

April 8, 2008

At a called meeting of the Board of Supervisors of Prince Edward County, held at the Court House, thereof, on Tuesday the 8th day of April, 2008; at 5:00 p.m., there were present:

William G. Fore, Jr.

Robert M. Jones

Charles W. McKay

James C. Moore

Howard F. Simpson

Lacy B. Ward

Mattie P. Wiley

Also present: Wade Bartlett, County Administrator; Sarah Puckett, Assistant County Administrator; Dr. Patricia Watkins, Division Superintendent; Mr. Russell Dove, School Board Chairman; Cindy Wahrman, Prince Edward County School Finance Director; Angela Foster, Board Clerk; Harriett Fentress, School Board member; Susan Lawman, School Board member; Linda Leatherwood, School Board member; and Ellery Sedgewick, School Board member.

Chairman Fore called the meeting to order. He said the purpose of the meeting was to hear the Prince Edward County School Budget presentation, and called upon Dr. Patricia Watkins, Superintendent of the Prince Edward County Schools.

In Re: Presentation of School Budget

Dr. Watkins presented the Proposed Operating Budget for FY 2008-2009. She stated the budget presented largely reflected a maintenance budget. She said the budget continues to support the mission of the school division, to continue the progress in curriculum development, professional development for teachers and the accreditation. She said the Advanced Placement (AP) will be expanded at the high school level. She said one recommendation is for an increase in teacher salaries and benefits in order to remain competitive with the surrounding counties. She added the mission is to make sure every student in the school division meets the intellectual, personal, and social needs of all students, and that it is a tremendous challenge in this time of great accountability of Leave No Child Behind. One of the challenges the school

division faces is the rapid and unpredictable growth of the Special Education needs for the district, school safety, and quality teacher shortages.

Dr. Watkins reviewed goals of the Five Year Plan of the school system, which include improvement of academic achievement; strong home and community partnership with the schools; establishing a safe, orderly and nurturing school system; building educational capacity of the school division; establishing a healthy environment conducive to learning; and supporting and retaining teachers. She said priorities include enhancement of the quality of instruction, employee retention, safety and security measures, and instruction enhancement.

Sally W. Gilfillan entered the meeting at this time.

Dr. Watkins said the school is seeking a grant writer and someone to do public relations and market Prince Edward County Schools. She said the budget includes a proposed 5% increase for all employees of the school division, and is the main expenditure is salaries and fringe benefits, consisting of 80% of the budget. Dr. Watkins said the budget proposes a total increase of county funds of 3.9%. She said the additional state aid was only \$331,000.

Mr. McKay asked if counties that have grant writers actually get more funding from grant sources. Dr. Watkins said that Cumberland and Nottoway counties do have grant writers and they do both receive large amounts of grant funds, but she was not sure if they receive more than Prince Edward County schools.

Dr. Watkins thanked the School Board, and Ms. Wahrman and Mr. Bartlett for their assistance and communication.

In Re: Budget Work Session

The Board of Supervisors moved to the Third Floor Conference Room for a Budget Work Session. Chairman Fore said the budget that Mr. Bartlett had been working on had been based on the information that the Board had given him. He said Mr. Bartlett came up with a draft balanced budget, and asked the Board members to review the draft which was based on the Board's guidance. Chairman Fore said it

contained the known and projected resources, and was based on level-funding. He said if the Board wished to consider anything taken or added to on the liability side, the resource side would also have to be adjusted. He said the Board would continue to build upon this draft budget at the next work session. Chairman Fore stated the schedule was a bit unusual, but if they could stick to the schedule, in order to have the public hearing and adoption as scheduled, they would need to advertise the draft on Friday, April 11, 2008.

Mr. Wade Bartlett, County Administrator, thanked the department directors and the Constitutional Officers for all of their assistance in the process, and especially wished to thank Mable Shanaberger, Treasurer, and Beverly Booth, Commissioner of Revenue.

Mr. Bartlett said the Board expressed a desire to avoid any tax increases in balancing the budget and without reliance on using the Fund balance, but at the same time maintaining or improving the services provided to the citizens. There was concern on part of the Board that the budget had become structurally unbalanced, with expenditures and their growth exceeding the current revenue generation capacity of the tax base at the current tax rate. The implication from the Board was the desire to slow the growth in spending. The Board also saw the prospect of increasing development in the county, and understood that in the short run, such development could place financial burden on the budget and the taxpayers. To assist in funding these future costs, the Board wanted the Fund balances to be maintained at levels recommended by the county auditors and the Governmental Financial Officers Association. He said the proposed budget is balanced with no tax increases, does not use fund balances except in the construction funds where money was borrowed or saved for specific projects, and would maintain level services. He said it does not contain funds for future projects where the Board has not made a final decision, such as the library and the county utility system. Those costs are incomplete; but once more information is obtained, the Board would be in a better position to make an informed decision on each item. He said these projects are one of the main reasons the Board will wish to guard the current fund balance.

Mr. Bartlett then presented a broad overview of the proposed budget. He asked the Board to review the proposed budget and bring questions to the next work session or to telephone him. He said the largest item was the proposed pay increases.

Mr. Moore asked if additional revenue was expected from the vehicle registration and decals. Mr. Bartlett said due to the change in vehicle registration process, there would be a loss of approximately \$64,000 this fiscal year because of the prorating, but that it will be level next year. He added the amended budget is often estimated to be lower than what would be expected, but he presented what was a fair and conservative estimate of the revenues.

A brief discussion followed on the best procedure for review of the budget. Chairman Fore suggested every category be looked at by all and discussed in a group with recommendations to increase or decrease each budget request.

Chairman Fore said the draft budget, being level funded, is based on a 3% increase in salary, and the school is seeking 5%. He said the Board has talked with the School about giving a 4% increase. He added he did not feel it fair that the school salaries increase by 4% and the county employees only receive a 3% increase. He said that in the budget, it is proposed the 3% begin in December and not in July.

Chairman Fore then asked the Board to consider the donations, the county salaries and the school budget. Chairman Fore asked about the difference between 3% and 1% funded July 1 in lieu of December. Mr. Bartlett said that 3% on July 1 instead of December 1, \$260,000 more would be required. He said that would include the schools and the county. He said at 4% on July 1, approximately \$468,000 would be required.

After some discussion, a consensus was reached on the tax rates to be advertised as follows:

Unit Levy – All Districts – Per \$100 Assessed Valuations

<u>Levy</u>	<u>2007 Actual Levy</u>	<u>2008 Proposed Levy</u>
Real Estate	\$0.57	\$0.62
Tangible Personal Property	\$4.50	\$5.00
Machinery & Tools	\$4.20	\$4.20
Merchant's Capital	\$0.70	\$0.70
Farm Machinery & Livestock	\$0.00	\$0.00

Additional Special Levy – CDA District Only – Per \$100 Assessed Valuations

Poplar Hill CDA Real Estate Levy	\$1.00	\$1.00
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On motion of Mr. McKay and adopted by the following vote:

Aye:	William G. Fore, Jr.	Nay: None
	Sally W. Gilfillan	
	Robert M. Jones	
	Charles W. McKay	
	James C. Moore	
	Howard F. Simpson	
	Lacy B. Ward	
	Mattie P. Wiley	

the meeting was adjourned at 6:52 p.m.