on. He stated that the education model that Lancaster County was currently under is a factory model that has been in place since after World War II. He stated that the model calls for students to learn specific facts and moments in time. He stated that the students are evaluated and graded and go through the process grade by grade. He stated that, in the last ten to fifteen years, modern research has shown that the processes that they thought were good actually have no basis in actual science. He stated that students do not learn at the same rates or in an evenly sequenced path. He stated that, with internet access, the acquisition of knowledge was not as relevant and would not be the skill set to allow students now to be successful. He stated that the skills needed now are very different from what was needed in the past. He stated that, instead of sitting at desks and having teachers dispense information and then asking for the information back in testing, the lessons are more project-based activities.

Mr. Moje stated that, about a week or two ago, there was a kick-off meeting concerning the redesign of the entire school system, not just the buildings. He stated that meeting was to discuss what was being taught, how it was being taught and how it was all structured. He stated that he completely understood that at the end of the day it always comes down to money. He stated that the act of redesigning the school system is going to make it better for the students and he thought there were tremendous efficiencies to be gained through that process. He stated that they did not know what they all will be until they go through the entire process. He stated that it was critical to go through the process because the teachers and staff have to buy in to these changes and be a part of it.

Mr. Moje referred to the timeline and stated that they had been at this for a full year and a half. He stated that public meetings were held in 2016, as well as School Board meetings, which resulted in an original study and a site assessment. He stated that, at the beginning of those public meetings, there was limited turn-out, but the crowd grew as time went on. He stated that in 2017, the School Facilities Committee forwarded recommendations to the School Board. He stated that the first recommendation was to create a centralized campus with access to Kilmarnock water and sewer. He stated that goal was important because of the size of the proposed facility. He stated that there were only two sites that were thought to be available at that time, which were the Harris Road site and the site behind Lancaster Middle School. He stated that another recommendation was to design a highly integrated model that shares resources between the schools. He stated that there was a tremendous benefit educationally as well as an economic benefit of doing this. He stated that the first cost of what has to be built is almost entirely driven by

square footage, so the more square feet, the more costly the building. He also stated that the more square footage they have, the more it costs to operate. He stated that, for every square foot that is built, 365 days a year, it is costing money. He stated that the integrated campus has the least square footage versus the other options. He stated that the third recommendation was to design a lifelong learning and fitness resource for all citizens. He stated that they recognize that the proposed school project was an enormous capital undertaking for the entire community and also recognize that the majority of the community does not have school-aged children. He stated that he had googled information on population and demographics in the United States and Lancaster County, Virginia has the highest percentage of people over 65 in the nation. He stated that everyone benefits from having good schools. He stated that the schools can keep the community going by educating the future generations. He stated that, in one of the first visioning sessions with the faculty, the lack of pride in the schools came up several times, not just with the students, but with the community as well. He stated that the proposed project can help correct that. He stated that the school system should be a statement of what a community values most. He stated that the value of the schools affects every citizen and every future citizen of this community. He stated that, if a citizen retired here and bought a waterfront property and then decided to sell the house in ten to fifteen years, who would buy it if the trends here continue.

Mr. Moje referred to another recommendation from the School Facilities Committee, which was a plan for advanced technologies. He stated that he understood that broadband was an important topic for the County. He stated that, with a centralized campus, everyone in the community could come there for internet access.

Mr. Moje referred to the energy use comparison slide and stated that the energy used index (EUI) is shown to be more economical for the new schools, as opposed to the existing schools or renovation of what was already there. He stated that the EUI is the amount of energy that a building uses per square foot per year. He stated that what was shown on the chart were conservative estimates and he thought it would be even better at energy savings, according to what other schools have experienced.

Mr. Moje referred to another recommendation, which was to invest in quality buildings and systems-the best that the County could afford and stated that there was a distinction between being economical and cheap. He stated that these buildings should be around for a very long time and need to be constructed well to do that. He showed a slide of Historic Christ Church and stated that was a good example of an enormous amount of money going into a building at that time, in the 1700's, but it is still standing and usable today.

Mr. Moje stated that the fifth and final recommendation from the School Facilities Committee was to build new space for the Middle School and High School and renovate the existing Middle School into the Primary School. He stated that, at that time, there were only two sites that were being considered, which was the Harris Road site and the property behind the Middle School. He stated that the School Board endorsed the School Facilities Committee's recommendations and their committee work ended in 2017. He

stated that, since that time, the Board of Supervisors, very wisely, designated Jimmie Carter to work out a land deal behind the scenes. He stated that the Harris Road site owners were not particularly interested in selling the whole property and the Kilmarnock site, behind the Middle School, was very expensive. He stated that brought them to the Good Luck Road site, which is a much larger parcel of land. He stated that a study was requested comparing the Good Luck Road site to the parcel behind the Middle School and the Timmons Group was engaged to do the work. He stated that comparisons were made and the Good Luck Road site was just north of town and outside of the Kilmarnock sewer and water district and it was thought that, if the town continued to grow that way, those lines would need to be extended anyway. He stated that the Corps of Engineers had designated the wetlands and Resource Protection Areas on both sites. He stated that it was found that the erosion and wetlands area on the Kilmarnock site was growing and bisecting the parcel, which compromises the site quite a bit. He stated that the wetlands area on the Good Luck Road site is all directly related to the shoreline and not in the middle of the parcel, which makes it a better situation.

Mr. Moje stated that the appraisal values for the two sites were about the same, with the Kilmarnock site being appraised at \$600,000 and the Good Luck Road site being appraised at \$658,888. He stated that the owners of the Kilmarnock site wanted \$1.5 million dollars and the Good Luck Road site was approximately \$800,000. He stated that the County was getting forty percent more land with the Good Luck Road site and 103 contiguous acres of developable area. He stated that in regards to development costs, the Good Luck Road site would be approximately \$2.2 million dollars less costly than the Kilmarnock site. He stated that, from the outside, it may look like things have shifted, but the only thing that has shifted is a much better site that is cheaper and will provide more opportunities.

Mr. Moje stated that time is not a friend in this case and there is nothing but increasing costs in construction currently. He stated that interest rates will continue to increase slowly over time as well. He stated that the big issue is how much money will be needed and everyone wants to know the answer to that question. He stated that it was a simple formula in that they have to know how many square feet will be built, the cost per square foot, amount of additional costs and when the construction will begin. He stated that they were missing two variables-when they would start and what they were going to build. He stated that they have started the work of figuring out what they needed to build. He stated that it would be a tragedy if the County spent a bunch of money and just had newer versions of what it already has. He stated that the School Board has asked, in its capital improvement request, for the money for the reprogramming of the educational system and to look at what the whole thing may look like on a conceptual level, so they can do the final analysis of what it will cost. He stated that then they can begin to explore the operational savings associated with an integrated campus and other savings. He stated that their time schedule shows the programming piece being completed by the end of the year. He stated that he knew there had been discussion about having a referendum, but he thought before they could have discussions about how much would be spent, it was very important to know what the money will be spent on. He stated that he could give the County general rules of thumb on replicating what it already has or they can reinvent the

whole thing and make it better. He stated that the next steps were to continue the educational programming and study the operational savings of a centralized campus.

Dr. Westbrook stated that, just to summarize, the original plan has evolved into one campus.

Ms. Thomasson stated yes.

Dr. Westbrook asked if the plan was to renovate the Middle School.

Ms. Thomasson replied no.

Mr. Moje stated that the original plan was always to have an integrated campus.

Dr. Westbrook stated that the original School Board plan was to consolidate the Middle School and the High School and renovate the Middle School to be the Primary School and that is not the plan now. He stated that he wanted one campus that would house every student.

Mr. Moje stated that the goal was to have a centralized campus and the thought was that the location behind the Middle School was the only option in the beginning, which did not have as much developable area. He stated that the goal has stayed the same, but the path has been adjusted.

Mr. Bellows stated that he felt more comfortable with this presentation. He stated that it has brought more clarity and they will continue to be working towards a final plan.

Ms. Thomasson stated that their vision has never changed and their goal is not to build three new schools. She stated that their goal is to build one integrated campus that moves students through the academic process, not like they are in an assembly line, but to their own needs. She stated that her Board was there to let the Board of Supervisors know that they are still on the same path. She stated that the School Board had a meeting last Thursday and because there were two new Board members, they wanted to clarify the direction that they wanted to go in relation to the new schools. She stated that it was an unanimous vote to continue with the plan for the Good Luck Road property. She stated that the second thing is that they need to move forward on getting the Capital Improvement Budget passed, so they can start moving and getting the rest of this done. She stated that she thought Mr. Moje had said it would cost about another million dollars.

Mr. Moje stated that an issue that he has heard is that it is a lot of money and what is the County getting for the money. He stated that the School Board's request is \$9 million dollars, but that won't be spent all at once. He stated that approximately one million dollars will get his firm until the end of the year and through the redesign of the school and site. He stated that, even if it was decided to not do anything at that point, the County will incur significant savings with the on-going operations of the schools with the integrated teaching that has already begun, so there is value in that. He stated that if the

County decides that it cannot afford all of the project at once, his firm will only go forward with the parts that can be afforded. He stated that while it is an integrated campus, there are pieces and parts to it and there will be many choices. He stated that he did not think the County was risking anything by planning the whole thing, but he thought it was important to have the overall vision.

Ms. Thomasson stated that the savings come when they can put the three campuses together. She stated that during the Davenport and Company presentation, it was figured to be about fifteen cents in additional taxes for the \$80 million dollar borrowing and around eight cents for the \$47 million dollar borrowing. She stated that Dr. Parker and Mr. Mann have found almost a million dollars in synergy savings that can be gained from having the three schools on one campus and that's four cents of the fifteen cents regarding the tax rate. She stated that was an operational savings and it is annual.

Mrs. Moody stated that the School Board was trying to be very transparent and fiscally responsible. She stated that they have always tried to include the entire community in the process.

Ms. Keith stated that as they invest in the planning process, it will help them to communicate with the whole community. She stated that, right now, she thinks it is very difficult for people to imagine what it is that they are trying to do. She stated that once the grand plan has been determined, it will be easier for people to envision it.

Mr. Bellows stated that there were some different plans that were presented, so there were some misconceptions about the project. He stated that there are planning pieces being worked on and they will give us the answers that we need. He stated that they will be able to make sound financial decisions once the answers are there.

Mr. Moje referred to the Capital Improvement Budget request and stated that part of that would be for road and utility work and to have contracts, they need to have authorized funds. He stated that would also help to "jumpstart" the project. He stated that they did not want to have "fits and starts", which can delay the project and cost more money.

Dr. Parker stated that he wanted to clarify that the one million dollars to get to the schematic design phase was until the end of the calendar year, not the fiscal year. He stated that they have an opportunity here, for the School Board and the Board of Supervisors to work collaboratively together. He stated that they have discussed some of the tax increase being negated by operational efficiencies. He stated that he has spoken to Dr. Westbrook about pending legislation that Delegate Edmunds is introducing that would allow the County, with a referendum, to raise sales tax that could potentially get a million dollars a year and would be only for the lifetime of paying for the schools project. He stated that the School Board is considering a resolution to support that legislation on Tuesday. He stated that it would also have the backing of the Small Rural Schools

Coalition and he had spoken to Mr. Gill about getting it on the Board of Supervisors' agenda. He stated that he was very optimistic about the proposed legislation.

Dr. Westbrook stated that would equal four cents in regards to the real property tax rate.

Mrs. Moody stated that she would like to give Jimmie Carter credit for his efforts concerning the proposed schools.

Mr. Gill asked Mr. Moje if he could get a copy of the presentation to share with the two Board members not in attendance.

Mr. Moje replied yes.

Mr. Gill stated that Dr. Westbrook had mentioned the School Facilities Committee's recommendation and it sounds like it may have evolved into something different.

Ms. Thomasson stated that just the last point has evolved based on the property choice.

Mr. Gill stated that VMDO's phase one estimate from the last work session was \$349,300 and asked if he was hearing now that had changed to \$1 million dollars.

Mr. Moje replied that the \$349,300 was money that the school administration had found in various budgets. He stated that they had been trying to begin the programming work before the teachers left for the summer and were just beginning that work now. He stated that the \$1 million dollars is a rough estimate that will get the County to the end of the year and is the beginning of the first piece of the contract.

Mr. Gill stated that he believed the perception was that the \$350,000 would get them to the end of the year.

Ms. Thomasson stated that was just for the study.

Mr. Gill stated that he went back and looked at the minutes from the June 14th joint session and one of the things that was brought up was that Mr. Moje had said that it was hard to be specific because he did not have a defined scope of work. He asked Mr. Moje if he had a defined scope of work now.

Mr. Moje replied yes.

Mr. Gill asked if he could give him that scope of work in a nutshell.

Mr. Moje stated that the scope of work was to design an integrated campus on the Good Luck Road site for the entire school system and any other County amenities that would be desired.

Mr. Gill stated that Mr. Moje had also said that if he had a defined scope of work, then he could provide a detailed estimate of services. He referred to the \$350,000 figure and stated that the pre-development testing was broken down very well with items such as survey work, traffic studies and wetlands confirmations. He referred to the visioning and educational programming costs and stated it was a lump sum of \$200,000. He asked if that figure could be further broken down with more specific information.

Mr. Moje replied that there were more entities they were bringing in, such as the Timmons Group, educational specialists, engineers and the list goes on and on. He stated that his firm would be happy to be specific with those costs.

Mr. Gill stated that he would like that information to be provided so he could pass it on to the Board of Supervisors.

Mr. Gill referred to the Capital Improvement Budget figure from the School Board and stated that the first iteration was approximately \$10 million dollars, then it was adjusted to \$9.3 million dollars and at the June 14th meeting, it was revised to \$6.8 million dollars. He asked if the \$6.8 million dollar request for FY 19 has changed.

Mr. Moje replied that figure had been based on the elementary school only.

Dr. Parker stated that the amount to be requested for the Capital Improvement Budget for FY 19 is \$9.3 million dollars.

Mr. Gill asked if the \$350,000 request was included in the previous \$6.8 million dollar capital request.

Mr. Moje replied no. He stated that, to be transparent, at the last meeting, their diagrams showed phase one only and the thinking was that there would not be enough support for both phases and the proposal was to plan everything, but only show going forward with half because it might seem like a “bridge too far”. He stated that it was probably not a good decision, but the goal has always been to plan for the whole thing. He stated that the \$6 million dollar figure came from trying to get something going that would be more affordable and they were probably playing politics.

Dr. Westbrook stated that, in fact, if they had decided to spend the \$47 million and do part of this, it would be very hard to ever do phase two. He stated that they needed to plan for the whole thing and find ways to get the money.

Mr. Moje stated that he thought during the last few months, the conventional wisdom was that the entire project might be too expensive and the tax rate might increase

too much to consider it. He stated that, after further investigation, the whole project seems closer to reality than what was earlier thought.

Dr. Westbrook asked, if the Board has to appropriate money, would there be two separate appropriations, the first for \$350,000, which has already been identified and the second for \$1 million, or is the \$350,000 part of the \$1 million.

Dr. Parker replied that the appropriations would be for the \$350,000 plus the \$9.3 million capital request.

Mr. Bellows asked Mr. Gill about the appropriation for the \$350,000 request.

Mr. Gill replied that the \$350,000 would need to be appropriated. He stated that money was approved in FY 18, but they were not in FY 18 anymore, so it will have to be appropriated in FY 19. He stated that the Code of Virginia Section 15.2-1428 requires that any appropriation by the Board of Supervisors greater than \$500 has to be done by recorded vote and it also has to be approved by a majority of all of the Supervisors elected, not just the Supervisors attending the meeting. He stated that he thought that the two members who were not in attendance tonight would like to be a part of that discussion.

Mr. Bellows stated that he did not think it was appropriate to vote without all of the members.

Mr. Gill stated that the Board of Supervisors will be holding a public hearing on the Capital Improvement Budget on August 30th, but the consensus was not to include school construction until the financing was worked out.

Mr. Bellows asked if they could hold the public hearing including the school construction and then figure out how to pay for it later. He asked if they would have the money to pay for the other items or would they have to be financed.

Mr. Gill replied that, with the \$350,000 that is earmarked for school capital projects plus the leftover funds from the last borrowing for the Capital Improvement Budget, the other items can be funded without borrowing. He stated that, if the Board wants to exceed the \$350,000 for school construction, money will have to be borrowed.

Mr. Bellows stated that he would like to have the schools' proposed request of \$9.3 million included in the Capital Improvement Budget and be heard at the public hearing on August 30th. He stated that they can continue having discussions on how to finance the rest of the money. He stated that they had decided earlier to separate the school capital request from the other items, so other things could be funded and continue working on the financing for the school portion. He stated that now he thought it made more sense to consider the entire Capital Improvement Budget the way it had been originally presented to the Board of Supervisors.

Mr. Gill stated that he would like the Board of Supervisors to direct him on how they wanted to advertise the Capital Improvement Budget's public hearing.

Mr. Bellows made a motion to hold the Public Hearing on the Capital Improvement Budget as originally presented, including the \$9.3 million schools' request.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Robert S. Westbrook	Aye

Adjournment

Mr. Bellows adjourned the Board of Supervisors' meeting.

Ms. Thomasson adjourned the School Board meeting.