

At the joint meeting with the Giles County Board of Supervisors and the Giles County School Board held on Wednesday, May 4, 2016, at 5:00 PM, in the Giles County Administration Office, 315 North Main Street, Pearisburg, the following were present:

BOARD OF SUPERVISORS

Jeff Morris	Central District
Larry Jay Williams	Vice-Chair (Eastern District)
Gary Eaton	Western District
Richard McCoy	Chair (At-Large Supervisor)
Paul "Chappy" Baker	At-Large Supervisor
Chris McKlarney	County Administrator
Jenny McCoy	Board Secretary
Rhonda Tickle	Finance Director

GILES COUNTY SCHOOL BOARD

Drema McMahan	At-Large/Chair
Eric Gentry	At-Large
Stephen Steele	Eastern District/Vice-Chair
Mark Wilburn	Central District
Marion Ballard	Western District
Dr. Terry Arbogast, II	Superintendent
Amanda Tickle	Executive Secretary/Board Clerk

CALL TO ORDER

Mr. McCoy called the meeting to order.

BUDGET PRESENTATION-DR. ARBOGAST

Dr. Arbogast discussed his budget proposal. Highlights of his proposal are:

1 – Teachers:

- Increasing starting salary from \$34,237 to \$34,310
- Increasing the step difference from Step 0 to Step 1 (this stemmed from the time we had 4 years making the same amount of money)
- The average increase for teachers would be 2.04%

2 – Administrators:

- A 2% salary increase was proposed
- Includes a "new" position – Director of CTE/Principal at the Giles Tech Center (16-17) to work with Mr. Fowler during next year to transition
- He removed part of Mr. Fowler's salary for 16-17, since he is retiring, effective January 1, 2017
- He did not include a new position to work with Mr. Young (Network Administrator) for next year (he plans to retire from current position December 2018)

3 – Secretaries/Bookkeepers:

- A 2% salary increase was proposed

4 – Teacher Assistants:

- He placed teacher assistants on a salary scale; starting pay was moved to \$13,500 for a 6 hour/day position.
- He adjusted the Class 1 to 4 classifications (from Class 1 to 2 - \$750; from Class 2 to 3 - \$1500; from Class 3 to 4 - \$2300)
- He stated that several people will not get an increase under this salary scale proposal (23) and several will get a large increase (some over \$1000)
- He has adjusted 3 teacher assistant hours from 6 to 6.5 (computer lab monitors). They were at 7 hours several years ago and were moved back.
- He had 3 new teacher assistant positions in the budget but at least 2 have been removed for now (The proposed \$299,000 proposal to the BOS is without 2 assistants)
- The average salary increase would be about 2.3%

5 – Bus Drivers:

- He is proposing a salary scale; the starting salary was moved to \$11,740.
- He stated that once again, some (9) would not get an increase and some would get over a 3% increase.
- The average increase would be about 2.01%

6 – Nurses:

- He has placed nurses on a salary scale (Mrs. McMahon gathered information from the hospital and salaries and we compared these salaries to the salary scale)
- Nurses were at one time were included under the teacher assistants
- An additional nursing position is included within the budget; Mary would be able to utilize this position where needed – Macy most likely due to needs.
- Nurses see anywhere from 50-90 kids per day

7 – Benefit Rates:

- VRS – increased from 14.06% to 14.66%; keep in mind that it will increase again next year (2017-18) to 16.32%
- Retiree Health Care Credit – increased to 1.11%
- Group Life Insurance – increased to 1.31%

8 – Other items included within the budget:

a. Additional Stipends in budget

- i. High School Department Heads - \$5,000 total (\$500 each Dept. Head)
- ii. Elementary/Middle Yearbook (\$250 x 3) - \$750
- iii. Junior Class Sponsor (2) -\$528 – total \$1,056
- iv. Athletic Trainer Funding increased by \$7500 to cover salary increase for the trainer and to ensure we had enough budgeted (We have one at each high school)
- v. Amount for Substitutes was increased by \$67,732 to ensure we budgeted what was spent last year
- vi. Field Trip Funding was increased by \$8,000 to make sure we budget what we have spent
- vii. Increased the amount we reimburse the county for salaries for business department - \$10,000
- viii. Instructional items included within the budget (1 - \$15,000 included for 2nd year of IXL math and English program – English was covered by erate and Math was paid at end of last year; 2 - \$10,000 was included to cover

- Preschool IDEA coverage; 3 - \$1800/year additional was added to cover additional copier costs for SBO)
- ix. \$7,944 additional included for GTC FTE fund request for needs above the 15-16 school year (Tech Center splits up between programs to have materials to run their programs)
 - x. \$11,000 added because GHS is eligible for a grant from DOE – eLearning Backpack Initiative (\$54,400 grant plus 20% local match from us) – this provides grants for schools that administer SOL tests and schools that aren't fully accredited for the second consecutive year, based on school accreditation ratings in effect for fiscal year 2016 and 2017; will continue to receive this grant for the number of subsequent years equaling the number of grades 9 through 12 in the qualifying school up to a maximum of 4 years

Dr. Arbogast stated there is also a detailed expenditure list to go along with what he has already discussed. Mr. Eaton asked about the \$15,000 for the IXL Math and English program. He asked if we are buying new instructional material. Dr. Arbogast discussed the textbook adoptions that we do. Mr. Eaton asked if we are required to buy new textbooks. Dr. Arbogast stated that we are required by DOE to get new textbooks. Mr. Eaton questioned whether we actually use the textbooks. He stated that he sees a lot of textbooks that we don't use. Mr. Williams asked about cafeteria employees. Dr. Arbogast stated that normally principals follow along with the raise increase that the board approves for other employees. The School Board is currently discussing options now for cafeteria employees. Mr. Williams stated that we have a lot of good cafeteria employees that are underpaid. Mr. Steele stated that he had an opportunity to speak to the cafeteria workers at EEMS. Dr. Arbogast stated the main concern for some of them was to increase their hourly pay. Mr. Williams then stated that we probably need to look at increasing teacher salary scales if we are going to continue to attract good teachers. There was a discussion on where the teacher salary scale ranks in Virginia and also incentives. Mr. Morris asked about the driver's education funding from last year to this year. Dr. Arbogast stated that driver's education funding was requested from both high schools. This funding was from students paying the fee to receive behind the wheel. The board was reminded that this was a one-time revenue option, as well as the forestry funding. Rhonda Tickle stated that the governor declared additional sales tax revenue to the tune of \$63,000, but we never reach the quota. In the event that the \$63,000 revenue doesn't come in, we would be short on that as well. Mr. McCoy asked if he knows what we may save on administrative vacancies. Dr. Arbogast stated that we really just started the process tonight, but he envisions some savings from positions, but doesn't know how much.

Dr. Arbogast then went on to discuss the 3 year projection plan that was in their budget notebooks. He discussed the 3 year expenditure plan, which projects a 2% salary increase for all employees. He discussed the increase in benefits over the next 3 years. Health insurance anticipates an 8% increase over the next 3 years. Also, there will be some transportation needs. Several of our buses are getting some age on them, as well as some other vehicles (special education vans, etc.).

Dr. Arbogast stated that this was the first year for the VPI+ classroom grant. It has been a great program for us. We know that we have the second and 3rd year of the grant, however, it will decrease on the amount. After the 3rd year, we don't know that the grant will be available. If this occurs, we will need to figure out a way to continue to fund this program. We already have the materials, but for the 4th year, we would need to figure out monies for the salaries to continue this beneficial program. Mr. Gentry stated that the teacher assistants play along with this program because we also need the teacher assistants in kindergarten to keep this going since preschool has teacher assistants.

Dr. Arbogast then discussed wireless upgrades (125K each year for 3 years). As of now, we have not done anything for 15-16, nor have any funds been designated for 16-17. These upgrades go along with the bandwidth upgrade that we are discussing with Shentel. In addition, GHS qualifies for the eBackpack program through DOE, which is a grant for Schools that administer SOL tests in Spring 2016 and are not Fully Accredited for the second consecutive year, based on accreditation ratings in effect for fiscal year 2016 and fiscal year 2017. This grant is a supplemental grant for the number of subsequent years equal to the number of grades 9 through 12 in the qualifying school up to a maximum of 4 years.

Dr. Arbogast presented a sheet on capital improvements that was shared with the board by John Mills at the board retreat in February. Mr. Williams asked about generators in schools. Mr. Williams stated we need another bathroom at GHS on the top near the soccer field.

Mr. Steele and Mr. Williams discussed buses. Mr. Williams stated that the savings for buses are on used ones. Mr. McCoy stated that if we can get good used buses that save us money, that would be helpful. Mr. McKlarney stated that there may be some financing options for some vehicles. There was further discussion on doing RFP's, financing, etc.

Mr. Steele asked to discuss the teacher assistants more. He stated that the \$299K that the School Board is requesting took two teacher assistants out. The kindergarten teachers stated that they really need more assistants. Mr. McCoy mentioned the School Board waiting until December to start the raises, instead of July.

Mr. Williams stated that with all the increases they had to fund last year, the general fund balance dropped to 1.9 million. The last several years, the board has done all they have for the School Board. Mr. Baker stated that we also lost AEP, which was a tax revenue of \$440,000.

Mr. Williams discussed a shortfall of \$519,000 in county budget as of now. He discussed waiting until January to start the raises. He also discussed a concern at the garage. He envisioned operating the garage like a business. He would like to have a person in the garage to answer the phones and lay out orders and go get parts. He stated that he is hearing rumors that some of the School Board members aren't happy about the way some things are being done. Mr. Gentry stated that Mr. Fisher would like more of a role in the garage. Mr. McCoy feels that Dr. Arbogast and Mr. McKlarney could work on several personnel positions between themselves.

There was a discussion on our custodians. Mr. Wilburn stated that it seems they get moved around everywhere. He states that he has a lot of respect for those guys. Mr. Gentry stated that he thinks it would be better if we kept the same guys at the same places. Mr. Ballard stated that he has received some feedback at NEMS about the cleaning products and how they are not the same as what they used to be.

Mr. Ballard stated that we have not signed off yet on the joint services agreement. He is concerned about the liability insurance if something were to happen. Ms. Tickle explained that everyone has the same insurance. Mr. Ballard expressed concerns regarding county vehicles and school vehicles and how individuals are covered. Ms. Tickle stated that everyone is covered under the same insurance policy and the same company.

There was a discussion regarding time frames of the budgets. Mr. McCoy explained decisions would need to take place quickly and stated public hearings have to be held. Dr. Arbogast stated the budgets would reflect several personnel decisions. Mr. Baker reiterated that he does not support raises beginning now versus January. He expressed that the Board of Supervisors are the ones who take the complaints from citizens. Mr. Gentry stated that the \$299K that they are requesting is pretty bare. Mr. Steele indicated he had spoken with several citizens who do not mind paying additional money for teachers to receive appropriate wages. Mr. Gentry asked when the county expects to see returns on the new gas lines. Mr. McKlarney stated if the gas line even happens it would not be completed until 2018, and the returns would not be seen until 2019.

Mr. Steele stated as a citizen of the county, he is embarrassed at our teacher's salary. He feels many will have no choice but to relocate. Mr. Baker reiterated that he feels the raises should follow the state and not be issued until January. Mr. Steele asked what the actual savings would be if the raises were not issued until January. Mr. McKlarney stated there would be a combined savings of \$150,000.00. Mr. McCoy stated both the county and the school need to shadow one another on the raises because we are intertwined at this point. Mr. McKlarney explained as of now the deficit is at \$519,000.00 which includes \$100,000.00 deficit for the schools to begin raises in July.

Mr. Gentry asked the Board of Supervisors how they feel regarding capital improvement funds. He asked if it would be more beneficial to come before the Board when there is an actual need or requirement and consider financing versus including it now. Mr. McCoy feels it is best to know up front what improvements may be required. There was another discussion regarding when the 2% increase should be issued. Mr. Ballard explained that teachers only want to hear 2%, and Mr. McCoy explained they need to know they are going to receive it when the state issues it. He indicated that every state employee in Virginia will receive the 2% at the same time unless their individual entities are able to fund them immediately. There was a discussion regarding the student enrollment decrease and what areas could be causing this issue.

Mr. McCoy explained the Board may need another week or two to discuss the budget. Dr. Arbogast explained an answer would be appreciated as quickly as possible. Mr. Steele indicated the School Board plans another work session next week and asked the Board of Supervisors if they require anything further from them in order to make a better decision. Mr. Morris asked if the teacher assistant positions is the only area in which changes could be made. Dr. Arbogast explained other areas will be reviewed, but it is difficult at this time because contracts are still pending.

Mr. McCoy concluded the work session and explained the Board of Supervisors will review the requests and provide an answer as quickly as possible.