

Northumberland County
Joint Finance Committee Meeting
Thursday, March 26, 2026 - 5:30 p.m.
General District Courtroom- 220 Judicial Pl., Heathsville

Co-Chair John Kost called the Joint Finance Committee meeting to order at 5:30 p.m. in the General District Courtroom located at 220 Judicial Place, Heathsville, VA 22473.

1. Review and Approval of Minutes from 3/5/2026

Motion to approve the minutes from the Joint Finance Committee meeting on March 5, 2026.

Motion by: James W. Brann, second by: Chip Williams.

Final Resolution: Motion Carried

Aye: James W. Brann, Chip Williams, John Kost, Dave Curran, Carolyn Crockett, Heather Cockrell

2. Discussion of Proposed Mission Statement for the Joint Finance Committee

Mr. Kost provided inserts of 2023 Joint Finance Committee meeting minutes to share where the committee has been and where they would like to go now. He proposed a new mission statement for the committee as follows:

“The purpose of the Northumberland County Joint Finance Committee is to continue to build trust and accountability between the Board of Supervisors and the School Board with regard to County and school finances and to identify strategic issues and opportunities that drive effectiveness and efficiency in and across the administration of the County and its School Division.”

Superintendent Karen Leslie requested that the “school finances” be revised to “School *Division* finances” because people get confused and think there’s only one school, when in fact they are a School Division.

Motion to approve the proposed mission statement to include Dr. Leslie’s revision as presented above.

Motion by: James W. Brann, second by: Dave Curran.

Final Resolution: Motion Carried

Aye: James W. Brann, Chip Williams, John Kost, Dave Curran, Carolyn Crockett, Heather Cockrell

3. Update on FY27 School Budget

Superintendent Leslie stated as of now there are no changes to report on the School Board budget.

County Administrator Tadlock stated that the Board voted to hold the public hearing on the School Board budget on April 23, 2026, at 7:00p.m. to reflect a 2% salary increase for teachers and staff. He explained that he will get with the School Division and finance team to work on some of those figures.

Dr. Leslie stated that they are starting to think about issuing contracts to their teachers and staff and the budget tells them what they need to put into the contracts.

Mr. Kost asked if there are other elements besides the salaries that affect them directly by issuing the contracts.

Dr. Leslie and Finance Director Curran couldn't think of anything aside from salaries and health insurance. Dr. Leslie stated that last year, the School Division issued contracts before the budget was approved and legally, they can do that. If the budget has not been approved, they can issue the contracts stating this is what we gave you last year, and if the budget is approved you will get further compensation as described. Dr. Leslie stated that this allows a safeguard for teachers, so they know they have a position.

Mr. Kost asked if the contracts mention health insurance.

Dr. Leslie stated that they do not mention anything specific about health insurance.

School Board Chair Dave Curran stated that it's imperative that they approve a budget in a timely manner so they can retain the teachers they want to retain.

Mr. Kost asked Mr. Tadlock to explain the sequence of events after the April 23, 2026 meeting once the public hearing is held on the School Board budget.

County Administrator Tadlock explained that the Board has to wait one week before they can take any specific action on the budget. Work sessions can be scheduled within the 7-day time period to discuss it, but no action can be taken until that time period is complete.

Mr. Brann asked what if the state has not approved their budget and it has an impact on the school system. He explained in the past they've waited on the state to approve their budget before finalizing the school and county budgets.

Mr. Tadlock stated that if it's 1% or greater than the County budget, then another public hearing would have to be held regarding that portion of the budget.

Mr. Kost asked if the Board of Equalization affects the timing of the budget at all.

Mr. Tadlock stated that it does and those hearings have been scheduled to start the beginning of April. He explained that he's contacted the Commissioner of Revenue and they're looking to start using some rough figures to formulate the budget.

Dr. Dave Curran asked if the state approves a 2% salary increase, will that be incorporated in the 2% proposal and therefore not affect the budget?

Mr. Tadlock stated he has to get with the school division to work on these figures, but if the 2% is approved by the state, then yes that is correct.

Dr. Leslie stated that they have not run the figures for a 2% salary increase yet.

Mr. Tadlock understood, stating that the Board voted on this on Tuesday, so that's why he's going to meet with the School Division to run these figures.

Mr. Kost asked if the finance team will be able to run those figures and have them ready to present to the Board of Supervisors by the regular meeting on April 9, 2026?

Dr. Anne Curran stated that they could have those figures ready.

Co-Chair Heather Cockrell questioned one of Dr. Leslie's PowerPoints, stating that the School Board was going to cover 80% of employees' health insurance. She stated this counterargues with an email sent out today as she believes she found under 80%. She wondered why this information was sent out if there is still discussion regarding the multi-jurisdictional consortium health insurance.

Ms. Dodson clarified that the FY27 rates have been approved by the Board of Supervisors.

Dr. Leslie offered to go through the figures with Mrs. Cockrell if she'd like.

Dr. Dave Curran asked Mr. Tadlock if there are any obstacles he can foresee that would stop them from starting the budget even earlier in the school year.

Mr. Tadlock stated that the biggest thing is seeing what state and federal funding the County would receive. In addition to this, assessment figures during a re-assessment year (every 6 years).

Dr. Curran stated that they could use history and have a 95% accuracy rate to get started with the budget earlier.

Finance Director Anne Curran stated that Dr. Pica wants to start the budget at the end of August with the zero-based budget.

Mr. Brann thinks this is a good idea.

4. Status of Creation of Capital Reserve Accounts

Ms. Dodson explained that the two accounts have been created so the school CIP funds and prior year reimbursements are held in separate accounts. For prior year reimbursements, Ms. Dodson explained that the Treasurer will reach out to the finance team and those funds will go into the new account so they can keep track of how much is being accumulated from reimbursements. If the school division wants to move those funds to the school CIP account, they would put in a transfer request for Board of Supervisor approval.

5. Status on Return of Excess School Revenue to the County

Ms. Dodson stated that one request to transfer revenue to the school CIP was approved at the last Board meeting.

Mr. Kost gave a hypothetical scenario and wondered if a Supervisor asked how much is available in the County reserve account, whether they are going to be provided with the entire amount or will the CIP account total not be included.

Ms. Dodson stated the CIP funds will not be included in the total as long as the CIP funds are earmarked and clearly labeled what they are expected to be used for.

Dr. Anne Curran stated that they found \$364,000 this week from 2023-2024 reimbursements so those monies will be sent to the Board of Supervisors as well.

Dr. Leslie stated they have a lot of reimbursements from prior years that were never filed for, so they are working to make sure they all get filed for.

Mr. Williams asked if there are expiration dates on the reimbursements.

Dr. Leslie stated that there are, so they are working from back to forward to see what they can claim.

Mrs. Cockrell asked if this information will be made public.

Dr. Leslie stated that it is public knowledge and they'll be included in the finance reports tagged by their titles. What was not being claimed was essentially being spent with local funds, so they are trying to get the money back.

Dr. Dave Curran asked if the \$364,000 is going to be earmarked for the school CIP or would it be returned to the County?

Dr. Anne Curran stated they were going to suggest it go back to the school CIP to be earmarked for the NES playground.

The committee discussed that receiving reimbursements back and using it for the kids is a positive thing occurring in this County and it deserves to be shared with the public.

6. Review and Discussion of County/School MOU

Mr. Kost presented the memorandum of understanding between the County and school, stating that it's up for renewal starting July 1, 2026. The committee agreed to continue forward with the concept of the MOU, however some items within the MOU were revised as follows:

Memorandum of Understanding

This Memorandum of Understanding is made and entered into this ___ day of June, 2025, by and between the Northumberland County Board of Supervisors ("Board of Supervisors") and the Northumberland County School Board ("School Board").

WHEREAS, the Board of Supervisors and School Board share a common goal of ensuring the efficient use of local, state, and federal government funds;

WHEREAS, the Board of Supervisors and School Board desire to work together in an equitable, fiscally responsible, sound, and mutually supportive manner, supporting the County School Division, the County administration, and all citizens of Northumberland County;

WHEREAS, the Board of Supervisors desires to provide additional support for and oversight of the financial operations of the Northumberland County School Division; and

WHEREAS, the School Board agrees to accept additional support for and oversight of the financial operations of the Northumberland County School Division.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein the Board of Supervisors and School Board agree as follows:

1. The Board of Supervisors ~~shall create~~has created the position of County Finance Director. The County Administrator shall develop the job description for the County Finance Director, to include responsibility for managing the finances of the County and the School Division.
2. The County Finance Director will employ and manage ~~up to two~~ Finance Staff members to provide financial services to the School Division.

~~After the execution of this Memorandum of Understanding the School Board shall eliminate the positions of Accounts Payable Clerk and Payroll Clerk. The Board of Supervisors agrees to employ the individuals currently serving in those positions on a trial basis, for a minimum of 90 days from the MOU execution date as the Finance Staff. In the event that the Board of Supervisors does not retain either of these individuals on a full-time basis after the 90-day period, then such individuals shall be paid two months' salary as a severance upon separation, such severance to be paid out of funds identified in the FY 2026 School Board budget, unless otherwise agreed to by the County Administrator.~~

4.3. The County Finance Director and Finance Staff shall report to the County Administrator or designee and the Board of Supervisors. They also shall provide to the School Board, Superintendent, and relevant School Division staff in a responsive and timely manner all support reasonably necessary for the efficient financial operations of the School Division. Upon request, the Superintendent shall be entitled to receive from the County Finance Director and Finance Staff, all information and records relevant to the financial operations of the School Division.

5.4. The School Division shall submit any contract with an associated cost, invoices, personnel changes, new employee hires, employee terminations, proposed or accepted changes in funds requested or received from the federal, state, any local government sources other than Northumberland County, and any donations or grants, within two business days from the date of notification, receipt, or action, as the case may be. The County shall include in

its annual budget, starting in FY27, the electrical costs associated with Dominion Energy for the School Board Office located at 6958 Northumberland Highway, Heathsville, VA 22473.

6.5. The County Finance Director and County Treasurer shall meet regularly (but not less frequently than once a month) to ensure that school and county accounts are being properly reconciled, federal and state reimbursements are being requested promptly, and other financial issues are being promptly and satisfactorily resolved.

7.6. The ~~School Board~~ Board of Supervisors shall include in its annual budget ~~request to the Board of Supervisors~~ an amount sufficient to fund the salaries, benefits, and expenses of ~~up to two~~ Finance Staff dedicated to the School Division, which the Board of Supervisors agrees to include in its annual County budget appropriations ~~for the School Board~~. ~~The County will invoice the school system quarterly for reimbursement of these costs, which the School Board agrees to pay within 30 days of receipt.~~

8.7. Nothing herein shall be construed to usurp or contradict the School Board's authority pursuant to Article VIII, § 7 of the Constitution of Virginia and §§ 22.1-88 and 89 of the *Code of Virginia*, to control the expenditure of funds appropriated to it.

The initial term of this Memorandum of Understanding shall be the date of execution noted above through June 30, ~~2026~~ 2028, unless terminated earlier by a majority of each Board as in a quorum.

Approved and authorized by the Northumberland County Board of Supervisors

By: _____
Chairman

Date: _____

and

County Administrator

Date: _____

Approved and authorized by the Northumberland County School Board

By: _____
Chairman

Date: _____

and

Superintendent

Date: _____

The committee stated once revised, they will allow both the County and School attorneys to review the draft MOU and then get approval from both the Board of Supervisors and the School Board.

7. Update on VDoE Audit of School Division

Dr. Anne Curran stated that they had an exit interview with the VDoE team and they went through all the findings of the audit. They will be sending out the written report in the next 3-4 weeks and then they will set up a meeting to discuss their corrective action plan. Dr. Curran stated that they will also report back to the VDoE monthly on their status of where they are with the corrective action plan. Dr. Curran believes that a lot of the issues were due to lack of written procedures.

Mr. Kost asked if any of the procedures overlap with the items laid out in the corrective action plan related to the forensic audit.

Dr. Curran stated that there are similar items, but not exactly.

8. Update on ERP project RFI

Mr. Kost explained that the steering committee has completed the structure of the RFI, but they are waiting for some more details which he expects to go through with the steering committee members at the next meeting. He also stated that Mr. Dave Zinder will also be spending some time with them explaining what his system does so they can make it a part of the system replacement as well.

9. Multi-Jurisdictional Health Insurance Consortium Update

Mr. Kost explained that the state has already done most of the work on this which on the local level is a consortium of local counties who want to participate with the buying power of roughly 68,000 people. He explained that there probably is no advantage of doing this on the local level.

Mr. Tadlock stated they had a County Administrator's meeting last week and he informed them of the idea, but their concern was going from a larger pool to a smaller pool. He explained there wasn't much interest in this from them at this time.

Mr. Kost wondered what happens in any given year that makes the rates increase overtime. He stated that he and Mary discussed that part of the increase may be due to insurance covering the costs of Ozempic.

Dr. Dave Curran stated that he spoke with 3 consortiums and that is true; Ozempic does play a role in the increase. He said they will not be covering it in the future, so the cost should lower a bit. Dr. Curran also mentioned the idea of the school and County being separate rather than on the same pool as he believes the cost would be less because of the smaller number of claims submitted.

Mr. Kost questioned his statement as his understanding was that the larger the pool, the lower the cost.

Ms. Dodson explained that the rates may be lower at first, but it's really dependent on the claims and what you're putting into it. She stated it's a wild card with health insurance these days because the issue is across the country.

On another topic, Mr. Kost suggested the committee discuss future plans for the old School Board office in the near future.

10.Next Meeting

The committee agreed to meet again on April 23, 2026 at 5:00 p.m.