V I R G I N I A:

At a recessed joint meeting of the Washington County Board of Supervisors and Washington County School Board held Thursday, January 26, 2012, at 7:00 p.m., at the School Board Offices, 812 Thompson Drive, Abingdon, Virginia the following were present:

PRESENT:

Board of Supervisors:

Joseph C. Straten, Chair
Phillip B. McCall, Vice Chair
William B. Gibson
Dulcie M. Mumpower
Odell Owens
Randy L. Pennington
C. Wayne Stevens, Jr.

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

School Board:

Billy Brooks, Chair
Dayton Owens, Vice Chair
Dr. Douglas E. Arnold
J. Sanders Henderson III
Elizabeth P. Lowe
Tom Musick
Herschel Stevens

Jim Sullivan, Superintendent
Dr. Foney Mullins, Assistant Superintendent
Melissa Caudill, Director of Finance & Human Resources and
Clerk to the Board

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1. Call to Order

School Board:

The School Board meeting was called to order by Mr. Billy Brooks, School Board Chair. Mr. Brooks welcomed the Board of Supervisors' members.

Bo**ard of Supervisors:**

The Board of Supervisors recessed meeting was called to order by Mr. Joe Straten, Board of Supervisors Chairman. Mr. Straten introduced Mr. Randy Pennington, the new Board of Supervisors member from the B-11 'Jefferson' Election District.

2. Invocation and Pledge of Allegiance

Mr. Jim R. Sullivan led the Pledge of Allegiance.

3. Approval of Agenda

School Board:

On motion by Mr. Musick, seconded by Mr. Henderson, the agenda was approved as presented.

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

Dr. Arnold	***Aye***
Mr. Brooks	***Aye***
Mr. Henderson	***Aye***
Ms. Lowe	***Aye***
Mr. Musick	***Aye***
Mr. Owens	***Aye***
Mr. Stevens	***Aye***

Board of Supervisors:

On motion by Mr. McCall, seconded by Ms. Mumpower, the agenda was approved as presented.

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

Mr. Gibson	***Aye***
Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***
Mr. Stevens	***Aye***
Mr. Straten	***Aye***

4. Annual School Budget Presentation

Mr. Sullivan welcomed the group. He provided an overview of 2012-2013 Budget needs as well as the budget goals as follows: (1) Implement Phase V of the salary and employee benefit schedule during fiscal year 2012-2013 that was begun several years ago to attract and retain the highest quality

professional and support personnel. (2) Maintain funding to sustain student-teacher ratios that correlate with maximum student learning. (3) Restore Washington County's 2009-2010 level of funding for instructional materials and supplies to provide adequate instructional support for teachers. (4) Continue funding of capital improvement projects such as roof and boiler replacements and upgrading of greenhouses, gymnasiums and stadiums as guided by the Washington County Public Schools Facility Project Schedule.

Some issues affecting our upcoming budget are:

- Increase in Composite Index
- Virginia Retirement System Contribution Increase
- Pay increases for employees
- Adjustments in staffing cuts
- Approximate $1.6 Million in Jobs Bill Funds to be Spent by September 30, 2012, for Salaries and/or benefits
- Health Insurance Increase

Mr. Sullivan urged the Board of Supervisors to provide the necessary funding to maintain the school system's quality educational system.

Ms. Caudill presented a Power Point on the Fiscal Year 2012-2013 Budget as follows:

- Current Fiscal Year 2011-2012 Original Budget - $78,033,585
  General Fund: $69,084,124
  Textbook Fund: $2,519,490
  Facilities Fund: $2,211,067
  Food Service Fund: $4,218,904
- 2011-2012 Budgeted Revenues by Source: Federal (7%), State (48%), Local (33%), Misc. (12%) & Stimulus Funds (0%).
- FY 2012 Budgeted Expenditures (All Funds): Textbooks - $333,400 or 0.43%; Contracted Services - $718,555 or 0.92%; Purchased Services - $782,452 or 1.00%; Capital Outlay - $3,496,230 or 4.48%; Other Charges - $6,068,922 or 7.78%; Materials & Supplies - $7,939,474 or 10.17%; Compensation - $42,276,620 or 54.18%; Employee Benefits - $16,345,670 or 20.95%.
- General Operating Fund Revenues Actual for FY2009, FY2010, FY2011 and FY2012 Budget, FY2013 Projection. Revenue Total FY 2012 Budget was $69,084,124 and FY2013 Projection was $70,189,235, which leaves a change of $1,105,111.
  General Operating Fund Expenditures – FY2012 Budget was $69,084,124 and FY2013 Projection was $76,796,300.
  General Operating Fund: Funding Deficit of $(6,607,065)
- Textbook Fund Revenue Total: FY2012 Budget - $2,519,490 and FY2013 Projection - $3,118,592.
  Textbook Fund Expense Total: FY2012 Budget - $2,519,490 and FY2013 Projection - $3,118,592.
- Facilities Fund Revenue Total: FY2012 Budget - $2,211,067 and FY2013 Projection - $1,951,050.
  Facilities Fund Expense Total: FY2012 Budget - $2,211,067 and FY2013 Projection - $1,951,050

- Food Service Fund Revenue Total: FY2012 Budget - $4,218,904 and FY2013 Projection - $4,305,929
  Food Service Fund Expense Total: FY2012 Budget - $4,218,904 and FY2013 Projection - $4,305,929
- Fiscal Year 2013 Budget Summary – General Fund
  Revenues: Federal Jobs Bill Funds (Nonrecurring) $1,624,875; Composite Index Impact – Reallocation of State/Local Funding ($1,650,627); SOQ State Revisions (Net Fiscal Agency) $1,283,717; Fiscal Agency Adjustment ($152,824)
- Fiscal Year 2013 Budget Summary General Fund
  Expenditures: Increase in VRS Contributions ($1,590,030); Reinstate Instructional Supplies ($420,000); Reinstate Bus Purchases ($640,000); Estimated Health Insurance 15% Increase ($780,000); Compensation – Fifth Year ($3,615,000); Personnel Requests ($820,000); Fiscal Agency Adjustment $152,824.
- Funding Deficit - $6,607,065
- 2011-2012 Salary Survey–Teachers, as Compared to Region VII School Districts

Scrivener's Note: The Budget Presentation referenced above is included as Minutes Exhibits Item 2012-01-26-A.

5. <u>Discussion of the 2012-2013 Budget</u>:

- Every two years JLARC determines the Standards of Quality formula for funding school systems. The Composite Index is also reevaluated every two years.
- Personnel requests would reinstate fifteen of the seventy-seven positions that were lost due to attrition over the last few years. Approximately ten of these are classroom positions. Other positions proposed to reinstate are an athletic trainer, a psychologist and an assistant principal at High Point Elementary (due to SOQ requirements).
- There is no plan to recover all seventy-seven positions lost. Proposed personnel requests will help maintain quality programs and are deemed as critically needed positions.
- The Jobs Bill Funds are proposed to be applied to Five Year Salary Improvement Plan, and Year Six would provide for a step increase. Year Five includes money for years missed with no raises.
- Inclusion students keep up very well in large classes. Lots of our students do not have aides.
- Instructional Supplies have been cut in the last two budgets. This year, they were cut in half.
- We must keep our students moving forward in technology.
- This year we have repaired seven roofs in the county, five of which were paid for with money held by the Board of Supervisors in a Capital Improvement Fund.
- We need to talk with local legislators about the Virginia Retirement System increase and how it will be funded.

Mr. Straten thanked the School Board for inviting them to hear the presentation. He said the Board of Supervisors would take the budget request into consideration and provide what they could.

Mr. Reeter said that on February 14, the Board of Supervisors will meet, and the revenue estimates will be presented. On February 21 (recessed meeting), the actual recommended budget will be presented to the Board of Supervisors.

6. <u>Adjourn or Recess</u>

School Board:

On motion of Mr. Henderson, seconded by Mr. Musick the School Board meeting adjourned the meeting.

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

Dr. Arnold	***Aye***
Mr. Brooks	***Aye***
Mr. Henderson	***Aye***
Ms. Lowe	***Aye***
Mr. Musick	***Aye***
Mr. Owens	***Aye***
Mr. Stevens	***Aye***

Board of Supervisors:

On motion of Mr. Stevens, seconded by Mr. Gibson the Board of Supervisors meeting adjourned the meeting.

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

Mr. Gibson	***Aye***
Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***
Mr. Stevens	***Aye***
Mr. Straten	***Aye***

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Prepared by:

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Naoma A Norris, Recording Clerk (from a transcript prepared by Nancy Morgan, Recording Clerk to the Washington County School Board)

Approved by the Washington County Board of Supervisors:

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Joseph C. Straten, Chairman