

VIRGINIA:

At a recessed meeting of the Board of Supervisors of the County of Northampton, Virginia, held in the Conference Room of the School Administration Building, 7207 Young Street, Machipongo, Virginia, on the 3rd day of April, 2013, at 5:30 p.m.

Present:

Willie C. Randall, Chairman	Laurence J. Trala, Vice Chairman
Richard L. Hubbard	Larry LeMond
Oliver H. Bennett	

The meeting was called to order by the Chairman.

The Northampton County School Board was present and in session.

Dr. Walter Clemons, Division Superintendent, led the discussion of the draft FY 2014 school board budget which included the following opening message:

“March 29, 2013

Dear Members of the Board of Supervisors:

The proposed budget for the 2013-2014 school year was approved by the Northampton County School Board on March 27, 2013. The proposed budget requests a current additional amount over what was approved in 2012-2013 (\$7,963,500) by the Board of Supervisors totaling \$264,383, which brings our request to \$8,227,883.

Please know that this figure is the closest estimate we have at this time (figures could change) as we are awaiting a final budget from the Virginia General Assembly. As you will see, the additional funding that we need centers around various items including a student average daily membership reduction, a 3% raise for teachers and a 2% raise for all other employees, adding a second military science instructor per program requirements and adding VRS and group life insurance for bus drivers. Please know that this budget proposal was created based upon need while remaining aware of the current tough economic times we are facing.

Finally, this budget proposal continues to be designed around the 2011-2017 District Comprehensive Plan. The District Comprehensive Plan has been updated to reflect our current progress. In closing, please feel free to contact me or the NCPS Director of Finance, Ms. Brook Thomas, if you have any questions or concerns. Thanks for your time and support in providing the best educational opportunities for all students who attending Northampton County Public Schools.

Sincerely,

/s/ Walter R. Clemons, Ph.D.
District Superintendent”

* * * * *

The following powerpoint presentation was



Northampton County Public Schools

Proposed 2013-2014 Budget

April 3, 2013

made:

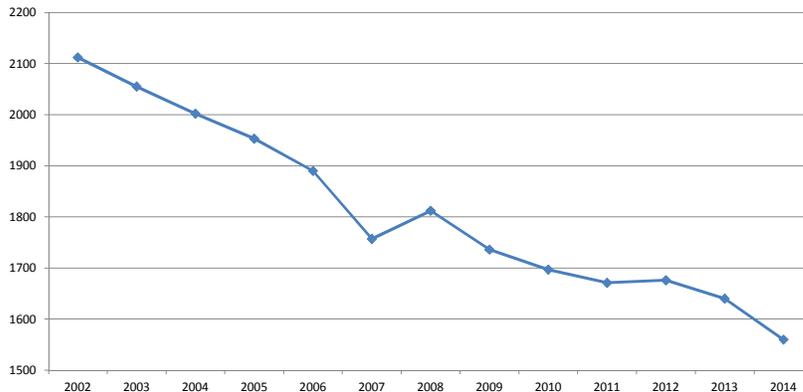
Our Mission and Vision



- Northampton County Public Schools, in partnership with the entire community, will create a safe and nurturing environment for all students, regardless of gender, ethnicity, socio-economic status, language or disability. NCPS will encourage and empower all students to meet high academic standards, demonstrate responsible citizenship, and graduate with the knowledge, skills and abilities necessary to compete in a global economy.

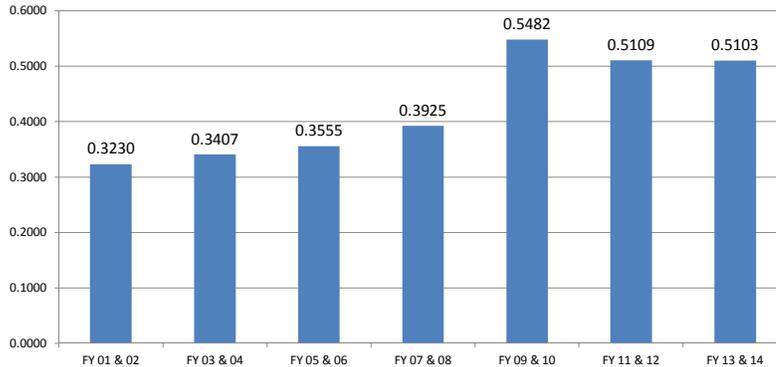
Our Average Daily Membership

•The budget was developed using an estimated ADM of 1560.



Our Local Composite Index

- This is the most significant factor in determining NCPS' share of State funding.
- For the 2013 & 2014 biennium, the LCI decreased slightly, representing a shift of funding responsibility from the Locality back to the State.



Our Fiscal 2014 Budget

- | | |
|-------------------------------------|-------------------------|
| • State Funds (39.2%) | \$ 8,473,226.00 |
| • Use of Fund Balance (1%) | \$ 215,816.00 |
| • Local Contribution (38%) | \$ 8,227,883.00 |
| • Other Funds (1.8%) | \$ 380,820.00 |
| • Food Service (4%) | \$ 856,160.00 |
| • Federal Grants (16%) | \$ 3,466,422.00 |
|
 | |
| • TOTAL OPERATING BUDGET | \$ 21,620,367.00 |
| (excluding transfers between funds) | |

Request for Additional County Funding

Contributions for Operations & Bus Replacement

<u>2012-13 Current</u>	<u>2012-13 Request</u>
\$7,963,500	\$8,227,883

This represents an increase of \$264,383.

Included in this budget...

State Funding Reductions & Increased Expenditures:

\$ 240,852.00	Decrease in Calculation Tool Funding (Includes Enrollment Reduction from 1640 to 1560)
\$ 107,273.46	Pick Up 2 Federal Teaching Positions due to Sequestration
\$ 65,300.85	Add a second NDCC Instructor, per program requirements
\$ 17,811.47	Reinstate Part-Time Clerical Position at NHS
\$ 30,786.15	Payroll cost related to additional instructional hours
\$ 25,034.69	Increase Vocational position from Part-Time to Full-Time
\$ 24,500.00	Additional Lease of 17 Promethean Boards (Lease 4 of 5)
\$ 147,867.76	Full Cost of 2% Compensation Supplement - Teachers (offset in part by State funds)
\$ 73,926.38	Cost of additional 1% raise for Teachers (for total of 3% pay increase)
\$ 113,475.22	Cost of 2% Compensation Supplement - Remaining Contract & Work Agrmt. Employee's
\$ 7,696.98	Stipend Scale Adjustments
\$ 8,058.00	Retiree Health Insurance - Enrollment count update
\$ 19,037.50	Fiscal Services Contractual- Software to enhance timekeeping efficiency District-wide
\$ 2,800.00	Transportation Travel - Required DOE Training
\$ 900.00	Transportation Employment Testing

Included in this budget, cont...

State Funding Reductions & Increased Expenditures, continued:

\$	3,180.00	Transportation Materials & Supplies
\$	541.24	Human Resources Materials & Supplies
\$	4,000.00	NHS - Funding for Model UN
\$	2,500.00	NHS - Funding for Robotics
\$	6,850.00	NHS - CTE Materials & Supplies (NDCC & additional Culinary Arts course offerings)
\$	8,300.00	Media Center and General Materials & Supplies - Implement Universal Per-Student Allocation
\$	5,500.00	Technology - iPod Software Purchase & Office Upgrades
\$	6,350.00	Division Instruction - PowerSchool Training
\$	50,725.19	Add VRS & Group Life Insurance Benefits for 4 hour Bus Drivers
\$	22,987.22	Increase 4 hour Bus Driver annualized salary by 5% to offset EE share of VRS
\$	69,916.96	Continuation of adjustments to Compensation and Travel
\$	12,322.96	Cost of Driver and Behavioral Support Aide for outplaced students. Also includes tolls.
\$	6,084.15	Compensation for Additional Instructional Assignments - Office of Instruction
\$	5,529.61	Increase 10 Month Guidance Counselor to 11 Month contract
\$	21,800.00	Add District-paid Student Accident Insurance Policy for school-hour coverage
\$	1,111,907.79	TOTAL OF INCREASES & LOSS OF STATE FUNDING

Included in this budget, cont...

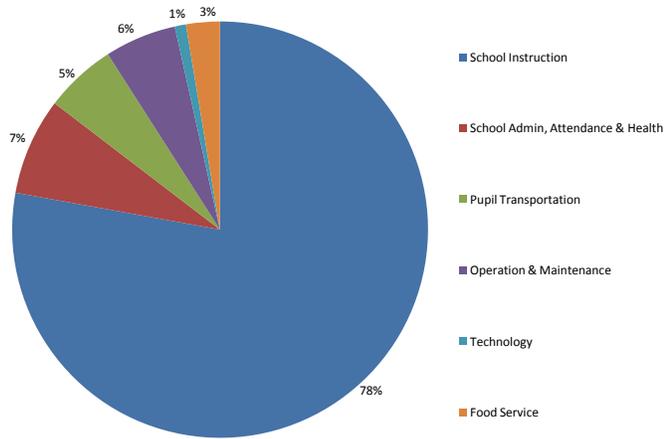
Expenditure Reductions:

\$	(172,021.96)	Release "ADM Reduction Reserve" (from FY 2013 turnover savings - funds ADM decrease from 1640 to 1600)
\$	(310,450.00)	Reduce Textbook Budgets since no significant replacement is required
\$	(9,825.00)	Unemployment Rate Decrease
\$	(39,247.50)	Reduce Vehicle Fuel Cost Allowance
\$	(205,725.11)	Teacher Reduction due to reduced enrollment
\$	(6,664.00)	Executive Admin - miscellaneous reductions
\$	(39,861.29)	Reduce Superintendent's Executive Assistant to part-time
\$	(33,593.50)	Additional FY 13 turnover savings
\$	(22,442.25)	Reduction of 1 SpEd Instructional Assistant position which is no longer required
\$	(2,194.64)	Reduction of Bus Lease Costs (based on new lease estimate)
\$	(5,500.00)	Human Resources - Reduction of legal requirements
\$	(847,525.25)	TOTAL OF EXPENDITURE REDUCTIONS

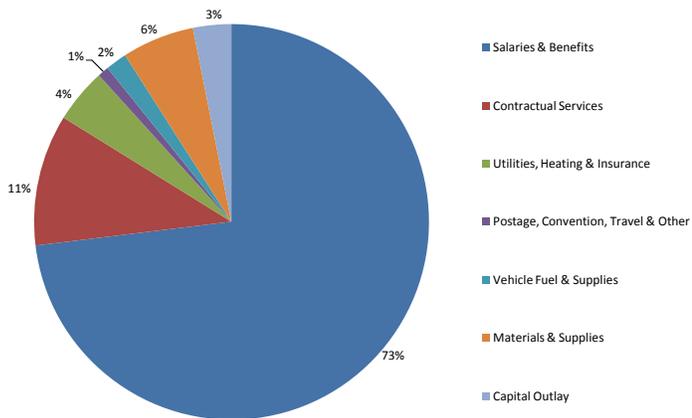
Summary:

Exp. Increases & State Funding Reductions	\$1,111,108
Expenditure Reductions	<u>(\$ 847,525)</u>
Increase Requested from the County	\$ 263,583

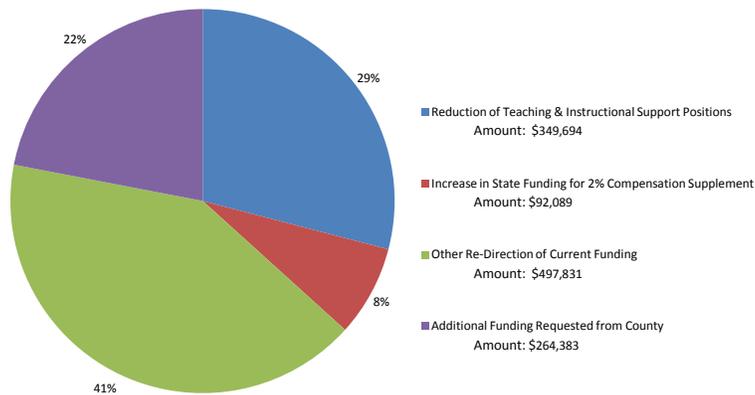
District-Wide Budget by Category



Graphic Display by Object



Sources of Funding for Budget Increases and Reduction of State Revenue



Notes on Enrollment Loss

- Reducing from 1,640 to 1,560 = 80 students
- Calculation Tool Funding:
 - Nets to a decrease of \$240,852 due to:
 - Enrollment-based reduction of (\$332,941) and;
 - Compensation Supplement increase of \$92,089

Note that staffing reductions made during FY 13 and budgeted for FY 14 exceed the loss of State Revenue due to the drop in budgeted ADM.

Fund Balance Update

School Operating Fund Balance Reserved for Capital Improvements				
This fund balance reserve was created with funds remaining in the School Operating fund at the end of Fiscal Year 2009. Contributions were also made at the end of Fiscal Year 2011.				
	Currently Appropriated?	Fiscal Year	Project Cost	Running Balance
Initial Balance, FY2009 Year-End				\$604,494
Transfer to CIP Fund, FY 2011 Projects	Y		-\$436,301	\$168,193
Contribution, Fiscal Year 2011 Surplus	Y	2012	\$293,170	\$461,363
Sick Leave Payout Reserve Transfer (2011 surplus)	Y	2012	-\$127,633	\$333,730
Transfer to CIP Fund, FY 2012 Projects	Y	2012	\$0	\$333,730
Appropriated Transfer to CIP Fund, FY 2013 Projects	Y	2013	-\$164,252	\$169,477
Pending Appropriation Transfer to CIP Fund *	N	2013	-\$20,000	\$149,477
Requested Transfer to CIP Fund, FY 2014 Projects	N	2014	-\$149,477	\$0

Note 1: Sufficient funds remained within the FY12 budget to fund all transfers to the CIP Fund for FY12 projects. No fund balance was used.

Fund Balance Update, cont.

Capital Improvement Fund				
The Capital Improvement Fund is used to track spending on capital projects, as outlined in the NCPS Capital Improvement Plan. Contributions were received from the School Operating Fund (Reserved Fund Balance) in 2011 and 2012 and from the County's General Fund in 2012 (FY10 Carryforward funds)				
	Currently Appropriated?	Fiscal Year	Project Cost	Unappropriated Balance
FY 2011 Transfer In from School Operating Fund			\$436,301	\$436,301
FY 2011 Appropriation for Capital Projects (9)	Y	2011	-\$436,301	\$0
FY 2012 Transfer In from School Operating Fund	Y	2012	\$166,459	\$166,459
FY 2012 Transfer In from General Fund	Y	2012	\$232,601	\$399,060
FY 2012 Appropriation for Capital Projects (7)	Y	2012	-\$399,060	\$0
Transfer In - FY 2012 School Operating Fund Surplus	Y	2012	\$119,869	\$119,869
FY 2013 Transfer from School Operating Fund	Y	2013	\$164,252	\$284,122
FY 2013 Appropriation for Capital Projects (7)	Y	2013	-\$164,252	\$119,869
FY 14 Appropriation from School Operating Fund	N**	2014	\$149,477	\$269,347
Close-Out Completed Projects from prior years (6)	N**	2014	\$5,978	\$275,325
KES Seal Parking Lots	N**	2014	-\$15,740	\$259,585
OES Seal Parking Lots	N**	2014	-\$11,428	\$248,157
KES Playground Equipment/Mulch	N**	2014	-\$13,333	\$234,824
OES Playground Equipment/Mulch	N**	2014	-\$13,333	\$221,491
Scheduled repl. of Forklift with Bobcat (lease)	N**	2014	-\$7,000	\$214,491
KES Upgrade Electrical Outlet Capacity	N**	2014	-\$12,500	\$201,991
OES Upgrade Electrical Outlet Capacity	N**	2014	-\$12,500	\$189,491
KES Media Center Carpet Replacement	N**	2014	-\$10,500	\$178,991
OES Media Center Carpet Replacement	N**	2014	-\$10,500	\$168,491
OES Emergency Generator	N**	2014	-\$50,000	\$118,491
NHS Track Resurfacing	N**	2014	-\$50,000	\$68,491
Scheduled replacement of Grounds Equipment	N**	2014	-\$15,000	\$53,491

Fund Balance Update cont.

Sick Leave Payout Fund Balance			
Historically, NCPS employees were paid for accumulated sick leave upon retirement. At the end of 2009, the School Board voted to discontinue this benefit, but 'grandfathered' the benefit for employees who had been with NCPS for at least 10 years and had not less than 90 days of sick leave. Payouts to this group are now capped at 110 days, to be paid at the employees' rate of pay on June 30, 2009.			
		Contributions (Payments)	Running Balance
Fund Balance Reserved from FY09 Carryforward Funds			\$203,000
Transfer from FY11 Surplus (CIP Fund)		\$127,633	\$330,633
FY 2012 Usage for Leave Payouts		\$0	\$330,633 Note 2.
FY 2013 Budgeted Line Item - Sick Leave Payout		\$100,373	\$431,006
Potential Future Payments - FY2013		-\$248,892	\$182,115
FY 2014 Budgeted Line Item - Sick Leave Payout		\$100,373	\$282,488
Future Contributions Required - through 2029		\$209,270	\$491,757
Potential Future Payments - FY2014 through FY2029		-\$491,757	\$0
Note 2: Sufficient payroll line item balances remained within the FY12 budget to fund all sick leave payouts for FY12 retirees. After these payments, no additional payroll line item balances remained, so this fund balance did not change in FY 2012.			

Bus Lease Funding Adjustment

RECONCILIATION OF COUNTY BUS LEASE FUNDING REDUCTION			
Actual Cost of Leases, FY 13		\$ 421,792.70	
Less Lease 1 - Final Payment is in FY 13		\$ (89,109.52)	
Less Reduction to Lease 3 - Insurance Payoff on Bus #6		\$ (18,732.79)	Note 2
Plus Anticipated New FY 14 Lease Payment		\$ 108,913.17	Note 3
Plus Estimated FY 14 Lease Issuance Costs		<u>\$ 5,000.00</u>	
Bus Lease Funding Needed for FY 14		\$ 427,863.56	
Bus Lease Funding Provided in FY 13		\$ 430,058.20	
Reduction to Bus Lease Funding per Budget Request (Surplus)		\$ 2,194.64	
Note 1.	Bus #27 is being worked into the cycle to replace a second bus that was totaled in FY13.		
Note 2.	Bus #6 was also totaled, The insurance company paid off the lease, and is returning the balance of the vehicle's replacement cost to NCPS. Subject to appropriation by the Board of Supervisors, these insurance proceeds will be used to purchase one replacement school bus.		
Note 3.	This estimated payment amount is based on a total purchase price of \$476,607.44 over ten semi-annual payments (five years) at 5%.		

In the End...

- It is about improving our students' academic success
"Inspiring learners for life through achievement and success"
- It is about enhancing the quality of our teachers, administrators, and staff
- It is about accomplishing the common goals of the School Board, the Board of Supervisors, the Superintendent, the Staff, and the Community

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Mr. Hubbard stated that last week, he had been in attendance at the School Board's meeting and noticed that there were no attendees from the public to hear the School Board adopt its budget. He questioned whether people just did not care, or had been told that they couldn't change anything anyway. He also asked what was being done to bring children back into the county system who had migrated to private schools. Lastly, Mr. Hubbard said that it appeared that several individuals have "griped" about the recent legislative action to effect the results of the November election wherein the school board will now be elected. He felt that concerns about this legislation should have been addressed jointly by the Board of Supervisors and School Board. A letter had been sent to the Governor from Chairman Randall and Mr. Hubbard indicated that the letter could be misconstrued to be the official position of the Board rather than Mr. Randall's personal opinion.

Mr. Bennett questioned what Mr. Hubbard proposed the Board do to keep the children in the county system. Mr. Hubbard said that he would encourage the School Board to follow-up on this matter and try to determine how and why students are leaving can what can be done to get them back.

Dr. Richard Drury of the School Board said that the School Board was not included in the formation of the legislation reference above, which will result in all seven members of the School Board being up for election this coming November. He said that while he could not argue with the results of the election, the process to satisfy the results of the election was flawed and could possibly result in a lack of continuity on the School Board.

Chairman Randall clarified that the letter that was sent to the Governor was his personal opinion and did not reflect any official position of the Board as a whole.

An un-named citizen said that she was deeply disturbed that the Board could not come to a decision on the legislation and left the decision to “some other body”.

Another un-named citizen, who identified himself as a bus driver, said that he had heard glowing reports that the School Board is on the right track but that sufficient funding was necessary. He said he was also glad to see that drivers may be included in the retirement system.

County Administrator's Report

Ms. Katherine H. Nunez, County Administrator, shared with the Board a preliminary estimate of what could be the equalized tax rate for 2013 as a result of the recent reassessment. The calculation showed that a real estate tax rate of .7001 per \$100 of assessed value would be necessary to realize the same level of revenues in 2013 as was received in 2012. She reminded

the Board that a separate public hearing will be necessary in order to adopt the equalized tax rate, apart from the normal budget public hearing where the rest of the tax rates are set.

Recess:

Motion was made by Mr. Trala, seconded by Mr. LeMond, that the meeting be recessed until 7:45 a.m., Thursday, April 4, 2013, at the Cheriton Fire House, 21334 Bayside Road, Cheriton, Virginia, in order to participate in the State of the Country, Commonwealth and County Breakfast as sponsored by the Northampton County Chamber of Commerce. All members were present and voted “yes.” The motion was unanimously passed.

The meeting was recessed.

_____CHAIRMAN

_____ COUNTY ADMINISTRATOR