

**MINUTES
KING WILLIAM COUNTY
BOARD OF SUPERVISORS SPECIAL CALLED JOINT MEETING
WITH KING WILLIAM COUNTY PUBLIC SCHOOL BOARD
MAY 11, 2021**

A special called joint meeting of the Board of Supervisors of King William County, Virginia and the King William County Public School Board was held on the 11th day of May 2021, beginning at 7:00 p.m. in the Board Room of the County Administration Building and via Zoom.

Agenda Item 1. CALL TO ORDER

Chairman Moskalski called the meeting to order.

Agenda Item 2. ROLL CALL

The Board of Supervisors were polled:

Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye
Supervisor, 2nd District: Travis J. Moskalski - Chairman	Aye

The School Board members were polled:

School Board Member, At Large: Veda G. Frazier	Aye
School Board Member, 2 nd District: Kathy H. Morrison – Vice Chair	Aye
School Board Member, 3 rd District: Steven M. Tupponce	Aye
School Board Member, 4 th District: Terry S. Stone	Aye
School Board Member, 5 th District: Mark P. Lee	Aye

Agenda Item 3. REVIEW AND ADOPTION OF MEETING AGENDA

Supervisor Greenwood moved to adopt the meeting agenda as presented. Supervisor Garber seconded. The Chairman called for discussion. There being none, the Board of Supervisors were polled:

Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye
Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 2nd District: Travis J. Moskalski – Chairman	Aye

Agenda Item 4. PRESENTATION

a. An Accounting for the Funding of King William County Public Schools – Dixon Hughes Goodman LLP (DHG)

Mr. Brian Burns, Partner with Dixon Hughes Goodman, LLP (DHG), led the engagement. He introduced Mr. Randy Sherrod, Manager of Risk Advisory Services, and Ms. Eileen Campbell, Forensics Practice Consultant, both of whom worked on the project with Mr. Burns. Mr. Burns provided an overview of the firm as well as their financial forensics practice and risk management services.

Mr. Burns provided a summary of the engagement background: The King William County School Board's cash funds are principally held with Sonabank. King William County appropriates funding for the schools and transfers funds from the County's C&F Bank account to the School Board's Sonabank account via deposit and wire transfer predicated by the school's requests. King William County's prior audits revealed some control issues, material weaknesses in the wire transfer process, and lack of control to prevent those weaknesses.

Mr. Burns said the scope and procedure of the engagement took a five-step approach. 1. Information collection via remote and onsite inspections; 2. Interviews with County and School Board staff to gain an understanding of the control environment and working with County staff to develop methodology; 3. Financial analysis; 4. Synthesize the findings; and 5. Report the findings.

Mr. Burns stressed that this engagement and the work done by DHG was not an audit in any type of way. It was a consulting engagement to address concerns and form a reasonable conclusion without undertaking great financial cost.

DHG performed a quantitative analysis of the period from 2015 to 2020 of the volume of cash transfers compared to authorized transfers per appropriations. This was a time-intensive analysis as there was not a lot of documentation for each transfer. The analysis determining authorized appropriations reconciled to actual transfers found no discrepancies, as budgeted versus actual can differ. DHG analyzed the magnitude of authorized transfers, the totality of authorized transfers, cash from County bank statements versus School bank statements, compared authorized transfers to documented transfers, and were able to trace all transactions without exception.

Mr. Burns said DHG also analyzed procedures and found a lack of established written policies and procedures, infrequent communication between the parties, and lack of documentation – all weaknesses which mitigate risk.

Mr. Burns noted recent improvements including documentation and procedures to track funds with corresponding appropriation resolutions at both the County and School as well as a monthly comparison of School, Treasurer, and County Finance records.

Mr. Burns stated there were no indications of fraud or malfeasance in current or past staff.

The result of the analysis found the actual transfers during the time period totaled \$76,016,518 and the actual appropriations totaled \$76,048,158 resulting in a net difference of \$31,640. Mr. Burns indicated there were years within the analyzed period where transfers exceeded appropriations.

DHG recommendations include: improving internal communications; improving external communications and documentation at regular intervals; standardizing procedures and documentation requirements and communicating those procedures and requirements to all personnel; enhancing documentation reconciling transfers to appropriation; segregating duties as much as financially possible; increasing the use of electronic documentation versus hand-written notes; consolidation of banking operations to one financial institution for simplicity, enhanced effectiveness, and better potential interest income; and minimizing the need to transfer funds if banking operations are not consolidated to one financial institution.

Mr. Sherrod and Ms. Campbell expressed their appreciation to the County, Board of Supervisors, and School Board for giving them the opportunity to serve on this engagement.

Chairman Moskalski called for comments or questions from the Board of Supervisors.

Vice Chair Moren said his biggest concern is that this type of confusion doesn't happen again.

Supervisor Garber said we're a family and he's happy with the findings of the report.

Supervisor Greenwood said he is pleased with the findings as well and expressed concern that the Board of Supervisors and School Board have no control over what the County Treasurer does as far as which banking institutions to use. He said having greater transparency will help move us forward.

Supervisor Hodges confirmed with Mr. Burns that there was an overpayment at some point but it netted out by the end of the five-year period. Supervisor Hodges mentioned the source of the funds will need to be investigated and reported to the Town of West Point.

Chairman Moskalski asked if it was known where the funds came from in those years in which transfers exceeded appropriations. Mr. Burns said that was not in the scope of their analysis.

Mary Sue Bancroft, King William County Treasurer, said she was pleased with the report and not surprised by the weaknesses found by DHG. She said she has already taken steps to improve procedures including establishing all new accounts with Sonabank (now Primis Bank). She will no longer use C&F and negotiated better rates with Primis with no fees. She said funds will be deposited directly to the School accounts through EDMUNDS resulting in a better audit trail and cleaner and easier management.

Chairman Moskalski called for comments or questions from the School Board members.

Ms. Stone thanked DHG for their work, time, and recommendations. She said this is a perfect opportunity for the County and School Board to work together and to revisit the split levy issue.

Mr. Tupponce thanked DHG for their hard work and the very thorough process they undertook. He said this was a learning exercise for the School Board and the Schools will follow DHG's recommendations. He said there used to be a joint finance committee between the School Board, Board of Supervisors, and Treasurer's office and felt this committee should be reinstated.

Chairman Moskalski indicated the Board of Supervisors would welcome that opportunity.

Supervisor Greenwood said there were legal issues governing that sort of committee and limiting it to three participants however there could be subcommittees with more members. Chairman Moskalski said he believed the three-member committee affords authorities not being sought. They are seeking better communication. Ms. Stone said such a committee would be good to form in order to get feedback during audit time.

Chairman Moskalski said now that the County and the School Board effectively balance, they had a path forward in which to further develop good relationships between the Boards and staffs of the County and the Schools.

Mr. Tupponce said he agreed that a professional working relationship with the County administration was needed where both entities could talk openly and move forward.

The King William County School Board adjourned their portion of the Special Called Meeting.

Agenda Item 5. WORK SESSION MATTERS

a. FY 2021 School Transfers vs. Appropriation – Natasha Joranlien, Director of Financial Services [This item was inadvertently skipped and instead took place following Agenda Item 5d.]

b. Edmunds Software Update – Travis Wolfe, Systems Engineer

Mr. Wolfe reported Tax Phase implementation has been pushed back at least two and possibly three weeks from May 3rd due to several procedural questions which remain unanswered by the departments. Real Estate and Personal Property Tax is still set to bill out of Edmunds by May 25th.

The Treasurer has decided not to use the lockbox for payment this year and payments will instead come to the Treasurer's office.

He was finally able to get a VITA representative in touch with Wanda Ambrose in DSS to get her access, however, they encountered issues which they are now waiting for VITA to fix.

Mr. Wolfe met with the schools to discuss what is working well and what issues need to be resolved.

Mr. Wolfe said both the County and School Finance staff are doing double entry in Edmunds and BAI until such time as Tax and Permitting go live.

Supervisor Garber asked if tax bills will still be mailed out on time. Ms. Bancroft, Treasurer, said yes, they would. She said her staff has been processing checks and she has hired an additional staff member to help. She would also help and between the four of them, they will be able to get everything done in time. She said she has already created the bill file and sent to BMS. She also said that even if the bills go out through Bright, the payments will be processed in Edmunds.

Chairman Moskalski said the work needs to be done as quickly as possible so staff will not have to perform double entry and the County will not have to pay for software they're no longer using.

c. Upcoming Public Hearings – Sherry Graham, Interim Director of Planning

Ms. Graham informed the Board of five public hearings for Conditional Use Permits which will take place at the regular meeting of the Board of Supervisors on May 24, 2021 and summarized the details of each one. She noted that two of the issues, one for expanding the site of the Queenfield Mine by King William Sand and Gravel Company, Inc., and one for a request to install a grass airstrip by Coastal Farm Services, LLC, are open to site visits prior to the Board meeting if the Supervisors so desired.

Supervisor Garber asked if Ms. Graham was able to do anything using GIS to determine how close the proposed airstrip will be to the existing one. Ms. Graham said she would get with Betty Brooks, who is a GIS expert to see if that can be determined. [This information was provided to the Board on May 18, 2021.]

Vice Chair Moren said the current airstrip is very active and asked if it would be shutting down if a new one is opened. Ms. Graham said the owner intends to keep both airstrips active and said more information would be in the Agenda Packet for the May 24, 2021 Regular Board of Supervisor's meeting.

d. County Property on Landing Rd. – Request to Sell or Grant Right of Way – Steve Hudgins, Interim County Administrator

Mr. Hudgins asked the Board's recommendation on which direction to proceed with a private request to either buy County property on Landing Rd. or grant a right of way agreement through the County property. The owners of tax parcel 26-44 wish to sell their property, which is adjacent to County owned property, tax parcel 26-45A. Tax parcel 26-44 has traditionally been accessed through County property though no deeded access exists. The sellers would like to either buy the County property and include it in their land sale (thus giving access to the property) or have a right of way agreement put in place granting access to their property. The County property is currently unused and is prone to flooding and vandalism. It is one of very few river access lands the County owns. Representatives from the Virginia Department of Forestry and Department of Wildlife Resources (formerly Department of Game and Inland Fisheries) have visited the site in the past and believe grant money may be available to improve it. They have recommended keeping it for conservation easement. Staff is asking for the Board's knowledge on the history of the property and guidance on how to proceed.

Chairman Moskalski said he'd rather keep the property for County use and suggested other sources of funding to improve the site might be available through the MPA [Middle Peninsula Authority] whereby the land could be maintained for public access to the river, not for development. He suggested reaching out to Lewie Lawrence at MPA.

Supervisor Garber said the land could be used as a pickup point for kayaking, canoeing, and fishing. He is not in favor of selling it.

Supervisor Hodges said it could be one of only two locations in the county for put in or take out. The other site is on Pamunkey Indian Reservation land.

Vice Chair Moren said he is in favor of keeping the County property as it is the only public access site to the Pamunkey River. He would like to see if it could be developed and suggested it could be a project for the EDA Board.

Supervisor Greenwood said he's in favor of saving any riverfront property for the County and said to grant the property owners an easement if they need it to access their land.

a. FY 2021 School Transfers vs. Appropriation – Natasha Joranlien, Director of Financial Services [This item was inadvertently skipped and instead took place following Agenda Item 5d.]

Ms. Joranlien presented the FY2021 School Transfers and Appropriation report as of March 31, 2021 and said the amount transferred by the Treasurer has not exceeded the amount of revenues received by the County to support Schools nor has it exceeded the appropriation of the budgeted support to Schools. Ms. Joranlien said she has directed her staff to process transfers to the Schools through Accounts Payable for better documentation. She said she will send money to the Schools via ACH to their bank account and would prefer there be no wire transfers made. By processing the ACH through Accounts Payable, Ms. Joranlien said funds from the split levy to the Schools would come from the split levy account.

Supervisor Hodges said he feels better about the way things are being handled.

Supervisor Greenwood asked, since the Treasurer has now opened County accounts at the same bank the Schools use, if revenues generated by the Schools will now go directly into their accounts. Ms. Joranlien said that yes, revenues such as cafeteria and field trip payments would now be directly credited to the School accounts thereby making the documentation trail cleaner.

Agenda Item 6. BOARD OF SUPERVISOR'S REQUESTS

Supervisor Hodges asked the County Administrator to contact Mr. Edwards regarding the DHG matter with regards to West Point.

Supervisor Greenwood said he'd like a spreadsheet tracking items and projects the Supervisors have discussed and documenting current projects and their status. Vice Chair Moren asked that the document be in the cloud where all can access it. Chairman Moskalski suggested the County Administrator may already have something similar he can share with them.

Supervisor Garber said he'd like to see personal property taxes be prorated and suggested it could increase County revenue. He also mentioned receiving complaints about ongoing drainage problems on Newcastle Road which some believe is caused by the Commerce Park, although VDOT has said that's not the issue. He believes the Commerce Park has a bond that could be used to make the necessary corrections. Chairman Moskalski said the General Assembly has put a moratorium on pulling bonds, possibly extended through 2022. He also stated the amount of the bond may be insufficient to address the problem. Supervisor Garber said VDOT said the project may be eligible for a 50% cost share. He asked if the bond transfers with the property and said there was a punch list made 1.5 years ago of issues to address. Chairman Moskalski said it was worth revisiting and asked it be placed on a Work Session agenda sometime soon.

Vice Chair Moren suggesting approaching Delegate Wyatt to make him aware and to get something moving in the legislature. Supervisor Garber said he heard that Essex County recently obtained a grant for improvements to their Commerce Park and suggested King William County might do the same.

Chairman Moskalski said he would like a clear understanding of fund balances – how they flow and fluctuate, and what the margins are.

Agenda Item 7. CLOSED MEETING

a. Motion to Convene Closed Meeting

Vice Chair Moren moved to convene in Close Meeting in accordance with Section 2.2-3711 (A)(5) of the Code of Virginia for the proposed expansion of an existing industry in King William County. Supervisor Hodges seconded.

The chairman called for any discussion.

The members were polled:

Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye
Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 2nd District: Travis J. Moskalski – Chairman	Aye

b. Motion to Reconvene in Open Session

Having completed the Closed Meeting, Vice Chair Moren made a motion to Reconvene in Open Session, seconded by Supervisor Garber.

The members were polled:

Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye
Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 2nd District: Travis J. Moskalski – Chairman	Aye

c. Certification of Closed Meeting

Supervisor Hodges moved for adoption of Standing Resolution 1 (SR-1) in accordance with Section 2.2-3717(D) of the Code of Virginia, 1950, as amended; the motion was seconded by Supervisor Greenwood.

The chairman called for any discussion.

The members were polled:

Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye
Supervisor, 2nd District: Travis J. Moskalski – Chairman	Aye

STANDING RESOLUTION – 1 (SR-1)
A RESOLUTION TO CERTIFY COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT
REGARDING MEETING IN CLOSED MEETING

WHEREAS, the King William County Board of Supervisors has 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 2.2-3711 of the Code of Virginia requires a certification by the King William County Board of Supervisors that such closed meeting was conducted in conformity with Virginia law,

NOW, THEREFORE, BE IT RESOLVED that the King William County Board of Supervisors on this 11th day of May, 2021, hereby certifies that, to the best of each member’s knowledge:

1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were heard, discussed, or considered in the closed meeting to which this certification resolution applies, by the King William County Board of Supervisors.
2. Only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the King William County Board of Supervisors.

DONE this the 11th day of May, 2021.

d. Action on Closed Meeting (if necessary)

No action required.

Agenda Item 8. ADJOURN OR RECESS

Supervisor Garber made a motion to adjourn the meeting; seconded by Supervisor Greenwood.

The chairman called for any discussion.

The members were polled:

Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye

Supervisor, 3rd District: Stephen K. Greenwood
Supervisor, 2nd District: Travis J. Moskalski – Chairman

Aye
Aye

COPY TESTE:

Travis J. Moskalski, Chairman
Board of Supervisors

Christine H. Branch
Deputy Clerk to the Board of Supervisors