

A SPECIAL WORK SESSION OF THE NEW KENT COUNTY BOARD OF SUPERVISORS WAS HELD ON THE 2nd DAY OF MARCH IN THE YEAR TWO THOUSAND FIVE OF OUR LORD IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING AT 6:03 P.M.

IN RE: ROLL CALL

Mark E. Hill	Present
D. M. "Marty" Sparks	Present
James H. Burrell	Present
Stran L Trout	Present
W. R. "Ray" Davis, Jr.	Present

Chairman Davis called the meeting to order.

School Board members present were Van McPherson, Joe Yates, Cynthia Gaines and Terri Lindsay, along with School Superintendent Roy Geiger, School Budget & Finance Director Ed Smith, and Tim Pollock from Transportation.

IN RE: SCHOOL BUDGET FOR FY05/06

Van McPherson stated that tonight they would present highlights of their budget requests, which have been reduced from requests totaling \$2.5 million submitted by staff.

Dr. Roy Geiger and Ed Smith reviewed the Schools' budget request by PowerPoint presentation. Their Vision Statement continues as "Be the Best Small Public School Division in the Commonwealth of Virginia".

Dr. Geiger reviewed their FY2005/2006 budget goals which are to retain and attract quality staff; maintain a safe school environment; provide adequate support staff; improve student achievement; increase technology skills of students and staff; and meet projected cost increases of key budget items.

He reviewed their record of accountability. They are proud of their low drop out rate (0.42%) which is the 20th lowest of 133 divisions in the State. They were commended by the Governor for their efficiency and effectiveness as a result of a study that was conducted in January 2004. The Primary, Elementary and High Schools are fully accredited via the SOL testing program, and the Middle School is accredited with a warning due to reading scores (missed by one point). Although 75% of their schools meet the federally mandated No Child Left Behind Annual Yearly Progress (NCLB AYP), Dr. Geiger warned that this will be hard to maintain as the standards become higher each year.

Ed Smith reviewed the reasons for the increases in their budget requests. Student growth is projected to increase from 2751 to 2640, an increase of 2.7%. The high school's current population of 771 is the highest that it has ever been, and will be even higher next year at 831 with the large eighth grade class that will be moving into the high school. There is a State-mandated increase in employer retirement contributions (\$68,000) and a locally required increase of 15% for health insurance at

an estimated cost of \$118,000. There is also the impact of increasing fiscal implications of the NCLB Act, which requires more aides that are better qualified.

They have included a 5% salary increase (\$145,000) for staff and increased costs to maintain their SOL successes. This year's budget also includes a recurring item for athletic programs and capital improvements for athletic facilities. Last year was the first time that athletics had its own line item.

Mr. Smith reviewed the additional personnel costs which include the following new positions: Primary School Non-categorical DD teacher at \$41,000; Middle School Spec Ed reading teacher at \$42,781; Middle School 8th Grade teacher \$41,000; Occupational Therapist \$40,000; Technology Integration Specialist \$44,000; Technology Technician, \$45,000; High School Social Studies teacher \$40,000; Primary School/Middle School music teacher, \$40,000; and two Primary School paraprofessionals at \$25,000. These 13 new positions were reduced from the 32 requested by the schools. Non-personnel increases include text book adoption (new math, English and foreign language books) of \$100,000; fuel cost increase of \$20,000; general insurance increase of \$18,000; increased substitute teacher costs \$15,000; SRO Services Increase of \$9,000; reading assessments \$17,000; utility costs \$13,000; speech outsourcing \$20,000; equipment for new Primary School wing; technology and software licensing \$10,000; and athletic equipment \$5,000.

He also reviewed \$80,000 worth of cuts in their budget which included a reduction in debt service of \$27,858; reduction in RTC tuition of \$20,000; part-time tech support of \$20,000; and elimination of two part time OT positions of \$15,000.

Dr. Geiger spoke about the rationale behind some of the increases. Regarding the salary increase, he provided a handout with scale comparisons. He stated that their goal is to reach the median and they are proud of the progress made in the last few years. Although they fell behind somewhat last year, they feel a 5% raise in the coming year will give them some headway towards being able to compete for teachers with surrounding localities. He described the needs of the 4 severely challenged Kindergarten students and the need for staff in that area. The primary school and elementary school currently share one music teacher. He stated that there is currently only one aide for ten Kindergarten classes. They have set a goal is to have one aide for every two classes, and want to add the first two this year. Adding an 8th grade teacher will lower the student ratio from 27 to 24. Both the new Middle School Special Ed teacher and High School Special Ed Collaborative teacher are needed for SOL and AYP improvement. The High School social studies teacher is needed because of increased enrollment. He explained that 7 teachers now handle 39 sections, which results in 4 teachers having to teach extra sections. The Technology Specialist and Technology Technician are needed as a SOQ requirement. The new part time custodian for the Primary School will be needed in January with the increase in square footage; and the Occupational Therapist is a mandated position based on student need (have cut two part time OTs)

There was a discussion about computers. Mr. Smith reported that they have 600 computers attached to the network, and 200 that are not connected. They replace 200 computers each year.

Dr. Geiger and Mr. Smith also reviewed those items that they are hoping to fund from unused funds at the end of the year, which include replacement of 4 buses, replacement of 3 vehicles and repair of the high school track surface. These savings have been realized from salary exchanges (new hires paid less than retiring teachers) and other unused budgeted funds.

There was a discussion about bus replacements. Dr. Geiger indicated that they normally purchase six new buses each year. However, with the pending change to two K-5 schools, they are planning on having two separate bus runs, which will reduce the need for buses and drivers. He announced that they did have to add two new bus runs for the current year because of growth. He indicated that few of their regular buses are gas powered (v. diesel).

Dr. Geiger indicated that with the establishment of two bus runs, he anticipates that they'll receive complaints from parents because the K-5 schools will have different starting/ending times from the middle and high schools, but that is something they will have to deal with. Mr. McPherson stated that this move will separate the older students from the younger ones which is a good step.

Regarding repair of the track surface at the High School, Mr. Allen has reported that the surface is beyond its useful life, and if it is not repaired now, it will soon have to be completely replaced at a cost of \$35,000 - \$36,000.

Mr. McPherson described how staff was able to save money on vehicles by attending an auction. For the \$43,000 that they had budgeted for three new vehicles, staff was able to purchase four vehicles, and had enough money left over to purchase a snow plow and sand spreader, so now they can clear all of the school lots themselves.

Teacher turnover was discussed. Dr. Geiger indicated that they were losing one librarian and two other positions to retirement, but that the turnover rate decreases with the increase in salary.

Budgeted revenue was reviewed. State funding is estimated to be \$11,407,599, Federal \$916,000 and other \$78,000 (E-rate program has been suspended with a loss of \$12,000). The local request for FY05/06 is \$9,145,769 (up 10.51%) and for food services \$325,000 (up 8.33%).

An analysis of the budget increase attributes 34.6% to instructional improvement; 33.5% to mandated programs (NCLB and textbook adoption); 16.1% to increase in student body, and 15.8% to increases in the cost of fuel, utilities, insurance and retirement.

Dr. Geiger reported that the schools need a local appropriation of \$9,145,769 to balance the proposed operating budget, which is \$870,134 above the current year's appropriation, a 10.51% increase.

Mr. McPherson indicated that they eliminated two trailers that had been requested, but have left in two that will be needed to house students during the Elementary School renovation project. These units will be mobile and can be moved to serve the needs at other schools in the future.

There was a discussion regarding the special needs children. It was reported that although they are now classified as "developmentally delayed", one or more may actually be autistic and once that determination has been made, there may be a need for other arrangements.

The School Board was asked how much the federal mandates were costing the County. Mr. McPherson stated that they were not sure, but that it was his opinion that they were spending more on federal mandates than they were receiving in federal funding.

There was discussion regarding ways to save on health insurance premiums. Dr. Geiger reported that they are discussing a regional group effort which they are trying to work out, but it would not take effect until next year at the earliest.

There was also discussion regarding ways to save on text books and supplies, and whether a regional group purchase would work. Dr. Geiger indicated that he would investigate whether that would be feasible. He did remind the Board that their school system had been complimented for their costs savings during the Governor's study last year.

There was also discussion about the food service program.

IN RE: ELEMENTARY SCHOOL RENOVATION PROJECT

Mr. McPherson reported that the low bid on the Elementary School renovation project was Evans Construction, at \$9,860,000, which is \$2,573,391 over the approved budget. The higher bid was reported to be in excess of \$10 million. The reasons for the higher price include the increased cost of steel and other building materials. They have left the contingency amount at \$310,982 which was computed at 3.75% of the original budgeted amount, and there is some concern that it is now only 2.86%. Mr. Evans, the low bidder, has offered to work with the architect to provide Value Engineering Services, at a cost of \$10,000. If the County decides to proceed with the project and awards the job to his company, then he will waive that fee. The County has 45 days from February 16, 2005 to accept or reject the bid. Mr. Evans has been unable to estimate how much savings might be found. The Board members discussed some of the changes that might result in savings. Ms. Gaines wanted to make sure that the County makes the right decisions, and doesn't spend over \$8 million and have part of the school look like a "dump". Mr. McPherson indicated that he would be doing the negotiating with Evans Construction and with the architect. It was pointed out that the biggest cost of the project is the roof, followed by the new wing, the HVAC system, the new windows and electrical upgrade.

School Board members stated that they will not use the same architect for future projects.

Mr. Hill inquired if Hunter Barnes from the State Board of Education had reviewed the bids. Dr. Geiger indicated that he had not. Mr. Hill shared his concerns that the County would cut corners where it shouldn't.

There was a discussion about roof types and Mr. McPherson stated that he would do further research.

There was also discussion of "Project Delivery Options" provided by Hunter Barnes, as well as the possibility of using a PPEA.

Mr. McPherson stated that the School Board will be holding a public hearing on their proposed budget on March 15 as they have to have it approved by April 1 (by law). Thereafter it can be modified. They do not expect the State numbers to change by more than \$13,000.

Tim Pollock reported that Evans Construction is doing a good job on the Primary School project and is about a month ahead of schedule.

IN RE: BUDGET MATTERS

Mary Altemus distributed information regarding the LEOS program that was discussed at the prior budget meeting. Last year's actuarial study showed that LEOS would have cost the County \$175,828 in FY05 and, with all of the proposed new positions, would cost \$242,710 in FY06 (\$199,922 with no new positions) Ms. Altemus explained that the cost is based on total payroll and last year's estimated rate would have been 4.5%.

She also provided information regarding cable connections at the fire stations, and reported that West Point Vol. Fire & Rescue answered 128 calls in New Kent in 2004.

IN RE: BOARD, ADMINISTRATION, LEGAL, ASSESSOR AND SWITCHBOARD BUDGETS

The Board reviewed the budget requests with Interim County Administrator Richard Ellyson. Mr. Ellyson pointed out that the biggest change in the budget was the request for an Administrative Assistant to the County Administrator. It was explained that the Deputy Clerk is kept busy with meeting agendas, minutes and other Board activities that leave her little time for other duties. This new position could assume those duties and fully support the County Administrator, maintain the files and other duties connected with administration office. There was some discussion about the still-vacant position of Assistant to the County Administrator/Human Resources and whether it should stay a funded position. It was agreed that it was best to obtain the input of the incumbent County Administrator before making any decision.

The request for \$200,000 for legal fees was discussed. It was reported that this line item is already overspent for this year.

There was discussion regarding the request for a full-time assessor. It was suggested that the position be included, to begin January 1, 2006.

Regarding the budget for the switchboard, staff was asked to look into the installation of a panic button for the receptionists.

IN RE: OTHER BUSINESS

There was discussion about whether to schedule a meeting with the property owners that are affected by the public utility lines to bring them up to date on the progress. It was decided not to schedule a meeting at the present time.

Mr. Hill mentioned that someone is experiencing problems having plats approved by staff in the Community Development Department during Mr. Homewood's absence. Mr. Ellyson stated that he would check on it in the morning and try to reach Mr. Homewood to see if this can be resolved.

There was also discussion among the Board regarding a citizen's assertions that the Board's action regarding construction of the high school was illegal.

IN RE: CONTINUANCE

There was consensus to continue the meeting until March 3, 2005, at 6:00 p.m. The meeting was suspended at 9:22 p.m.
