

A SPECIAL JOINT MEETING OF THE NEW KENT COUNTY BOARD OF SUPERVISORS AND NEW KENT COUNTY SCHOOL BOARD WAS HELD ON THE 11TH DAY OF APRIL IN THE YEAR TWO THOUSAND ELEVEN OF OUR LORD IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING IN NEW KENT, VIRGINIA, AT 5:00 P.M.

IN RE: CALL BACK TO ORDER

Chairman Evelyn called the meeting, which had been continued from April 6, 2011, back to order.

IN RE: ROLL CALL

Thomas W. Evelyn	Present
David M. Sparks	Present
James H. Burrell	Present
Stran L. Trout	Present
W. R. Davis, Jr.	Present

School Board Chair Leigh Quick called the School Board meeting to order. School Board members present were Mrs. Quick, Gail Hardinge, Terri Lindsay and Jim Noctor. It was reported that Joe Yates was unable to attend. Also in attendance were School Superintendent Rick Richardson and the School's Interim Finance Director Dave Papenfuse.

IN RE: FY12 BUDGET

The Boards reviewed information distributed by the School Board regarding its recently adopted budget, which included a PowerPoint presentation, an Operating Budget Revenue Narrative, and a Teacher Salary Comparison chart that included New Kent, Hanover, Sussex, Surry, Charles City, Chesterfield, Dinwiddie, Prince George, West Point, and Isle of Wight.

Mrs. Quick reported that, at \$6,325 per student, New Kent was the sixth lowest out of 133 school divisions in per-student spending, with the State average being \$7,657.

She reviewed some of the challenges faced by the School Board, which included decreases in state and federal funding, which would have to be "picked up" by the localities. Another factor was the legislative change in funding for paraprofessionals for special needs students, which had been shifted from the Comprehensive Services Act (CSA) to the local school divisions. She explained that the County had two options – either continue the practice of having one-on-one aides for the CSA students or seek outside placement, pointing out that it was "not just a money issue but what was best for the child".

Dr. Hardinge reviewed some of the other challenges relating to specific student and operational needs, which included eight additional high school classes, new positions needed to address class size (paraprofessional at New Kent Elementary) and testing issues (remediation teachers at New Kent Elementary and New Kent High School). Other increases were identified as costs for the Middle School science & band programs, High School Science program, choral and staff development, library circulation software, and maintenance equipment services.

She indicated that the Teacher Salary Comparison chart reflected the anticipated 2% increase in New Kent teacher pay, and pointed out that other school divisions were paying

more in most of the categories. She confirmed that the divisions selected for the comparison were those with whom New Kent competed for teachers.

Justifications for the proposed salary increase included the fact that 60% of New Kent's teachers commuted from out of the area, an important factor considering the significant increase in gasoline prices. Regarding workforce competition, it was reported that New Kent's competitors anticipated giving raises, and most of those divisions also had longevity supplements, which were not offered in New Kent. Dr. Hardinge advised that there was a structural problem with the current salary scale for New Kent teachers that resulted in 24% of the teachers earning the same salary in steps one through 5, a problem that "would have to be addressed over time". She noted that health care premiums continued to increase, with a \$5,000 average annual premium being currently paid by New Kent teachers, and she confirmed that a 5% increase in premiums was expected for the coming year and had been built into the FY12 budget.

It was estimated that \$314,782 would cover a 2% increase in salaries (and everything that went with it). It was also reported that the School's budget included an increase in Virginia Retirement System (VRS) payments as well as funds for a 10% improvement in the pay rate for substitute teachers.

It was noted that the School budget for FY12 was \$700,000 more than for FY11, with the local portion being \$236,000 more for FY12 than for FY11, which included the funding for the aides for CSA students which in the past had been allocated to the CSA budget.

Mr. Sparks asked for additional information about "revenue streams" and asked how much of the "new money" recently appropriated by the Governor would come to New Kent. Dr. Richardson reported that New Kent would receive about \$200,000, but Dr. Hardinge reminded that some of those revenue streams had restrictions on how they could be spent.

There was discussion regarding student population projections. Dr. Richardson advised that they had used a 1.5% increase projection for budgeting purposes. He indicated that most of the 2.7% population growth for the current year was from students moving to New Kent from other localities, with a very small portion from students moving from private to public schools. He confirmed that students moving into home schooling environments continued to increase and he also reported robust kindergarten enrollments for the upcoming year.

Reviewing the School's budget by categories, it was pointed out that about 75% was spent on instruction and technology. It was noted that the budgeting for fuel costs had been increased to 9.4% from 8.9%, based on projections received from "several different sources", and Dr. Richardson advised that they were hoping to find some offset if more was needed. It was explained that all of the buses used diesel fuel and that they were trying to maintain a 12-year replacement cycle due to the increased repair costs for older buses.

There was discussion regarding employee compensation and the issue of raises versus bonuses. Mr. Trout spoke about the importance of treating County employees in the same manner as School employees. Dr. Hardinge acknowledged that there had been discussion about that issue between the Boards in the past and it would have been good to discuss it prior to budget time, but she reminded that it might be "comparing apples and oranges". She noted that new employees generally looked at the "entire package", not just salary, and that the School Board had to look at supply and demand, marketability, and recruitment and make sure that they could hire the best teachers and be competitive, in order to do what was best for the students.

Mr. Trout stated that the Board had an obligation to the taxpayers and acknowledged that it didn't make sense to do a salary study at this time; however, he suggested that since the School Board had wanted to give its employees a raise and the County had talked about a bonus, a compromise might be a 1% raise and 1% bonus for everyone instead.

Mr. Davis noted that the County had to compete for firemen and policemen just like the Schools had to compete for teachers, and it wasn't fair not to treat all employees the same, and that he would not support a budget that treated them differently. He also spoke about a recent increase in the funds needed to pay for prisoner confinement. Dr. Hardinge countered that the more educated students were less likely to be incarcerated.

There was discussion regarding the starting salary and work hours of teachers compared to firemen, and it was acknowledged that it was difficult to compare the two.

Dr. Hardinge pointed out that the Boards were not in disagreement on the issue or that one employee was more important than others; however, New Kent teachers had to pay higher health insurance premiums for less coverage than the County employees did, and that fact should be taken into consideration. She reviewed the ways that the Schools had tried in the past to reduce their health insurance costs.

Mr. Sparks commented that "the environment had changed for everyone" and, with state and federal funding drying up, both Boards "needed to think about that" and "how to make things cost less".

Dr. Hardinge suggested that once the budget was adopted, the two Boards should schedule some joint meetings to discuss the issues that came up each year and try to align its budgets. Dr. Richardson assured that the School Board would be available anytime and agreed that it was important to have regular ongoing conversations. He acknowledged that both the Schools and the County would have "things to deal with" and indicated that the Schools were planning on doing a cost analysis on a self-insurance program, and that they were looking into what might have to be done regarding passing on increases in health insurance premiums and retirement system contributions to the employees. However, he indicated that in such a competitive market, New Kent did not want to be the "first one out of the gate" to pass on those increases to the employees as it did not want to "invite teachers to move to other divisions".

Mr. Trout suggested that the Boards schedule quarterly meetings that could be canceled if there was nothing to discuss. He spoke about the importance of communication and meeting on a regular basis, but noted that, in comparison to some other localities, New Kent was lucky that there was little conflict between its Boards.

Dr. Hardinge suggested setting quarterly meeting dates and asked staff to take care of that.

Mr. Evelyn summarized that the School Board had adopted its budget, which called for an increase of \$200,000 in local funding, and it was up to the Board to decide what to allocate to them, but could not tell them how to appropriate it.

Dr. Richardson reminded that the New Kent school system was the 6th lowest in per pupil spending; all four schools were accredited; three out of the four schools were meeting Adequate Yearly Progress (AYP); plans were underway to expand career and technical opportunities; and that the School Board felt it was a good steward of the taxpayers' money.

Mr. Trout agreed that New Kent had an excellent school system, and that staff and teachers should be congratulated, and he thanked them for the job they were doing.

Mrs. Quick adjourned the School Board meeting.

IN RE: ADJOURNMENT

Mr. Trout moved to adjourn the meeting. The members were polled:

David M. Sparks	Aye
James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried. The meeting was adjourned at 5:58 p.m.