

Agenda Item: 1774
PREP Board: 3.26.2014

PIEDMONT REGIONAL EDUCATION PROGRAM
BOARD MEETING
February 26, 2014

The PREP Joint Board of Control met on Wednesday, February 26, 2014, at 10:00 AM at the Albemarle County Resource Center (ARC), located at 1200 Forest Street, Charlottesville

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, Ms. Doreen Jenkins, Madison County Schools Representative, and Ms. Jane Mays, Nelson County Schools Representative

Ms. Amy Laufer, Charlottesville City Schools Representative, arrived at 10:09 am
Mr. Greg Strickland, Louisa County Schools Representative, arrive at 10:15 am

BOARD MEMBERS ABSENT: Ms. Aline Johnson, Rappahannock County Schools Representative

STAFF MEMBERS PRESENT: Dr. Toni Elitharp, Executive Director: Ms. Joanne Tyler, Clerk: Dr. Nicholas Smith, Principal

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 10:00 a.m.

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

Ms. Laufer and Mr. Strickland were absent during the vote.

Agenda Item No. 2 Public Comment

Public comment was heard from:

Ms. Angie Jones, High School Teacher from Ivy Creek School
Ms. Diane Talarico-Cavanaugh, Autism Specialist from PREP

Agenda Item No. 3 Action Items

1750. Election of the PREP Board Chairman

Mr. Jason Collier nominated Ms. Leah Puryear as the Chairman of the PREP Joint Board of Control. Ms. Brenda Pace seconded the nomination of Ms. Leah Puryear as Chairman. The election passed unanimously.

Ms. Laufer and Mr. Strickland were absent during the vote.

1751. Election of the Vice- Chairman

Ms. Brenda Pace nominated Mr. Ned Gallaway as the Vice Chairman of the PREP Joint Board of Control. Ms. Doreen Jenkins seconded the nomination of Mr. Ned Gallaway as Vice Chairman. The election passed unanimously.

Ms. Laufer and Mr. Strickland were absent during the vote.

1752. Election of the Superintendent from the Superintendent's Committee

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Ms. Elizabeth Hutchins moved to nominate Dr. Rosa Atkins as Executive Superintendent of PREP. Ms. Doreen Jenkins seconded the nomination to appoint Dr. Rosa Atkins as the Executive Superintendent of Record for PREP. The election passed unanimously.

Ms. Laufer and Mr. Strickland were absent during the vote.

1753. Appointment of the Clerk and the Deputy Clerk of the Board

Ms. Doreen Jenkins recommended to appoint Joanne Tyler as the Clerk of the PREP Board. Ms. Brenda Pace Seconded the recommendation. The appointment passed unanimously.

Ms. Laufer and Mr. Strickland were absent during the vote.

Mr. Jason Collier recommended to appoint Natalie Wright as the Deputy Clerk of the PREP Board. Ms. Doreen Jenkins seconded the recommendation. The appointment passed unanimously.

Ms. Laufer and Mr. Strickland were absent during the vote.

Agenda Item No. 4 Consent Agenda Items

- 1754. Minutes of the October 23, 2013, PREP Board Meeting
- 1755. Review of List of Claims for December 2013
- 1756. Review of List of Claims for January 2014
- 1757. Review of Revenues & Expenditures for December 2013 (A-E)
- 1758. Review of Revenues & Expenditures for January 2014 (A-E)
- 1759. Approval to Appropriate and Expend \$34,845.00 in Contingency Funds for December – March Health Insurance Differential Fee to Local Choice (Anthem)
- 1760. Approval to Appropriate and Expend \$3,640.20 in Contingency Funds for Attorney fees for November and December
- 1761. Approval to Appropriate and Expend \$5,311.78 in Contingency Funds for the OT/PT Conference
- 1762. Approval to Appropriate and Expend \$3,000.00 in Ivy Creek Enrichment Funds from Inez Duff Bishop Charitable Trust
- 1763. Approval to Appropriate and Expend \$1,750.00 in Ivy Creek Enrichment Funds for the Ronald McDonald House Charities of Charlottesville
- 1764. Approval to Appropriate and Expend \$19,390.00 in Albemarle PREP Carryover Funds and \$36,500.00 in Albemarle Medicaid Carryover Funds
- 1765. Approval to Appropriate and Expend \$27,581.76 in Louisa PREP Carryover Funds
- 1766. Approval of New Staff (A-G)
- 1767. Approval of Resignation of Staff (A-B)

Dr. Elitharp informed the Board there was a clerical error on Agenda Item 1757.D. The correct number should read \$12,764.79 for Rappahannock. Dr. Elitharp mentioned, Agenda Item 1758.E reflects the correct figure for the contingency funds. Dr. Elitharp explained PREP had to meet with the auditors several times to go over carryover and contingency funds. Dr. Elitharp mentioned PREP felt the auditors were reporting too much money in the contingency funds and not enough in carryover funds. PREP felt like the contingency funds should be around the \$140,000 mark and the auditors had it recorded at approximately \$440,000.00. During the meetings with PREP and the auditors, it was discovered the auditors mistakenly applied three unbudgeted Ivy Creek slots to contingency revenue which caused Albemarle to have a negative balance in carryover funds which in return increased the contingency funds. Dr. Elitharp informed the Board, the correct amount in contingency currently is approximately \$137,000.00.

Agenda Item No. 5 Action Items

1768. Approval of Consent Agenda Items

Ms. Elizabeth Hutchins made a motion to approve the Consent Agenda Items. Mr. Jason Collier seconded the motion. The motion passed unanimously.

1769. Approval of Sick-Day Pay-Out

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Mr. Jason Collier made a motion to approve the request to continue to cap sick leave payout at \$2,500 at 25% of daily salary. Ms. Brenda Pace seconded the motion. The motion passed unanimously.

1770. Approval to appropriate and expend \$40,348.43 for Health Insurance run-out claims for FY2014.

Mr. Breslaur, Fluvanna County Public Schools, Finance Director presented the Board with an explanation of the run-out costs and distributed the most up to date expense cost report. Mr. Breslaur informed the Board, the total costs owed from PREP to Fluvanna is currently \$47,061.49. Mr. Breslaur informed the Board the run-out continues through September 30, 2014.

Mr. Breslaur informed the Board that Fluvanna will be meeting with Local Choice, the current health plan, on Friday to discuss the following years premium, and are looking at less than a 5% increase for FY2015.

Mr. Greg Strickland made a motion to approve the use of contingency funds to satisfy FY2014 run-out insurance costs at a total amount of \$42,283.36 plus the \$4,778.13 in administrative costs, as well as for FY2015 in administrative costs \$1,588.95. Ms. Elizabeth Hutchins seconded the motion. The motion passed unanimously.

1771. Approval of financial restitution of \$35,000.00 to Orange County.

Dr. Atkins inquired if the \$35,000 covers the missed sessions and if not, does PREP have to make-up the missed sessions. Dr. Elitharp informed the Board that PREP is making up the missed sessions by using through supplemental pay.

Dr. Atkins asked if PREP is having difficulty replacing Physical Therapists (PT) and if so, is this an indication that PREP will continue to have difficulty filling those positions. Dr. Elitharp informed the Board, yes PREP is having difficulty filling the Physical Therapy (PT) position. The position has been posted for over a month. The Position has been posted in professional journals, local, and national papers. Dr. Elitharp mentioned with the new standards and requirements, PT's are going to have to have a doctorate in that field in the next few years. She mentioned, PREP is currently looking at PT salary compensation in both the private and public sectors. She discovered, PREP is behind approximately \$10,000 in pay in the medical model/field. Dr. Elitharp expressed concern if PREP will be able to contract with Orange County in the future.

Dr. Moran suggested talking with some of the local private service PT providers because she believed the local providers are in line with PREP with regards to salary and did not believe they are experiencing a shortage.

Dr. Elitharp mentioned she met with a representative from Mary Baldwin who is starting a new school called Deming Murphy which is for OT and PT but their first class will not graduate for three years. PREP will work with them to set-up internships and shadowing.

Ms. Hutchins asked if a Physical Therapist Assistant (PTA) is possible. Dr. Elitharp informed the Board, yes, a PTA is possible with a PREP PT supervising.

Dr. Atkins asked if PREP has advertised for a PTA. Dr. Elitharp responded, yes.

Mr. Gallaway asked Dr. Elitharp to give the Board an update on the PT search progress.

Mr. Collier asked what exactly does the \$35,000 restitution cover. Dr. Elitharp informed the Board the \$35,000 covers the PT who resigned, monies in salaries that is still there and would be re-appropriated to purchase services.

Mr. Jason Collier made a motion to approve the financial restitution of \$35,000 to Orange County which is the remaining funds left over from the loss of a PT and re-appropriate to purchase services. Ms. Elizabeth Hutchins seconded the motion. The motion passed unanimously.

Agenda Item No. 6 Information Items

1772. First Reading of FY2013 Financial Statement

Dr. Elitharp presented the Board with the First Reading of FY2013 Financial Statement.

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Dr. Elitharp informed the Board, Robinson, Farmer, Cox and Associates performed the PREP audit for the 2012-2013 fiscal year. The audit disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. No matters involving the internal control; over financial reporting and its operation were considered to be material weaknesses.

Mr. Strickland mentioned on page six (6) of the Ivy Creek Activity Summary, the Auditors mentioned that Ivy Creek does not have a policy with respect to types of deposits and investments allowed. Mr. Strickland asked if the auditors made any recommendations for a policy with regards to deposits and investments. Dr. Elitharp mentioned that the auditors did not mention any recommendations. Dr. Elitharp mentioned she would look in to Fluvanna's Policy and Procedures and report back to the Board.

1773. First Presentation of the FY2015 Budget

Dr. Elitharp presented the Board with the first presentation of the FY2015 Budget and discussed the budget development process.

Dr. Elitharp discussed the Annual Expenditures and Assumptions taken into consideration in developing the projected FY15 budget:

- Lease payment to Albemarle County for Ivy Creek School – Sixteenth year of twenty year lease (approx. \$256,000 annual)
- Cost to Fiscal Agent (\$60,000)
- Health Insurance Rates – (Board's share- \$531.00 Employee only), additionally cost differential between cost for fiscal agent's cost for including PREP personnel in Fluvanna's HMP
- Composite Index for Localities determines State Reimbursement rates for each LEA
- Virginia Retirement System Employer Contribution (14.50%)
- FICA and Medicare (FICA- 7.65% employer contribution)
- Retiree Health Care Credit (1.18 % employer contribution)
- Group Life Insurance (1.33 % employer contribution)
- Workman's Compensation (\$10,000), Unemployment (.87% of first \$8,000)

Dr. Elitharp presented the Board with a power point presented providing several different variations of the FY2015 Operating Budget.

- 1% increase for employees
- 2 % increase for employees
- Step Only for employees
- 1 Step plus 1% for employees
- 1 Step plus 2% for employees

Dr. Elitharp mentioned she met with district Superintendents, Special Ed Directors, and Finance Directors in the last couple of months to explain the Budget Process and gather the Districts PREP budget request. She also opened up budget sessions for PREP staff. She mentioned her goal is to have everyone understand how the budget is put together.

Dr. Elitharp reminded the Board that school divisions who participate in the reimbursement programs do not get Average Daily Membership (ADM) for students listed in those programs. She mentioned school divisions receive more revenue back by participating in the reimbursement programs. Per pupil \$5,000 - \$5,600 per ADM, per pupil per reimbursement program it is \$11,000 – \$15,000 reimbursement.

Dr. Elitharp mentioned she is concerned about the Board Contingency Funds being so low. The Contingency Funds are for unexpected debts and unexpected emergencies. She mentioned we have an aging school and aging vehicles. PREP does not have any additional revenue. Dr. Elitharp requested any revenue left over from this year's budget be re-appropriated to the contingency funds as the Board approved last year. Dr. Elitharp mentioned increasing PREP's Medicaid fee for service from 6% to 10% for extra revenue to the contingency. She mentioned she spoke with other regional programs and they average their contingency funds at \$600,000.

Ms. Keller mentioned she is recommending to her Board, to increase VRS to 3.6%, holding her employees harmless. Dr. Elitharp recommended a step plus 1%, holding PREP's employees harmless.

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Dr. Moran suggested pegging a school system for PREP to follow a salary scale. The Board discussed possibly looking in to this next school year.

Dr. Elitharp requested the Board review the booklet and email or call her with suggestions and comments and copy Leah Puryear, PREP's Chair.

Mr. Strickland requested having an option to include the 3.6% increase to VRS for the March Meeting.

Ms. Laufer recommended creating a sub-committee on developing salary scales, not this year, but for next year. Mr. Gallaway requested having this on the agenda in March for discussion.

Mr. Gallaway recommended seeking out consultation on the contingency fund. He requested having his on the agenda in March for discussion.

Mr. Gallaway requested a break out on how the VRS increase to 3.6% will impact each employee.

Mr. Gallaway stated he endorses the step policy.

Mr. Gallaway requested history on Ivy Creek's operational line item with regards to learning resources and textbooks.

Agenda Item No. 7 Comments

- A. Board Members – All Board Members presented thanked Dr. Elitharp for the Budget Presentation and extended their appreciation for her hard work.
- B. Superintendents – there were no comments
- C. Directors – there were not comments

Agenda Item No. 8 Adjournment

Hearing no objections, Vice Chair Adjourned the PREP Board Meeting at 12:07 PM.

Respectfully Submitted:

Chair, PREP Joint Board of Control

Clerk, PREP Joint Board of Control