

**RESOLUTION #6-96**

**JOINT RESOLUTION TO AMEND THE RESTATED**

**CONTRACT FOR THE JOINT OPERATION OF SCHOOLS,**

**CITY OF WILLIAMSBURG AND COUNTY OF JAMES CITY**

DATE OF DOCUMENT: JANUARY 15, 1996 *October 12, 2001*

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.*

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that by Resolution dated ~~January 15, 1996~~ *October 12, 2001*, commencing July 1, ~~1997~~ *2002*, the parties hereto do hereby amend the ~~1991 Resolution~~ *Restated Contract* to read as follows:

1. Operational Costs. Beginning Fiscal Year ~~1992/1993~~ *2002/2003*, City's contribution toward annual operational costs of the joint school system shall be ~~the greater of:~~

a. A portion of the total operational costs jointly approved by County and City for such fiscal year which portion shall be equivalent to the percentage of City students enrolled in the joint system determined as hereinafter set forth ~~plus~~ *times* an add-on ~~of four (4)~~ percentage points. If, however, the percentage of City students enrolled in the system as of ~~any determination date shall fall below eight percent (8%), then the add-on for the fiscal year next following such determination date (defined in 1b below) shall be reduced to one-half (1/2) of the City student percentage. (For example, if the City student percentage is 7.8 %, the add-on for the following fiscal year shall be reduced from four percent (4%) to three and nine-tenths percent (3.9%); OR,~~ *factor that varies by year as follows:*

<u><i>Year</i></u>	<u><i>Factor</i></u>
<i>FY 2003</i>	<i>1.38</i>
<i>FY 2004</i>	<i>1.33</i>
<i>FY 2005</i>	<i>1.28</i>

<i>FY 2006</i>	<i>1.23</i>
<i>FY 2007</i>	<i>1.18</i>

~~b. The following percentage as here designated for the particular fiscal year which shall supplant both the percentage and add-on determined under (a) above:~~

~~FY 1993 18.72%; FY 1994 17.72%; FY 1995 16.72%;  
FY 1996 15.72%; FY 1997 14.72%; FY 1998 13.72%;  
FY 1999 12.72%; FY 2000 11.72%; FY 2001 10.72%.~~

*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 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 1a above as follows:

- Nonresidents (children living in other localities)
- Foreign students in exchange programs
- 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.

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. The School board shall be permitted to retain and determine the use of any year-end surplus funds *up to an amount equal to one-percent (1%) of the total school operating budget. Any funds that exceed that amount shall be dedicated to, and identified in, the Capital Budget for the following year.*

d. The 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. The 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.*

~~2. Capital Project Costs. Over the term of the Contract Amendment (July 1, 1997-June 30, 2002), the County shall be solely responsible for all capital project costs for the joint school system; except that during such term, the City shall be responsible for all capital project costs related to and involving Matthew Whaley School renovation project in excess of One Million Eight Hundred and Twenty Thousand Dollars (\$1,820,000) to be contributed by the County during the contract amendment term. The County's contribution to the Matthew Whaley project shall be made in proportional amounts as expenditures are incurred.~~

~~—————The parties agree that the City, in its sole discretion, may begin the Matthew Whaley School project prior to July 1, 1997; it is understood and agreed, however, that should the City commence the project prior to July 1, 1997, no County payment shall be due until July 1, 1997.~~

*The funding formula calculated for operational costs in Section 1 above, shall be used to decide the funding, City and County, for all Capital Project Costs approved by the governing bodies.*

“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 this 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., (~~“major being defined for purposes of this subsection (e) as in excess of \$20,000~~); (f) all costs for acquisition of major equipment and mechanical systems whether new or replacement; (~~“major” for purposes of this subsection (f) being defined as either unit or total system purchase price during a fiscal year in excess of \$50,000. Separate purchases of separate components shall be combined to determine purchase price~~); (g) expansion of existing school bus fleet.

3. Termination. Either the Williamsburg City Council or the James City County 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.

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. ~~All other property not identified with a specific school site shall be distributed Twenty-six percent (26%) to City and Seventy-four percent (74%) to County~~ *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 10%  
salvage value.

4. 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.

5. Review of Contract. The Restated Contract as here amended shall be reviewed by City and County prior to fiscal year beginning July 1, 1997, 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.

6. Effective Date of Amendments. All future amendments to the Restated Contract as here amended shall become effective on the July 1 following the calendar 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 this \_\_\_\_\_ day of \_\_\_\_\_, ~~1996~~ 2001; the County of James City on  
the \_\_\_\_\_ day of \_\_\_\_\_, ~~1996~~ 2001.

COUNTY OF JAMES CITY

By \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Clerk

CITY OF WILLIAMSBURG

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk