

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 6:30 p.m. in the Former Board of Supervisors Room located on the fourth floor of the Nelson County Courthouse, in Lovingston, Virginia.

Present: Board of Supervisors
Jesse N. Rutherford, East District Supervisor –Chair
Robert G. “Skip” Barton, South District Supervisor – Vice Chair
Thomas D. Harvey, North District Supervisor
Ernie Q. Reed, Central District Supervisor
Candice W. McGarry, Director of Finance and Human Resources

School Board
Margaret Clair, Central District – Chair
Shannon Powell, West District – Vice Chair
Janet Turner-Giles, North District Trustee
George Cheape, East District Trustee
Ceaser Perkins, South District Trustee
Shannon Irvin, Assistant Superintendent for Administration
Dr. Joseph Cox, Interim Superintendent
Tammy Ponton, Administrative Assistant to Superintendent

Absent: J. David Parr, West District Supervisor

I. CALL TO ORDER

At 6:30 p.m., Ms. Clair called the School Board meeting to order and Mr. Rutherford called the Board of Supervisors meeting to order. They both noted that the meeting was a joint meeting between the School Board and Board of Supervisors. Ms. Clair explained the format of the meeting, noting that Ms. Irvin would give her budget presentation, then each School Board member would speak briefly, followed by time for questions. Ms. Clair asked for any additions, corrections, or discussion regarding the proposed agenda. There being no comments to the agenda, Ms. Turner-Giles made a motion to approve the agenda as presented and Mr. Cheape seconded the motion. Mr. Barton then made a motion to approve the agenda as presented for the Board of Supervisors and Mr. Reed seconded the motion. There being no objections to the motion, the motion passed and the agenda was approved.

II. JOINT MEETING WITH THE NELSON COUNTY SCHOOL BOARD (FY22-23 BUDGET)

Mr. Rutherford thanked everyone for taking the time to be present for the meeting. He turned the meeting over to the School Board. Ms. Irvin presented a PowerPoint regarding the School Boards budget goals, plans and needs. She noted that their focus was on safety and maintaining an environment conducive to learning, K-12 literacy and addressing learning loss, innovation, the best practices for excellence in teaching and learning, social and emotional learning support, and career exploration and readiness.

Ms. Irvin pointed out that teachers in Virginia are grossly underpaid. She noted that the average pay of a Virginia public school teacher in 2019-20 was \$57,665, which was \$6,468 below the national average of \$64,133.

She explained the Budget goals and Board goals:

- Student success – individualized instruction, diversified courses, career readiness
- Providing an Orderly, Safe, Healthy Environment
- Operational Excellence – solid budget of need, efficient use of resources
- Highly Qualified Workforce – competitive compensation, attract and retain qualified staff
- Community Engagement – technology innovations, inform and update through variety of mediums.

Ms. Irvin noted they had started work on the budget in December and only had the Governor’s Introduced budget at that time. She explained that they had a projected school enrollment of 1,454 students. She noted that Nelson’s Local Composite Index was increasing from .5604 to .5888, explaining that a higher index meant that the local ability to pay was higher, meaning less money from the state. She further noted that the effect on Nelson County Public Schools would be a loss of about \$331,909.83 in state funds. She detailed overall budget request of \$32,792,590 for FY22-23, noting the sources of revenue:

County - 15,636,687 funded last year
State - \$10,619,158
Federal - \$2,523,971
Other - \$581,400

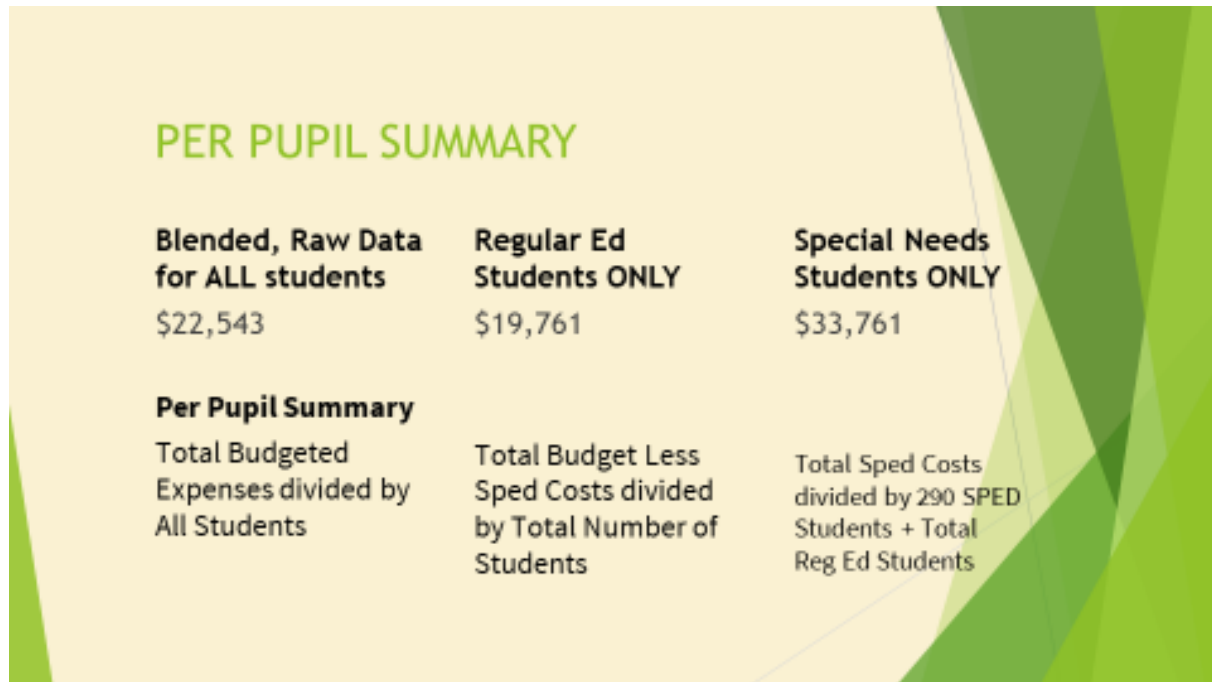
She noted that they were left with a deficit of \$3,431,374. She then provided a statistic from the Virginia Education Association which showed Virginia as a top ten state in household income, but ranked 41st in the United States in state per pupil funding of K-12 education.

Ms. Irvin provided a breakdown of expenditures by major category:

- Instruction – 61.43%
- Administration – 4.67%
- Transportation – 9.86%
- Building and Grounds – 10.09%
- Food Services – 4.40%
- Facilities – 4.04%
- Debt Service – 0.57%
- Technology – 4.35%
- Fund Transfer – 0.59%

Additionally, she showed the expenditures by object code and a comparison of fixed versus discretionary costs. She noted that fixed costs were 87.46% of the expenditures. She reminded the Board that the School system is a very labor intensive service industry. She pointed out that the Consumer price index had increased by 7.9% and was the highest it had been in forty years.

She provided a per pupil cost summary.



Ms. Irvin noted the major differences from 2021-2022. She explained that adjustments were made to the salary scales and included a \$20 minimum per hour rate, or a 5% Cost of Living Adjustment plus a 0.5% increase between steps. She added that the health insurance renewal added a 10.5% increase, which equated to \$434,813. She noted that there was currently state construction funding in the state budget that could go towards School Capital Improvement Program. She explained that they were not planning to add new positions other than temporary positions that would be funded by CARES/ESSER programs.

She noted staffing cuts in the past three budgets: 10.5 positions cut in 2019/2020, 2 additional positions cut in 2020/2021 and 2 positions cut in 2021-2022. She noted that there were positions unfilled this year due to the Pandemic. She noted the importance of all employees to run a great school division. Ms. Irvin pointed out that a 1% salary increase to cost Nelson County Public Schools \$192,683.95.

She noted that there is a shortage of teachers in Virginia and across the country. She provided a breakdown in the licensed staff by seniority, noting that sixty of their licensed teachers had only been there one to five years. She provided the rankings for Nelson County within the state for teacher pay, noting that as the years of service increased, Nelson County dropped in the rankings. She also provided a comparison of current teacher salaries in our region.

Ms. Irvin noted the enrollment loss over time and the projected enrollment for 2022-2023 at 1,454 students. She further explained that a change in one student equated to \$4,134 in state revenue. She noted that the number of teacher positions had decreased based on the number of students.

Ms. Irvin spoke regarding the student transportation needs. She noted that they had a realignment of the Maintenance and Transportation office to have a full time Director of Transportation. She explained that they had combined bus routes due to declining enrollment. She explained that they had an aging fleet of vehicles that would need to be replaced in the future. She also addressed maintenance and operations needs, noting that the buildings were aging and would require more maintenance over time. She pointed out that the middle school was the newest building at nearly twenty years old.

Ms. Irvin offered to take questions on the presentation.

Mr. Rutherford asked what the expected total enrollment would be in 2023. Ms. Irvin confirmed that the estimated number of students was at 1,454. Ms. Powell noted that roughly twenty percent of the students were in special education.

Mr. Perkins gave a presentation on the strengths and weaknesses of the athletic program. He noted that the declining enrollment was going to impact their ability to fill rosters for their teams. He explained that they were struggling to find coaches when they don't show winning teams or have kids coming out for sports. He explained that they had experience some turnover in coaches for track and field. He noted continued success with soccer, volleyball and basketball. He pointed out that softball and baseball had done well and they would be installing lights for the ballfields. He hoped that the installation of lights would help boost morale for the teams and help allow more time for practice and games. He noted the need to have nice facilities to be able to host sporting events. He stressed the need for improvements to the concession stand, field houses and restrooms. He asked for the County and community to help get the projects completed.

Mr. Cheape focused on the challenges related to facilities maintenance and transportation. He stressed the importance of safety and having replacement schedule for the school buses. He noted that they would need to replace four buses per year to keep all buses on a fifteen-year cycle for replacement. He also pointed out that they would need to maintain the daily cars and vans on the same schedule. Mr. Cheape pointed out that they were transporting some special education students out of County to programs in Charlottesville and Lynchburg, which meant two trips daily.

Mr. Cheape then discussed the school facilities and the age of each building. He noted that the most recent renovations and buildings were twenty years old. He also indicated that they had an elevator that needed to be replaced at the high school. He noted the need to replace the roof at the high school and its immediate need. He reminded both Boards about the brick façade work needed at the high school. He noted Mr. Perkins comment regarding a field house and stressed the need for new facilities. He pointed out that the Virginia High School League prevented them from hosting post season events because they did not have the proper facilities to host those events. He noted capital improvement needs at each school building. He stressed the need for higher pay to attract bus drivers to transport children to and from school.

Ms. Turner-Giles provided information regarding the importance of teachers and support staff. She explained that the salary scale needs to be fixed, particularly from steps 20 to 30. She noted the need to offer more competitive salaries for support staff as well as teachers. She stressed that the "Great Resignation" was impacting their ability fill vacancies. She noted they were not able to have the number of substitutes needed and full-time teachers and instructional assistants were carrying the additional load of work to provide the needed coverage for classrooms. She explained that they wanted to fix the salary scales by implementing a half percent increase between seniority steps. She noted that the School Board would like to pay support staff twenty dollars an hour. She addressed the health insurance costs increasing 10.5% and the desire to help staff with those increases. She explained that they had \$25,000 in the budget to help provide teachers with professional development. She closed by reminding everyone that the children were the County's greatest investment and their parents were the tax payers.

Ms. Powell explained the importance of extracurricular activities in the school system to engage the students. She noted the successes of FFA, Drama and the Music Program. She pointed out that having a variety of extracurricular and elective activities allowed for teachers to help students find their niche. She noted they were working to make the Tech Club successful but had struggled to fill the position as technology jobs were in high demand. She explained that they had established Teachers for Tomorrow, which is a growing program for students interested in becoming teachers. Ms. Powell closed noting the importance of the County's continued investment in the school system and extracurricular programs and the impact on each student's success.

Ms. Clair thanked everyone for meeting and suggested that both boards look towards meeting again in the near future to develop a strategic partnership. She pointed out that the number one goal was to help students succeed and felt they had done a good job with that. She explained that they had a 92% graduation rate this year, with a drop-out rate less than 4%. She noted that Nelson ranked well with the neighboring divisions in the state. She pointed out that they are not only helping students be successful

after graduation by providing opportunities in career and technical education, and the ability to take college courses while still in high school. She noted challenges helping students get back on track from the effects of the pandemic. She pointed out budget challenges from the increasing composite index and declining student enrollment and the need for more help from the County.

Ms. Clair hoped for a cooperative relationship between the two boards in the future.

Mr. Rutherford thanked the School Board for their presentation and echoed the importance of good working relationship between the two Boards. Mr. Rutherford opened the floor for discussion and any questions.

Mr. Barton stressed the need to work together and work out the budget. He felt that COVID had a significant impact on education, as well as No Child Left Behind. He noted the pressure put on school systems to perform well on standardized tests. He reminded everyone that teachers needed to be treated as professionals and that their work had value.

Mr. Reed asked for clarification on left over monies, particularly when the budget was built on full staffing and they still had so many unfilled positions. He asked where the left over money went at the end of the fiscal year. Ms. Irvin noted that the left over money typically reverted back to the County. She indicated that last year they had turned back over \$1.9 million to the County, which was for two major projects that had not been completed, the greenhouse project and the secure entry project. She noted the funds were reappropriated for the current fiscal year. Ms. Irvin explained that they were using savings from the current year to finally complete the lighting at the baseball and softball fields. Mr. Reed confirmed that normally the unspent funds would come back to the County. Ms. Irvin noted that they normally would. She pointed out that there was a gentleman's agreement between the two boards that leftover monies could go towards the schools' capital improvement projects. Mr. Reed thanked everyone for their presentations during the meeting.

Mr. Reed asked how much substitute teachers get paid. Ms. Irvin explained that they had three different pays for substitutes but pay started around \$85 per day. Mr. Reed asked if substitutes were included in the support staff category. Ms. Irvin confirmed that they were included as support staff. Mr. Reed also felt that in house special education was valuable to have. Ms. Clair noted that they had evaluated all options of having in house programs for special education. She pointed out that the cost would be significant. She explained that they were able to utilize programs for the student's specific needs for a fraction of the cost.

Mr. Reed expressed interest in continuing joint board meetings, possibly twice per year. He stressed the need to work together and thanked the School Board for their hard work.

Mr. Harvey was proud of the School Board and the work being done. He noted the challenges they face, trying to satisfy the parents, children, staff and community. He pointed out that the Schools have always ranked high on the County's budget and the County tries to make sure they provide what is needed. Mr. Harvey reminded everyone that it is hard to balance a budget in a rural area as we do not have wealthy tax payers.

Mr. Rutherford commented on the struggles in the community: shrinking populations, the state not paying their part for education, single parents, affordable housing for families and for teachers. He noted that the Board was working hard to have broadband expanded to all parts of the County. Ms. Powell commented that the most successful school systems have teachers living locally and engaged in the community. Ms. Clair noted there were opportunities for more housing in the future. Mr. Rutherford was appreciative of the Board taking time to meet and have a good conversation. He hoped that the meetings could continue as they moved forward to determine ways to help the schools and the community.

Mr. Reed noted his appreciation of Mr. Perkins' presentation on the athletic facilities. Mr. Perkins reiterated the use of the school facilities, not just for school activities, but for many community-type events as well. Mr. Perkins noted the added cost of having someone on site to have the facilities open for Recreation to use space for sports programming. Ms. Powell pointed out the sense of community ownership in the facilities at the schools, which she saw as a great thing and wanted to keep that going. She wanted to remain school focused but community centric. Mr. Perkins noted the use of the outdoor track by the community.

Ms. Clair asked about the County's contingency budget for planning. Mr. Rutherford noted the differences between non-recurring contingency and recurring contingency. Ms. McGarry explained that the introduced budget with no new revenue enhancements, provided about \$900,000 in recurring contingency. She noted as the Board worked through the budget, there would be changes to that amount, especially with added expenditures. She estimated about \$400,000 in non-recurring contingency which would only be spent on one-time items. Ms. McGarry noted that the revenue enhancements discussed by the Board to date, were to provide fund the debt service needed for capital projects, including some of the

schools' capital projects. She explained that the Board needed a better sense of what those projects would be. Mr. Rutherford reminded everyone that the Board had already committed to the schools' roof and brick projects. He noted that the Board was considering revenue enhancements like increasing the transient occupancy tax.

Mr. Barton stressed that the Board may need to increase funding to the schools to deal with the impacts of COVID. Mr. Cheape expressed his appreciation for everything the Board has done for the schools in the past. He understood the difficulties in working through balancing the budget. He noted in an ordinary year, he would be fine with level funding and funding for capital improvements to take care of projects and upkeep, but they had not had an ordinary year. Mr. Cheape noted they were competing with other school divisions to keep employees. Ms. McGarry reminded the Board that the schools were getting a lot of federal funding to address learning loss issues from the pandemic.

Ms. McGarry noted the County was wrapping up from the general reassessment and real estate values increased significantly. Mr. Rutherford noted the Board was considering a real estate tax rate of \$0.65 to \$0.66. Ms. McGarry noted that was an effective tax increase of about 12%. Ms. Powell pointed out the return benefit to increasing school salaries and the direct benefits of the money invested back into the community. Mr. Perkins pointed out the need for jobs and additional housing in the future.

Mr. Reed asked Ms. McGarry to remind everyone of the value of the penny in terms of the tax rate. Ms. McGarry reported that the value of the penny was roughly \$314,000, noting that was real estate tax. Mr. Perkins expressed his gratitude to both Ms. Irvin and Ms. McGarry for the work they put in. Ms. Clair thanked Dr. Cox for stepping in and providing great leadership.

Mr. Rutherford asked for the pathway forward and suggested the Board meet the following Tuesday to work on wrapping up the budget. Ms. Clair noted she could be available for questions during that time if needed. Both Boards were in agreement to meet again on June 13th at 6:30 p.m. Mr. Rutherford noted they would pencil that date in and confirm as the date got closer.

III. OTHER BUSINESS (AS PRESENTED)

The Boards had no other business to discuss.

IV. ADJOURNMENT (CONTINUE TO APRIL 5TH AT ___ FOR A BUDGET WORK SESSION)

At 8:47 p.m., Mr. Reed moved to adjourn and continue to April 5, 2022 at 3 p.m. Mr. Barton seconded the motion. There being no objections, the motion passed and the Board of Supervisors meeting adjourned. Mr. Cheape moved to adjourn the School Board meeting and Ms. Turner-Giles seconded the motion. All School Board members were in favor and the meeting adjourned.