

March 15, 2016

At the special meeting of the Board of Supervisors of Prince Edward County, held at the Career Technical Center, 1419 Zion Hill Road, Farmville, VA, thereof, on Thursday, the 15th day of March, 2016; at 5:30 p.m., there were present:

Board of Supervisors

Robert M. Jones, Vice Chairman
Pattie Cooper-Jones
Calvin L. Gray
Odessa H. Pride
C. Robert Timmons, Jr.
Jerry R. Townsend
Jim R. Wilck

School Board

Russell L. Dove, Chairman
Dr. Timothy W. Corbett, Sr.
Dr. Peter Gur
Sherry Honeycutt
Chapman Hood Frazier
Darin Thomas
Lawrence C. Varner
Beulah M. Womack

Absent: Howard F. Simpson, Chairman

Also present: Wade Bartlett, County Administrator; Dr. K. David Smith, Superintendent; and Cindy Wahrman, Division Director of Finance.

Vice-Chairman Jones called the meeting to order. Supervisor Gray offered the invocation.

Mr. Pete Monstello, Honeywell, presented an update on the work done at the schools, including energy and money saving items, sealing and insulation of the building envelope and windows, water system upgrades, the building automation system, recommission and addition of controls in the buildings, mechanical upgrades, drain and cleaning of water systems, addition of a connector at the Middle School, and roofing upgrades. He said the remaining items include additional controls in the School Board office and the Phase 2 roof at the Middle School; the rest of the projects have been completed. Mr. Monstello stated they are putting together a training and maintenance plan to allow the maintenance of the equipment; the system should last more than 20 years.

Mr. Monstello reviewed the Project Cash Flow Summary; he stated Honeywell estimates and guarantees a savings of \$212,000 a year in energy from electricity, water, and fuel oil. There is an estimated \$8,700 operational savings. There is a capital contribution starting in year three of \$250,000. A support service cost of \$35, 000, which is an additional maintenance cost, and the Measurement and

Verification Cost, when the team comes in to measure and verify the capture of the \$212,000. The Finance cost is at 2.25% with one payment per year. Year One will provide a total savings of \$220,000; the first payment on the loan will be \$150,618. Additional service cost of \$35,000 brings the first year cost to \$185,000. Year One will provide a positive return of \$35,000 at the end of the year. He stated the existing debt that will fall off in three years shifts to the project which will reduce payments through the remainder of the financing program. Mr. Monstello said the project will close the end of this summer [2016]; the first payment will be due July 17, and throughout the year, the energy savings will accrue.

Discussion followed on current energy costs. Mr. Monstello said the only issue may be with water usage. The baseline water usage seemed to be low; by installing the water saving components, the water usage was reduced by approximately 30%. He stated in June or July of last year, the Town of Farmville replaced all the water meters in the schools. The water consumption jumped as the old water meters were not reading accurately, reporting only 40-50% of actual usage. Discussion followed on water usage and water quality.

Cindy Wahrman, Division Director of Finance, began by reviewing the 2016-2017 Budget Development information. She stated the School Board is working to revise the teacher salary schedule to maintain a 30 step scale and collapse the three schedules into one. She said the School Board also approved a 1% salary increase for all employees; this was approved before we obtained information about a 2% increase starting December 1. Another goal is to add teachers to expand the foreign language programs, to replace some Virtual Virginia online courses, and for physics instruction. Seven para-professionals are needed for reading and math intervention to help support kindergarten and First Grade. Requests for Proposals were sent out for health insurance benefits, property and casualty insurance, fleet insurance, worker's compensation insurance and student accident insurance. Another goal is to purchase one bus.

Mrs. Wahrman reviewed the 2016-2017 Budget Requirements, to include approved signing bonus for math, science and special education teachers. She stated there is a projected 15% health insurance increase. There is a projected increase in VRS of 0.71%. These are things that must be funded and will cost \$495,550.

She then reviewed the costs of the budget goals. These goals include hiring seven elementary K-1 instructional aides, a 1% salary increase for all employees, a part time Community Engagement Officer, two foreign language teachers for the high school, two teaching positions to replace Virtual Virginia classes in the high school), one high school Physics teacher and one bus. The total cost for all seven goals would be \$969,031.

Mrs. Wahrman reviewed the 2016-2017 Budget requests; she stated these are for materials, sending some teachers to conferences which increases travel costs, a part-time chorus teacher for the Middle School. She said the High School asked for an increase for materials, and a biology teacher. The Maintenance Department requested an increase, in part due to the change in the water bills; and Facilities requested an increase for site improvement. The total costs for these requests are \$273,758, which gives a preliminary budget increase of \$1,738,339.

Mr. Bartlett asked if the health insurance renewal rates had been received; Mrs. Wahrman stated it has been received but the School Board hasn't yet approved them. She said four proposals were received in response to the RFP; the School Board will be reviewing them tomorrow.

Mrs. Wahrman reviewed the Capital Improvement Plan. She stated the Year One Total, FY2016-2017, which includes replacement of classroom and office locks, Elementary School Chiller, rooftop units repairs, and three buses comes to a total of \$605,000. In FY2017-2018, the CIP includes the Athletic Complex Renovation, replacing plumbing lines in Buildings B, E, and F, and three buses, for a total cost of \$5,900,000. In FY2018-2019, the CIP includes the renovation of the High School Auditorium, roof repairs/replacement in Buildings B, D, E, and G, renovation of the tennis courts, and three buses, for a cost of \$1,677,934. In FY2019-2020, the CIP includes roof replacement, and three buses at a cost of \$1,376,944. In FY2020-2021, the CIP includes three buses at a cost of \$300,000. The five year total comes to \$9,859,878.

Mrs. Wahrman then reviewed the Prince Edward County Schools Local and State Funding History, taken from Table 15 of the Superintendent's Annual Report. She said the budget numbers proposed are based on the Governor's budget; she said it is an increase in the State funding level. Mrs. Wahrman presented information regarding SOQ programs, Incentive programs, Categorical programs,

Lottery funded programs; the School State funds are proposed at \$14,100,401 for a increase over last year of \$374,868.

Mrs. Wahrman stated that with the Preliminary Funding Increase of \$374,868 and the Preliminary Funding Reduction due to Local Operational Funds potential 3% reduction of \$235,750, coupled with the Preliminary Expenditure Increases of \$1,738,339, leaves a net Preliminary Revenue Shortfall of \$1,599,221. She stated Food Service Department is self-sustaining and has no local funds contributed, and will stay level.

Mr. Bartlett said that if the Governor agrees with the General Assembly's budget regarding the 2% increase, that will increase the costs greatly, which is not reflected in the proposed budget. Mrs. Wahrman stated that as she pointed out in discussion about the differences in the Governor's, Senate and House budgets, the Senate did propose a 2% salary increase starting December 1, but their bottom line of the State Revenue increase was not as much as the Governor's, which had no salary increase included. She added that when they propose a salary increase, it is for SOQ funded positions, which does not give every person in the school division an increase. Discussion followed.

Dr. David Smith, Superintendent, said that the amount of the 1% salary increase for all employees on the Budget Goal is close to the amount proposed by the 2% increase from the Senate. Discussion followed.

Mrs. Wahrman reviewed information on student enrollment. Discussion followed.

Mr. Bartlett questioned the plan to maintain a 30-step scale but also "collapse" the scale. Dr. Smith clarified the salary schedule and said there were three separate scales: the Probationary level, the Masters level, and the Career level. The differences were not great; the scale also runs out to about 40 years and the goal is to bring some order back to the scale, reduce it to one scale and cap it at 30 years, as well as increase the starting pay. The committee is working on the idea currently but it may not be implemented for the current year. Discussion followed.

Supervisor Wilck questioned the possibility of closing off rooms in the school due to declining enrollment to save on costs. Dr. Smith stated that can continue to be looked at; as there are some vacant rooms created, there are some special needs classes that had been stacked into one room, they can now

spread out. There has not been empty, unused space; in each school they find other uses for that space.

Discussion followed.

Chairman Dove recessed until their budget work session at 5:30 p.m., March 16, 2016.

On motion of Supervisor Gray, seconded by Supervisor Timmons, and adopted by the following

vote:

Aye:	Calvin L. Gray	Nay: None
	Robert M. Jones	
	Odessa H. Pride	
	Howard F. Simpson	
	C. Robert Timmons, Jr.	
	Jerry R. Townsend	
	Jim R. Wilck	
Absent:	Pattie Cooper-Jones	

the meeting was recessed at 6:42 p.m. until Tuesday, March 22, 2016 at 5:30 p.m.