

RESOLUTION #
JOINT RESOLUTION TO AMEND THE RESTATED
CONTRACT FOR THE JOINT OPERATION OF SCHOOLS,
CITY OF WILLIAMSBURG AND COUNTY OF JAMES CITY

DATE OF DOCUMENT: *25 April* 2017

PREAMBLE

By Agreement dated October 9, 1980, the County School Board of James City County, Virginia, and the County of James City, parties of the first part and the School Board of the City of Williamsburg, Virginia and the City of Williamsburg, Virginia, parties of the second part entered into a restated contract for the operation of a joint school system, hereinafter referred to as the "Restated Contract."

By Resolution dated October 9, 1980, the City of Williamsburg (hereinafter referred to as "City") and the County of James City (hereinafter referred to as "County") and their respective school boards amended the funding formula as set forth in the Restated Contract.

By Resolution dated February 27, 1989, the City of Williamsburg and County of James City and their respective school boards, further amended the Restated Contract to provide that James City County would fully pay all costs of constructing three schools as described therein and that the County would have all ownership equity in such schools.

By Resolution dated December 12, 1991, by the City, December 16, 1991, by the County, and December 17, 1991, by the School Boards, (hereinafter referred to as "1991 Resolution") the parties further amended the Restated Contract by repealing in its entirety the October 9, 1980, Restated Contract and substituting therefore new provisions for all aspects of the contract.

By Resolution dated April 11, 1996, by the City and April 30, 1996, by the County (hereinafter referred to as the "1996 Resolution"), the parties amended the Restated Contract.

By Resolution dated October 9, 2001, by the County, and October 11, 2001, by the City (hereinafter referred to as the "2001 Resolution,") the parties amended the Restated Contract.

By Resolution dated November 14, 2006, by the County and November 9, 2006, by the City (hereinafter referred to as the "2006 Amendment"), the parties amended the Restated Contract.

By Resolution dated March 27, 2007, by the County, and April 12, 2007, by the City (hereinafter referred to as the "2007 Amendment,") the parties amended the Restated Contract.

By Resolution dated April 24, 2012, by the County, and April 12, 2012, by the City (hereinafter referred to as the "2012 Amendment,") the parties amended the Restated Contract.

By Resolution dated _____, 2017 by the County, and _____, by the City (hereinafter referred to as the "2017 Amendment,") the parties amended the Restated Contract.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that effective July 1, 2017, the funding formula of the *Restated Contract* is amended as follows:

1. Operational Costs. Beginning Fiscal Year 2017/2018, City's contribution toward annual operational costs of the joint school system shall be:

a. A portion of the total operational costs jointly approved by County and City for each fiscal year which portion shall be equivalent to the percentage of City students enrolled in the joint system determined as hereinafter set forth times an add-on factor-of 1.14 for Fiscal Years 2018 through 2022.

b. For the purposes of calculating the percentage of City students under subparagraph a. above, the average school division daily membership shall be computed as of September 30 of the preceding fiscal year which date is here defined as the "determination date." The percentage thus obtained, and the percentage determined for the two preceding fiscal years shall be averaged and the average shall be used in applying the formula to the next fiscal year; provided, certain City/County student populations will be excluded from the funding formula set forth in la above as follows:

- Non-residents (children living in other localities)
- Residents of halfway houses, group homes, detention centers, mental hospitals, or other institutions with no home address in either the City or County.
- Children for whom the school division cannot assign a home address in City or County.
- Children who reside in hotels, motels, campgrounds, or some other type of non-residential property.

Both City and County shall be entitled to review all pertinent school enrollment records to verify such calculations. Should either City or County, after reviewing such records

wish to contest the accuracy of the calculation for any year, it must elect to do so by December 31 immediately following the September 30 calculation cutoff date. The contesting party shall give written notice to the other on or before December 31 specifying the basis of its disagreement. Upon receipt of such notice, the parties shall meet together as soon as is reasonable practicable and shall in good faith attempt to resolve the dispute. Should such efforts fail, each party shall appoint a certified public accountant as its arbitration representative. Such representatives shall choose an attorney at law duly licensed to practice in Virginia as a third arbitrator. The decision of the arbitrators shall bind both parties. Each party shall compensate its own accountant and the fees of the attorney shall be equally shared by the parties.

"Operational Costs" are all costs of operating the joint school system other than Capital Project Costs and shall include, but not be limited to: Administration, operation of school plants, routine maintenance of school plants, instructional costs, F.I.C.A. taxes and other employer funded employment benefits, repair and replacement of furnishing and equipment.

c. Based on § 22.1-100 of the Code of Virginia, local school funds unexpended in any year shall become a part of the appropriated funds of the City and County for the School Board for the following year. However, based on a spending plan submitted by the School Board, unexpended local funds at year-end may be appropriated by the City and County for school purposes beyond those previously funded.

d. City and County shall pass through any and all of their shares of the State Sales Tax for schools to the schools. The School Board shall determine how such funds shall be used.

e. City and County shall have a responsibility to their respective citizens to assure that funding provided to the school system is spent wisely and efficiently in achieving quality of education for the students.

The funding formula calculated for operational costs in Section 1, above, shall be used to determine the funding by City and County for all Capital Project Costs approved by their respective governing bodies, if any new school is to be contracted for during the five-year term of this agreement the City and County shall negotiate their respective participation at that time.

"Capital Project Costs" shall include: (a) all costs of land acquisition; all costs of land lease having a term of at least ten (10) years, including but not limited to rents and lease negotiation fees and costs; (b) all construction costs of new buildings including all architectural, engineering, consultation and, other design and development costs related thereto; (c) all costs of equipping new buildings, building additions and renovations and other structures or facilities; (d) all construction costs for major renovations of and/or additions to existing buildings, structures and facilities, including all architectural, engineering, consultation and other design and development costs related thereto ("major" being defined for purposes of subsections (d), (e), and (f) as an expenditure in excess of \$50,000); (e) all major studies such as engineering, feasibility, etc., related to existing or proposed school facilities, sites, properties, equipment, etc., (f) all costs for acquisition of major equipment and mechanical systems whether new or replacement, (g) expansion of existing school bus fleet.

City and County agree, for any School capital project with an estimated cost of \$1 million or more, to appropriate funds to the project in two phases:

Phase 1 shall include site acquisition and sufficient engineering and design services to produce reliable cost estimates. Constructability, peer review and value engineering reports shall be reviewed and critically evaluated. The expected capital improvement impact of any required school attendance zone redistricting shall also be evaluated during Phase 1. This includes identification of additional buses or design changes to existing school facilities to meet new zone requirements.

Phase 2 shall come at the conclusion of Phase I and shall result in an appropriation of sums sufficient for construction.

Any capital project balance not to exceed \$500,000 may be retained by the School Board if these funds are invested in a capital project included in the adopted five-year capital improvement programs of both City and County. Project balances exceeding \$500,000 shall be considered in the same way as unexpended local funds in the operating budget, paragraph 1(c) of this agreement.

FURTHER RESOLVED that paragraphs 3 through 6 of the Restated Contract are hereby amended and restated as follows:

2. Termination. Either the Williamsburg City Council or the James City County of Board of Supervisors may elect to terminate this contract at any time by giving written notice to the other. Unless City and County shall agree otherwise, termination shall become effective at the close of the school year next following the school year during which notice was given.

In the event of termination, the City shall have one hundred percent (100%) equity in all school facilities located within the City's corporate limits and the County shall have one hundred

percent (100%) equity in all school facilities located in the County; provided, however, that the non-situs locality shall have an equity interest in any real property located in the other locality which was used for school purposes, equal to all capital contributions made by the non-situs locality for the erection or improvement of buildings on such real property subsequent to July 1, 1997; provided, however, that City's capital contributions made under the provisions of this contract attributed to the construction of Matoaka Elementary School, Hornsby Middle School, and Blayton Elementary School shall be considered as an increase in City's equity position in Warhill High School or any other currently operating school buildings chosen by City. City relinquishes all equity interest in Matoaka Elementary School, Hornsby Middle School, and Blayton Elementary School effective November 1, 2006.

In event that any building previously used for educational purposes under this contract ceases to be used as such, and is declared surplus by a resolution of the School Board, then full ownership of such building, the land upon which it is located, together with all other related facilities, shall vest in the locality in which the building is located; provided, however, that the non-situs locality shall have an equity interest in such building and land, equal to all capital contributions made by the non-situs locality for the erection or improvement of such building subsequent to July 1, 1997.

"Facilities" shall include all real and personal property located at a school site. School-owned real property not identified with a specific school site and owned as of June 30, 2002, shall be distributed 26% to City and 74% to County. Real property acquired after June 30, 2002, shall be distributed based on the proportional funding at the time the acquisition/construction is made. Personal property not identified with a specific school site shall be distributed between City and County on a formula that represents the average operating budget funding percentage as calculated using the five most recent annual budgets. Such non-school site property includes, but is

not limited to, central administration and operations real and personal property, school buses, vehicles and equipment not used primarily at a particular school.

In applying the above percentages to non-school site property, the current values of such properties shall be determined as follows:

Real Property - Fair market value based on comparable sales and highest and best use.

School Buses - As shown in most recent issue of valuation booklet for school buses, "Yellow Book" published by Yellow School Buses, P. O. Box 261, Los Angeles, CA 90078 or if out of publication, as determined by other mutually agreeable method.

Other Personal - Acquisition cost depreciated over five (5) years with ten percent (10%) salvage value.

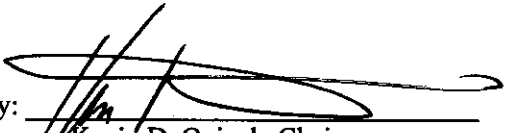
3. School Board Membership. Effective July 1, 1993, City's School Board shall consist of two (2) members and County's School Board shall consist of five (5) members. The two School Boards shall serve as one Board for all decisions regarding operation of the joint school system including the hiring and firing of the superintendent.

4. Review of Contract. The Restated Contract as here amended shall be reviewed by City and County prior to the fiscal year beginning July 1, 2022; and every fifth (5th) year thereafter. Each review shall commence not later than January of the previous fiscal year. The parties intend that any subsequent amendments to the Restated Contract shall result from the regularly scheduled reviews, and each party represents to the other its intent to withhold requests for further amendments until the time of such scheduled reviews unless urgent necessity dictates otherwise.

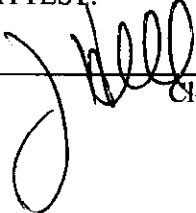
5. Effective Date of Amendments. All future amendments to the Restated Contract as here amended shall become effective on July 1 following the fiscal year in which the parties reach written agreement as to such amendment.

IN WITNESS WHEREOF, Pursuant to resolution duly adopted, the City of Williamsburg, Virginia, on 25 day of April, 2017; the County of James City on the 25 day of April, 2017.

COUNTY OF JAMES CITY

By: 
Kevin D. Onizuk, Chairman

	VOTES		
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
MCGLENNON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SADLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HIPPLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LARSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ONIZUK	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ATTEST:

Clerk

CITY OF WILLIAMSBURG

By: _____
Mayor

ATTEST:

Clerk