

VIRGINIA:

At a joint recessed meeting of the Washington County Board of Supervisors and Washington County School Board held Thursday, March 22, 2007, at 6:00 p.m., at the School Board Offices in Abingdon, Virginia the following were present:

PRESENT:

Board of Supervisors:

Kenneth O. Reynolds, Chairman
Jack R. McCrady, Jr., Vice Chairman
Phillip B. McCall
Dulcie M. Mumpower
Odell Owens
Paul O. Price
Anthony S. Rector

Mark K. Reeter, County Administrator
Mark W. Seamon, Accounting Manager

ABSENT:

Lucy E. Phillips, County Attorney

Washington County School Board:

Tom Musick, Chairman (arrived at 6:06 PM)
Bill Brooks, Vice Chairman
Curtis Burkett
Buckey Boone
Elizabeth P. Lowe
Dayton Owens
Herschel Stevens

Dr. Alan Lee, Superintendent
Dr. Tom Graves, Assistant Superintendent and Clerk of the Board
Melissa Caudill, Director of Finance & Clerk of the Board

1. Call to Order

a. Washington County Board of Supervisors

The meeting was called to order by Mr. Kenneth Reynolds, Chairman of the Board, who welcomed everyone in attendance.

b. Washington County School Board

Board Vice Chairman Mr. Billy Brooks called the meeting of the Washington County School Board to order.

2. Invocation and Pledge of Allegiance

Dr. Alan Lee led the Pledge of Allegiance.

3. Approval of Agenda

Washington County School Board:

On motion of Ms. Lowe, seconded by Mr. Boone, the agenda was approved by the School Board as presented.

The vote on this motion was as follows: (7-0)

<i>Mr. Musick</i>	<i>Aye</i>
<i>Mr. Brooks</i>	<i>Aye</i>
<i>Mr. Boone</i>	<i>Aye</i>
<i>Mr. Burkett</i>	<i>Aye</i>
<i>Ms. Lowe</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Stevens</i>	<i>Aye</i>

Washington County Board of Supervisors:

On motion of Mrs. Mumpower, seconded by Mr. Rector, the agenda was approved by the Board of Supervisors as presented.

The vote on this motion was as follows: (7-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>

4. Presentation on Interim Financing for School Projects

Mr. Dennis Howard, Senior Vice President of SunTrust Bank, spoke about interim financing for school projects. He provided a company profile on SunTrust Bank as well as options for the school system to consider if they desire to acquire interim financing for facilities projects. Three options were suggested, and they were:

- Virginia Public School Authority (VPSA)
VPSA issues pooled bonds semiannually.
Attractive rates set by the market at the time of issuance.
20-year repayment terms.
- State Literary Fund
Loan directly through Department of Education with rate based on locality's Local Composite Index.
Funding availability varies.

Rates are very attractive for many school divisions, so there is a waiting list. Washington County qualifies for a 3% Literary Loan rate. 20-year term.

- **Interim Financing**
Similar to construction loan for a residence. Borrower pays interest only during the construction period. When the long-term financing is available, the interim loan is paid out. Benefits include: Do not have to wait for permanent financing to complete projects. Allows you to avoid the risk of further construction and materials cost increases.

Mr. Howard explained the process necessary to pursue interim financing and answered questions such as who can borrow and how long it takes.

He also explained fixed versus floating interest rates. He said that interim financing is an accepted and low cost way to get capital projects built sooner without having to wait for the 3% permanent loan funds to become available.

Mr. Howard suggested that the opinion of a bond counsel be sought, and Mr. Reeter recommended that a teleconference with a bond counsel be scheduled for some time next week.

Dr. Lee said that he hopes the Board of Supervisors will continue to have discussions about facilities improvement, and he anticipates a joint discussion between the School Board and Board of Supervisors members on facilities will happen in the future. He invited the School Board and Board of Supervisors members to accompany him on school visits to see some of the facilities problems first hand.

5. Presentation by Dr. Alan Lee

Dr. Lee did a Power Point presentation, which outlined what a world class education included and how we provide it. Additional funding needs for 2007-2008 included:

- \$2,791,505 – Salaries & Benefits
- \$656,781 – Instructional Budget
- \$40,000 – Vending Revenue Replacement
- \$17,000 – High School Activity Support
- \$15,000 - Health Insurance Consulting
- \$197,800 – Electricity & Fuel
- \$103,351 – Transportation
- \$200,000 – Contingency Fund
- \$3,812,766 – Total Cost Increase
- \$1,314,551 – State Funding Increase
- \$2,498,215 – Balance Needed

6. Discussions

- Mr. McCrady said he would like to see the formula for determining cost per student.
- Ms. Mumpower asked if there was a way to compare the quality of education in Washington County with other parts of the state. Dr. Lee responded that SOL scores and Adequate Yearly Progress are good indicators.
- Ms. Mumpower asked if Washington County was providing students with the same quality instruction as other parts of the state. Dr. Lee said that feedback from graduates attending

universities around the state indicate that students are as prepared as students from other parts of the state.

- Dr. Lee said that some high school graduates enter college with as much as a full year of college credit.
- Mr. Owens said that The World is Flat predicts that if things do not change, we will become a service nation.
- Dr. Lee said that in a recent conference, speaker Daniel Pink indicated he believes it is very important to develop the right side of the brain, which is the artistic side, in order to compete with children across the world.
- Mr. McCall asked if students were being provided enough education to enable them to fill high tech jobs or do they need to continue their education. Dr. Lee responded that students should continue their education after high school. The Washington County Community Scholars Program gives students the opportunity of attending Virginia Highlands Community College tuition free for two years.
- Mr. Musick said this is the first budget year the school system has received only minimal increase in health insurance premiums. Over the past five years, health insurance, salaries, electricity, fuel, etc. have increased. We are entering the third year of a five-year plan to improve salaries.
- Mr. Rector agreed that increasing salaries was necessary, and the five-year plan is a solution to that.
- Ms. Mumpower said that when she first came on the Board, school budgets were not being funded very well. School facilities were in bad shape, and teacher salaries were the lowest in the state. It is imperative we pay our teachers an adequate salary. Education is the only thing we can give our children that they can carry with them their entire lives, and we need to provide the best education possible. The Board of Supervisors has done a lot for education over the years.
- Mr. McCrady said that if the revenue is not what they are hoping for, there are some tough decisions to be made in regard to funding.
- Mr. Owens asked if the increase in salaries has made an impact on teacher retention rate. Dr. Lee responded that it has made an impact. Teachers are very pleased with the increases. A good portion of the teachers hired last year came to us with three to five years experience, which is an indicator that they left other school systems to come to Washington County.
- Mr. Brooks said that the collective efforts of the School Board and Board of Supervisors have made Washington County a quality school system.
- Mr. Reynolds said he appreciates the fact that we have a quality school system. The Board of Supervisors supports the school system and will do their best to provide the necessary funding. It is helpful to receive information from the School Board as it helps the Board of Supervisors to have a better perspective of the school system's needs.
- Dr. Lee said that some expenditures are due to No Child Left Behind mandates. We have reading and support programs now that we never had before.
- Ms. Mumpower urged the School Board to remember teachers at the top of the scale. They deserve an increase.
- Ms. Lowe said that she thought it would be helpful if the School Board would provide the Board of Supervisors a copy of the salary proposal so they can see where we are on the five-year plan to increase salaries.
- Mr. Musick thanked the Board of Supervisors for coming to the meeting. They have been informed of the school division's needs, and he asked that they do all they can for the school system in terms of funding.
- Mr. Reynolds thanked the School Board for meeting with the Board of Supervisors.

7. **Adjourn**

Washington County School Board:

On motion by Ms. Brooks, seconded by Mr. Burkett, it was resolved to adjourn the meeting.

The vote on this motion was as follows: (7-0)

<i>Mr. Musick</i>	<i>Aye</i>
<i>Mr. Brooks</i>	<i>Aye</i>
<i>Mr. Boone</i>	<i>Aye</i>
<i>Mr. Burkett</i>	<i>Aye</i>
<i>Ms. Lowe</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Stevens</i>	<i>Aye</i>

Washington County Board of Supervisors:

On motion of Mr. Owens, seconded by Mr. McCall, it was resolved to adjourn the meeting.

The vote on this motion was as follows: (7-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>

Prepared by:

Naoma A. Mullins, Recording Clerk

Approved by the Washington County Board of Supervisors:

Kenneth O. Reynolds, Chairman