

A JOINT MEETING BETWEEN THE BOARD OF SUPERVISORS OF NEW KENT COUNTY AND THE SCHOOL BOARD WAS HELD AT THE NEW KENT HIGH SCHOOL AUDITORIUM ON NINETEENTH DAY OF MARCH IN THE YEAR OF OUR LORD NINETEEN HUNDRED NINETY-SIX BEGINNING WITH DINNER AT 5:30 P.M. AND FOLLOWED BY A PRESENTATION OF THE SCHOOL BOARD AT 6:30 P.M. ALL MEMBERS WERE PRESENT.

Mr. George Otey, Chairman of the School Board reconvened their meeting from the previous night and Mr. E. David Ringley, Chairman of the Board of Supervisors reconvened their meeting from March 11, 1996.

Mr. Otey thanked the Board for their attendance and said they would like to present the 1996/97 School Board Budget proposal. The format they used was suggested from Ms. Cathy Kitchen, the Division Chief of Finance at the State Department of Education. This budget proposal was driven by six major goals and each one of these will be presented to the Board.

Ms. Gwen Keeton and Ms. Leigh Quick presented the first goal which stated: Restore frozen staff positions and provide new staff positions to meet the needs of growing enrollment.

Mr. John Mitchell presented the second goal which stated: Provide a more competitive salary for staff.

Ms. Cynthia Gaines presented the third goal which stated: Increase resources for classroom instruction.

Ms. Terry Lawler presented the fourth goal which stated: Purchase new textbooks for science (K-12), and reading/language arts (K-5).

Mr. Jim Lanham presented the fifth goal which stated: Upgrade instructional technology.

Mr. Ralph Ishler presented the sixth and final goal which stated: Maintain safe school facilities and transportation fleet.

Dr. J. Roy Geiger, Superintendent of Schools gave the impact analysis. The total budget request is \$13,985,988. Of that money \$572,107 is federal, \$7,021,546 local and \$6,382,333 state. This is a 31% increase over the request from Fiscal 1995/96. There are monies in the budget that were not generated by revenue of \$165,979 from athletic bills and \$408,000 which was appropriated in December of 1995. This budget number is high but we are playing catch up and we are behind in salaries. The primary goal is to educate the children of New Kent County so they are able to compete in college and business. You also need a good school system in order to draw business and industry to New Kent in order to help the tax base.

Mr. Ringley stated he had spoken with all the members of the Board of Supervisors and he can honestly say they are the most pro education of any members that he has sat with. We have debated over the issue of what you will be asking for versus what we will be able to fund. The Board has already met with 17 different agencies and will be meeting 41 other agencies on Thursday with their requests for money. By law the County cannot run a negative budget. You have seen the announcement of the race track, developers are constructing a Winn Dixie and a Food Lion but they are not operating at the present time. We are on the verge of bringing some industry into the County that will help us with our tax base. The OTB parlor in Chesapeake is bringing in about \$500 a day for New Kent County but we are now being sued by a northern Virginia developer that has held up the other five OTB parlors, if all were up and running we would have approximately one million dollars more without even looking at any other taxes in the County. The main reason he wanted to bring this up is to let the School Board know they take this

very seriously, they are pro education and speaking for the Board, if they had fourteen million dollars that they could throw down, they would be more than happy to do so. At the same time, this Board is charged with budgeting the money of New Kent that will not scare off a potential industry because our tax base is too high. One of the first things a business will ask is what is the tax base. He wanted to make clear this is something they are not taking lightly but right now we are a long way off on this budget. He commended the School Board, they have spent many, many hours on preparing this budget however, the bottom line that you are presenting to the Board, right now, I feel like it is almost impossible. Mr. Ringley then asked if any other Board member had any questions. Mr. Burrell responded, he echoed a lot of what Mr. Ringley said. He did have some questions and one of them was about the salary structure of which Mr. Mitchell explained the reasoning behind the way it was done.

Mr. Hennaman stated he also echoed Mr. Ringley's sentiments to the School Board as far as the determination of preparing this budget and the preparation that went into it. It is very obvious they spent a great deal of time putting this together. His initial reaction was, where is this money going to come from. One of his constituents said she would be willing to have her taxes raised to fund this budget but I'm not really sure that constituent realizes the impact to fund this budget. There is not a member of the Board that would argue with you the need or the want to have the best school system possible but there is a point where reality sets in and we know there are only a finite number of dollars we have to fund this budget and the other requests as well. We must do the best job we can in matching the revenues with the expenditures. Mr. Hennaman said he thought some of the percentages were a little skewed. The percentages as far as the impact on the taxpayers is a little different than 31% it is a little closer to 46%. He was concerned the citizens would not realize the full impact by looking at the stated 31% because the \$408,000 was money not generated by revenue. His concern was that this Board would come across as anti-education and that is not the case. He hoped the information that goes out the public shows a better picture of what the full impact may be. Mr. Otey replied, the intent was not to make the Board look anti-educational. It was their responsibility to conceive a budget which was approved by them and presented to the Board. They worked hard to come up with the budget. Mr. Otey stated they heard a lot about minimum standards. This School Board does not want to deal with minimum standards, minimum salaries. We don't want New Kent to be looked upon as just meeting the minimum requirements. They are trying to improve on that and they did figure this budget, especially in regards to salaries, over a three year plan. Mr. Lipscomb stated the other Board members covered pretty much everything he also felt and he asked some questions in reference to teachers and the percentage of those that leave. There was some further discussion by both boards in reference to teachers.

Mr. Burrell stated when you compare some of the surrounding counties with New Kent and some of the reasons why teachers leave, money and travel, Charles City was way below New Kent in salaries. When Chambers came in they were able to help with their tax base. If we were to have a large industry come in we would also be able to do this. Right now we just don't have the money, we have the heart but not the money to fund this completely.

Mr. Ringley expanded on Mr. Burrell's statement. Once Winn Dixie and Food Lion are operational, those stores will be pulling business from Henrico businesses. If those stores do what I think they will, which is approximately fifteen million a store, those stores will generate approximately \$300,000 in sales tax. One other point he wanted to make was he had staff give him a figure of the last ten years budget in New Kent County. In 1986/87 the entire budget was \$13,614,000. In 1995/96 the budget was \$19,257,550 leaving a difference of \$5,642,719 over ten years. That is without any major growth in industry. When you compare the School Board's budget over those same ten years, the School Board budget went up \$4,928,000 and if you subtract that from the \$5,642,719 total the rest of the County, those other 58 agencies went up a total \$614,000. Right now this Board is facing crisis management. This Board over the next four years will try and help play catch up. I'm just not sure that this is the year we should make those big catch ups all at one time. Ms. Lange said she was not sure there ever is a year where a significant jump in funding will be

comfortable. Mr. Ringley responded, he had the privilege last week of riding over the entire County of New Kent with the Vice Chairman of Hanover Board of Supervisors. This is one of those counties we are compared to. Their tax rate is now 67¢ on a \$100. The Vice Chairman stated they went through the same thing we are going through now years ago. Over the past ten years or so they have had some significant businesses come into the County to help with the tax base. To educate one child the cost is \$6,880 if we do the budget as was presented. The average household tax is approximately \$1,000 a year. It would take six houses to educate one child. Subdivisions want to come to New Kent, but this will not help the tax base. The business and industry is what has to come to support the tax base. This year if we have to raise the taxes to reflect what we would have to do just to fund the school budget, it could cause some industry to go somewhere else because of the tax rate. We would love to send you away with what you are asking for but he did not want the School Board to go away thinking they could approve the budget as presented. Mr. Otey said he appreciated meeting with the Board of Supervisors.

Mr. Ringley adjourned the meeting until March 21, 1996.