

**Agenda Item: 1705**  
**PREP Board: 07/29/2013**

**PIEDMONT REGIONAL EDUCATION PROGRAM**  
**BOARD MEETING**  
**June 12, 2013**

The PREP Joint Board of Control met on Wednesday, June 12, 2013, at 1:00 PM at the Albemarle County Office Building, located at 401 McIntire Rd, Room 320, Charlottesville, Virginia.

**BOARD MEMBERS PRESENT:** Mr. Ned Gallaway, Albemarle County Schools Representative, Ms. Elizabeth Hutchins, Culpeper County Schools Representative, Ms. Brenda Pace, Fluvanna County Schools Representative, Mr. Jason Collier, Greene County Schools Representative, and Mr. Jim Nelson, Madison County Schools Representative

**BOARD MEMBERS ABSENT:** Ms. Leah Puryear, Charlottesville City Schools Representative, Mr. Greg Strickland, Louisa County Schools Representative, Ms. Jane Mays, Nelson County Schools Representative, and Mr. Chris Ubben, Rappahannock County Schools Representative

**ALTERNATE BOARD MEMBERS IN ATTENDANCE:** Ms. Amy Lauffer, Charlottesville City Schools Representative, attended from 1:15 pm – 2:15 pm.

**STAFF MEMBERS PRESENT:** Dr. Tom Smith, Acting Executive Director: Ms. Joanne Tyler, Clerk: Dr. Nick Smith, Principal: Mr. G. Rodney Young, PREP Board Attorney

A listing of Superintendents and Directors in attendance is on file in the PREP office.

**Agenda Item No. 1. Call to Order – Approval of Agenda** Vice Chair, Ned Gallaway called the meeting to order at 1:15 pm. Vice Chair Gallaway requested moving the Public Comment, Item V, to after the Action Item 1696; Approval of the Consent Agenda.

Mr. Jason Collier made a motion to approve the agenda as amended and Ms. Elizabeth Hutchins seconded the motion. The motion passed unanimously.

**Agenda Item No. 2. Consent Agenda**

- 1690. Minutes of the May 22, 2013 Meeting
- 1691. Review of List of Claims for May 2013
- 1692. Review of Expenditures for May 2013 (A–E)
- 1693. Approval to Appropriate and Expend \$150,000 in Charlottesville PREP Carryover Funds
- 1694. Approval to Appropriate and Expend \$54,291.54 in Albemarle PREP Carryover Funds and \$126,854.70 in Albemarle Medicaid Carryover Funds
- 1695. Approval of Staff Resignations (A)

**Agenda Item No. 3 Action Items**

- 1696. Approval of the Consent Agenda – Vice Chair, Ned Gallaway requested removing Consent Agenda Item 1690.

Ms. Elizabeth Hutchins made a motion to approve the consent agenda without consent agenda item 1690 and Ms. Brenda Pace seconded the motion. The motion passed unanimously.

Mr. Ned Gallaway requested the Minutes of the May 22<sup>nd</sup> meeting specifically document the amount of the process audit and the attorney fees. Mr. Gallaway suggested the minutes reflect that the portion of the approved amount was going to repay the line item 3000 and the second portion was going to pay the current legal fees. Mr. Gallaway suggested the correct amount be reflected in the minutes.

- 1690. Approval of the May 22, 2013 minutes as Amended.

Mr. Jason Collier made a motion to approve the May 22, 2013 Minutes as Amended and Ms. Jim Nelson seconded the motion. The motion passed unanimously.

**Agenda Item No. V Public Comments**

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**Public comments opened at 1:20 pm**

Dr. Nick Smith, Ivy Creek School Principal addressed the Board with comments stemming from several employee concerns; Staff would like to be a part of the Executive Director Search, PREP Board Calendar, meetings time and location be switched so staff can attend, concerned about health insurance increases, concerned about not receiving to a cost of living increase. Dr. T. Smith also submitted a letter to the Board that reflected staff concerns.

Dr. Beth Bowers, PREP Behavioral Specialist addressed the Board with comments about increasing health insurance and the possibility of changing payroll from twice a month to once a month and asked that the Board does not make a lot of changes all at once.

Ms. Diane Talarico-Cavanaugh, PREP Autism Specialist addressed the Board with comments about the fiscal agent not informing PREP and staff about the VRS Life Insurance deduction and about the fiscal agents request to increase their fee. Ms Cavanaugh indicated she would like to know what their responsibility is and justification for the fee increase.

Ms. Ricki Curry, PREP Vision Teacher of thirty-two years, addressed the Board with comments about the Board Calendar, requesting the Board schedule their meetings at a better time so employees and members of the public can attend.

**Public Comments Closed at 1:35 pm**

Vice Chair Gallaway informed the Board, the Board received four letters from the Public and they are part of the packet:

Dr. Beth Bowers  
Ms. Jody Mahoney  
Ms. LaDonna Cohen  
Ms. Erika Critzer

**1697. Approval of FY2014 PREP Operating Budget.**

Dr. Tom Smith presented the FY2014 PREP Operating Budget to the Board:

- All revenue estimates will remain as previously listed.
- All PREP Salary lines will remain the same.
- 11.66 to 14.66 % increase in VRS, verified with Charlottesville Finance Director.
- Part-time employees will no longer receive VRS benefits. This is a VRS ruling. We have grandfathered one employee, but any new part-time employees will not receive VRS benefits.
- Cancelled a separate long-term disability plan, employees are covered under VRS, saving over \$13,000
- The Coordinators position is a support position, split between Ivy Creek and PREP Central Office.
- Eliminated 2.6 PT positions.
- Greene County requested one day a week autism specialist.
- Possible health insurance increase
- Early retirement plan
- Memo of Agreement (MOA) and the administrative fee
- PREP Contingency funds

Dr. Rosa Atkins requested information about the Health Insurance. Dr. T. Smith requested Mr. Gillespie, Charlottesville's Finance Director update the Board. Dr. T. Smith referred to the memo in the Board packet. Dr. T. Smith informed the Board that Fluvanna is planning on going out to bid. Ms. Keller confirmed.

Dr. T. Smith informed the Board, not this year but next year, the new health care law will require PREP to contribute the same as Fluvanna, PREP currently pays the full employee share, Fluvanna does not. Dr. T. Smith reminded the Board that the PREP FY2014 Budget has an increase of 5% health insurance increase already built in to it.

Dr. T. Smith presented the Board with a differential to pay the increase of \$216,000 in health insurance costs. Mr. Gillespie informed the Board that the carrier needs to rate the group as two different entities and not as one (Fluvanna and PREP as one). Dr. T. Smith reminded the Board, the new health insurance starts October 1.

Mr. Jason Collier commented the increase in health insurance would cost his district a teacher assistant position.

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Dr. Collins commented it is not an option for his district to pull out of PREP. His district would have to find the money.

Dr. Atkins informed the Board that they would have to find the money to help protect the PREP employees.

Dr. Tom Smith reminded the Board that there is carryover funds that districts could possibly use to cover the differential cost.

Mr. Gillespie reminded the Board that the \$216,000 is for the current year and it does represent the premium cost and does not get passed on to the employee, it still can go up or down depending on the final premium determination.

Ms. Whitmarsh commented the Board that the increase would be a significant fee and would impact her school system.

Dr. Eberhardt reminded the Board and Dr. T. Smith that Orange is added in this cost and they should be informed of this added fee.

Dr. T. Smith informed the Board the budget has an administrative fee of \$60,000 built in to it and the MOA is asking for approximately \$85,000. The requested increase is not in the Budget.

Mr. Young informed the Board the MOA in the packet has revisions between him and Fluvanna. Ms. Keller informed the Board that items 1A and 2F are still in discussions. Ms. Keller presented the Board with a spreadsheet breaking out costs of Fluvanna employees and services charged to PREP as fiscal agent to determine the fiscal agent fee. Mr. Young proposes deleting 2F.

Dr. Eberhardt inquired about item 1L of the MOA, "settle all PREP accounts as of June 30<sup>th</sup> of each year by not later than August 15<sup>th</sup> of each year".

Mr. Gallaway inquired about the FY2014 Expense in Support for PREP report presented by Fluvanna. He suggested, next year, PREP hire their own finance clerk to work with Fluvanna or who ever the fiscal agent will be in the future. He asked around the table if that was even an option? Dr. T. Smith mentioned that PREP works under Fluvanna's employer number and is not sure PREP can obtain their own number with regards to VRS. Dr. Collins mentioned auditors do not recommend having one person doing payroll and purchases. Mr. Gallaway requested Ms. Keller inform the Board what kind of support the last four individuals give PREP as the fiscal agent on her report she presented.

- Sp ed admin support
- Asst supt
- Technology
- Supt admin support

Mr. Young inquired if the Sp ed admin support was specific to fiscal agent services or to special education services with PREP? Ms. Keller apologized for not know exactly, and mentioned her finance director created the report and she would contact him for the information.

Ms. Whitmarsh inquired if the report represented this year or if it was an average? Ms. Keller informed the Board it was an average.

Mr. Gallaway requested more information on the Sp ed admin support. He mentioned he is concerned about the fee and hopes the process audit will address some issues. He asked that Fluvanna give the Board some time to absorb \$25,000 increase. He is concerned about the level of the contingency funds and asked for Board input. He asked if the Board felt Fluvanna's request was a reasonable request?

Ms. Hutchins commented, knowing that the current fee is not properly reimbursing Fluvanna, she feels the PREP Board should do something if not the entire increase. She feels the Board should stay in good standing with the fiscal Agent.

Ms. Keller informed the Board she received a text message from her finance director explaining the special ed admin support fee on the report presented represents the special ed secretary working with the finance department and the whole Medicare piece acting as resource for all of PREP not just Fluvanna's students.

Ms. Keller informed the Board that she is willing to bring back the MOA in July or August. She does not suggest voting on the MOA today.

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Dr. Atkins commented on the Health Insurance and how important it is to obtain the differential. She mentioned Fluvanna had not done this in all the years they have been PREP's Fiscal Agent. She mentioned that was one of the reasons why Charlottesville did not take on being the fiscal agent next year because it would increase their health insurance premiums. Dr. Atkins thanked Fluvanna for taking on the cost all these years and she stressed that there was not a miscalculation with the cost of the insurance premium that it is a differential between PREP and Fluvanna.

Dr. Eberhardt commented that right is right and fair is fair Fluvanna is not in the gifting business and we have discovered they have been giving for the last fifteen years. Fluvanna is saying it costs \$85,000 to serve as the fiscal agent and he believes it is the right thing to do.

Mr. Collier and Ms. Whitmarsh commented they agreed with Dr. Eberhardt.

Mr. Gallaway commented that he feels much better seeing the breakout of the fiscal agent fee than the fee of \$1000 per employee.

Mr. Jason Collier made a motion to approve the proposed Memorandum of Agreement (MOA) with the fiscal agent subject to the final determination of the precise amount of the annual administrative fee based on the burden of personnel method of calculation and subject to the additional changes as discussed and Mr. Jim Nelson seconded the motion. The motion passed unanimously.

Mr. Collier requested the Board relook at the Health Insurance piece again. He commented that the Board consider passing the increase on to the employees for this one year and revisit it again next year. He asked how was the \$216,000 considered? Dr. T. Smith informed the Board that the \$216,000 is everything combined. Dr. T. Smith informed the Board will not know the total amount until July, that the \$216,000 is the worse case. Dr. T. Smith commented he is concerned the Board is making a decision not knowing what the figure is. Mr. Collier commented he is not comfortable approving a budget not know. Dr. T. Smith commented there is already a 5% increase built in the budget he presented for health insurance.

Dr. T. Smith suggested adding to the motion that the Board consider any left over funds from the FY2013 PREP Budget other than carryover and shared services be appropriated to PREP contingency funds. He reminded the Board that is item four(4) in his memo that is part of the Board packet. Dr. T. Smith asked Mr. Young if he agreed with this request and he did.

Mr. Jason Collier made a motion to the approve the FY2014 PREP Operating Budget with the agreement that any left over monies from the general line items be returned to the PREP Contingency funds and Ms. Brenda Pace seconded the motion. The motion passed unanimously.

Mr. Collier requested that the Acting Executive Director inform the localities that were not present that the Board approved any left over monies from the PREP general budget will be re-appropriated to the PREP Contingency funds.

Mr. Jason Collier made a motion to approve the FY2014 PREP Contingency Budget and Ms. Elizabeth Hutchins seconded the motion. The motion passed unanimously.

**1698. Approval of PREP Calendar** – Dr. Tom Smith and Ms. Joanne Tyler presented the Board with the PREP Calendar.

Mr. Gallaway commented to the Board that he would like to discuss changing the meeting times during the September meeting. Mr. Gallaway suggested approving the dates and meeting in September at 10:00 and have the meeting times as an agenda item during the September meeting. Dr. Tom Smith reminded the Board that in the past the meeting times were set to accommodate the localities that travel long distances so they are not traveling late in the evening. He suggested alternating meetings, one month have a meeting during the morning the next month having the meeting in late afternoon or evening.

Ms. Elizabeth Hutchins made a motion to approve the PREP Calendar as amended and Mr. Jason Collier seconded the motion. The motion passed unanimously.

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- 1699. Approval for the PREP Chair to Approve the Final List of Claims for the 2012-2013 and the List of Claims and Appropriations and Expenditures of Carryover Funds for the Months the Board does not meet during the 2013-2014 school year.**

Mr. Jason Collier made a motion to approve the PREP Chair, with the recommendation of the Acting Executive Director, to Approve the payment of the final list of claims at the completion of 2012-2013 and transfer any needed legal fees from contingency to the expenditure budget and Ms. Elizabeth Hutchins seconded the motion. The motion passed unanimously.

Ms. Elizabeth Hutchins made a motion authorizing the Chair, with the recommendation of the Acting Executive Director, to approve the payment of the list of claims for months the PREP Board does not have a meeting during the 2013-2014 school year and Mr. Jason Collier seconded the motion. The motion passed unanimously.

Mr. Jason Collier made a motion authorizing the Chair, with the recommendation of the Acting Executive Director, to appropriate and expend requested carryover funds for months the PREP Board does not have a meeting during the 2013-2014 school year.

- 1700. Approval of the Memorandum of Agreement (MOA) -** Dr. Tom Smith and Mr. Rodney Young updated the Board on the MOA during the FY2014 Budget Presentation. It was voted on during the Budget presentation.

**Agenda Item No. IV Information Items**

- 1701. Transition Program Grant Proposal Update –** Dr. Nick Smith updated the Board on the Transition Program Grant Proposal

Dr. Nick Smith commented to the Board that he would give the Board by-monthly updates.

Mr. Gallaway commented to the Board that he is very interested in this program.

- 1702. PREP and Ivy Creek Update –**

- Dr. Nick Smith updated the Board on Ivy Creek Business
- Dr. Tom Smith updated the Board on PREP Business

- 1703. Health Insurance Update –** Dr. Tom Smith updated the Board on the Health Insurance during the FY2014 Budget Presentation.

- 1704. PREP Executive Director Search –**

Mr. Young updated the Board on the PREP Executive Director Search.

Mr. Jason Collier made a motion to approve extending the appointment of Dr. Tom Smith as the Acting Executive Director for up to two months according to the same terms and Mr. Jim Nelson seconded the motion. The motion passed unanimously

Mr. Jason Collier made a motion to approve the retention of VSBA based on their current proposal for the PREP Executive Director Search and Ms. Elizabeth Hutchins seconded the motion. The motion passed unanimously.

Ms. Elizabeth Hutchins made a motion to approve authorizing the sub-committee to execute and facilitate the Executive Director Search with VSBA and Mr. Jim Nelson seconded the motion, The motion passed unanimously.

**Agenda Item No.5 Closed Meeting**

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Ms. Elizabeth Hutchins offered a motion to go into Closed Meeting as authorized by the Virginia Freedom of Information Act, section 2.2-3711(A) of the Code of Virginia under subsection 1 for discussion of a employee matters and subsection 7 for the purpose of consulting with legal counsel. Ms. Brenda Pace seconded the motion. The motion passed unanimously.

**Agenda Item No. 6 Certified Closed Meeting**

At 3:43 p.m., Ms. Elizabeth Hutchins offered a motion that the Board certify by recorded vote that to the best of each Board member's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the Closed Meeting were heard, discussed or considered in the Closed Meeting. Ms. Brenda Pace seconded the motion. The Clerk called roll and each School Board Member present certified by an affirmative vote that only those matters under the stated codes were discussed. The motion passed unanimously.

WHEREAS, the Piedmont Regional Education Program Joint Board has convened a Closed Session 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(D) of the Code of Virginia requires a certification by this School Board that such Closed Session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Piedmont Regional Education Program Joint Board 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 session to which this certification applies, and (ii) only such public business matters as were identified in the motion convening the Closed Session were heard, discussed, or considered.

Ayes: Mr. Ned Gallaway, Albemarle County Schools Representative, Ms. Elizabeth Hutchins, Culpeper County Schools Representative, Ms. Brenda Pace, Fluvanna County Schools Representative, Mr. Jason Collier, Greene County Schools Representative, and Mr. Jim Nelson, Madison County Schools Representative

Nays: None

Abstentions: None

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Clerk  
Piedmont Regional Education Program Joint Board

**Closed Meeting Actions:**

Mr. Jason Collier made a motion to approve the non-renewal of employee 6.A, 6.B, 6.C and reduce employee 6.D to part-time. Ms. Brenda Pace seconded the motion. The Motion passed unanimously.

**Agenda Item No. 7 Adjournment**

At 3:48 pm, hearing no objections, Mr. Ned Gallaway adjourned the meeting of the Piedmont Regional Education Program Joint Board of Control.

Respectfully Submitted:

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Chair, PREP Joint Board of Control

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Clerk, PREP Joint Board of Control