

VIRGINIA:

At a recessed meeting of the Board of Supervisors of the County of Northampton, Virginia, held in conference room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia, on the 22nd day of November, 2010, at 5:00 p.m.

Present:

Laurence J. Trala, Chairman

Willie C. Randall, Vice Chairman

Richard Tankard

H. Spencer Murray

Oliver H. Bennett

Samuel J. Long, Jr.

The meeting was called to order by the Chairman.

(A) Public Hearing:

Chairman Trala called to order the following public hearing:

Conduct a public hearing to solicit public input on a change in the project scope for Community Development Block Grant #09-07R as funded by the Virginia Department of Housing and Community Development for the Telecommunications Infrastructure (Broadband) Project. The proposed additions to the project scope are detailed below:

Northampton County wishes to extend the broadband network by approximately 55,000 linear feet of fiber optic cable and the associated electronics required for connectivity. It is important to note that all proposed locations/institutions serve Low & Moderate Income persons. The locations are: Eastern Shore Rural Health Centers (Bayview, Onley, Corporate Office, Franktown and Atlantic); Northampton County Public Schools (Ocohanock, Kiptopeke, Northampton High School, Alternative Education, School Bus Garage); and Accomack County Public Schools (Nandua High, Nandua Middle, Pungoteague and Metompkin and Arcadia Middle).

Budget information will be presented for comment along with information on projected beneficiaries.

The Chairman asked if there were any present desiring to speak.

Mr. Pat Coady, Executive Director, provided background information on the broadband project, noting that significant savings have been realized on the project to date which would

allow expansion to those public facilities as noted. Ms. Katie Nunez, County Administrator, noted that the Department of Housing & Community Development is supportive of this expanded scope of work.

Mr. Bennett arrived at 5:03 p.m.

There being no further comments, the public hearing was closed.

There was no action required by the Board.

County Officials' Reports:

(B) Ms. Glenda Miller, Director of Finance, presented the following memorandum concerning budget amendments and appropriations which stated in part,

“An appropriation is requested for a required additional deposit of \$50,867 into the sinking fund related to the County’s 1999 QZAB issue. This issue was one of the first done under the QZAB program and is structured differently from the later issues. It requires the County to make additional deposits if the LIBOR (London Interbank Offered Rate) goes below 3.7%. For October of 2010, this rate of .7681, leaving the County an additional obligation of 2.9319% on the sinking fund balance. As the structure of QZAB issues was refined, future issues were structures to avoid this scenario. In order to create a hedge for this potential liability, in 2003, the County executed an Interest Rate Agreement with Bank of America which is tied to LIBOR as well. Under the agreement with Bank of America, the County received \$62,089.45 on October 29, 2010. A portion of this will be needed to realize the investment earnings already included in the adopted budget, however, \$38,234 is available to fund the additional liability. The County has also recently received a reimbursement from the annual Health Department Local Funds Settlement of \$40,318. Attached is a proposed amendment to fund the \$50,867 additional QZAB deposit using \$38,234 in unappropriated investment earnings from the Interest Rate Agreement with Bank of America and the balance of \$12,633 from the Health Dept. Settlement proceeds.

“For the Board’s information it appears that last year’s 1999 QZAB deposit may have been calculated incorrectly by the Bank since LIBOR at that time was only 1.2275%. An additional deposit of \$4,312 was made, however, it appears that an additional amount of approximately \$38,000 may actually have been due. I have discussed this with our bond attorney, Arthur Anderson, and he was of the opinion that we should wait to see if the bank contacts us on this issue. I mention it in order to let the Board know it could be a potential liability. The final deposit for the sinking fund on this issue is due next October.

“I have attached a request from the School Board for the appropriation of \$296,905 in the County’s allocation of Federal Education Jobs Funding (a total of \$373,814) for a partial year of funding for a Pre-K Teacher and 2.3% bonuses to eligible employees of the School Board.”

Account Number	Account Description	Increase	Decrease
490-9800-59050	Interest	50,867.00	
100-0015-40925	Interest on Investments	38,234.00	
100-0026-44025	Health Dept. Settlement	12,633.00	
100-9600-57150	Transfer – School Debt Service	50,867.00	
490-0044-48000	Transfer from General Fund	50,867.00	
920-0034-45135	Education JOBS Allocation	296,905.00	
920-6500-55746	Education JOBS Programs	296,905.00	

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Correspondence was received from the School System’s Director of Finance which indicated that the following funding break-down was requested:

Fiscal Year 2011 – partial year Pre-K Teacher And Instructional Assistant

Instruction	\$55,747.00
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Fiscal Year 2011 – one-time pay increase of 2.3% to eligible employees

Instruction	\$203,695.32
Admin, Attendance & Health	\$5,525.24
Transportation	\$12,807.34
Operations	\$10,768.47
Technology	\$1,304.53
School Food Service	<u>\$7,056.73</u>
Total	\$241,157.63

The total Education JOBS allocation for Northampton County was \$373,813.97. The remaining \$76,909.34 is being reserved to fund the additional Pre-K Teacher and Instructional Assistant during Fiscal Year 2012.

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Mr. Murray questioned whether it was appropriate to use these funds, originally designed to re-hire teachers who had been laid off due to budgetary constraints, for bonuses. Dr. Bowmaster, School Superintendent, indicated that salary incentives were a legitimate use of the funds. In Northampton’s case, there was no need to rehire the physical education and Spanish instructors (two positions that were lost), because the need; i.e., classroom size, was not present.

It was specifically noted that the County's FY 2011 funding contribution to the School System did not result in loss of positions. Upon questioning by Mr. Bennett, it was noted that on average, the instructional staff would receive approximately \$735 as the one-time bonus. Accomack County was providing 4.5% bonuses to its staff.

Mr. Bennett indicated that he would like to see the cafeteria workers and bus drivers receive more. Dr. Bowmaster replied that the School Board did discuss a tiered-system of bonuses but opted to provide across-the-board bonuses instead.

When questioned by the County Administrator as to why the cafeteria workers were included when that service had been privatized by the School Board, Ms. Thomas, Director of Finance, replied that the School Board had selected the option to have those staff members remain as employees of the School System but that payments associated with this cost are reflected in the contract with the private food vendor.

Mr. Tankard read the following statement:

"I seem to recall that in August when President Obama signed the \$10 billion Federal Education Jobs bill into law that the emphasis was on the retention of teachers that had been recently laid off by localities that had made cuts in their FY 2011 education budgets.

If that was truly the intent, then our County's school system would qualify for just enough funding to cover the part-time position that was eliminated in the FY 2011 budget. As it were, the federal largesse is far greater than needed to retain that one part-time position. Essentially, we have received almost 18 times the amount needed to retain that position.

So, what does one do with the "windfall"? I use this term somewhat tongue-in-cheek because this "windfall" is from money that our Federal government does not really have. It is part of massive Federal deficit spending that places future generations in the unenviable position of paying for things they did not even use. But that is a digression from the core problem here.

I wish I was comfortable with what the School Board is recommending. Unfortunately, I think that across-the-board pay raises, as they advocate, fail to reward our best performing teachers. Surely, with our County School test scores below

average in many subjects, some teachers are teaching better than others. You can guess from that statement that I support a merit pay system for our teachers. D.C. mayor Fenty and D.C. school Chancellor Rhee implemented such a system in D.C. schools and saw positive student results. (I enclosed an article about their efforts in today's packet). Just think if our best teachers received 5% to 10% percent bonuses, rather than all receiving 2.3%. Would that not be a greater incentive to retain teachers and positively affect students?

Please realize, I am not opposed to increasing teacher pay— just for those that deserve it. If the School Board came to us saying that this windfall would be used as an incentive to retain our best teachers, then I would be much more supportive.

In conclusion, this sum of money, \$373,814, will not be used for what I think the President and Congress intended –the retention of teachers. Rather I think it will be spent on some teachers that may deserve no bonus, and for some of these same teachers, it will just be further affirmation that mediocrity will be rewarded. For these two reasons I cannot support the appropriation as requested by the School Board.”

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Mr. Long suggested that the Board consider approval of the Pre-K Teacher funding and to ask the School Board to reconsider allocation of the bonuses with some justification on the basis of merit. Mr. Randall agreed with this suggestion although he noted that the service workers would not fall under the “merit performance” category. Mr. Tankard replied that merit pay should start with what he called the front line of instruction – teachers.

Mr. Long then suggested that the bonus allocation be split between the remaining staff based on their most recent personnel evaluations. Mr. Bennett replied that that method was not always fair.

Mr. Murray stated that performance measurements are very difficult to develop and the he has never been in favor of across-the-board bonuses, which do not reward for outstanding performance. He thought that the School Board should reconsider the allocation issue again noting that we have until September 2012 to use these funds. The County Administrator urged the Board to make a decision on the allocation issue prior to the next fiscal year as those funds

may be used to supplant state aid.

Motion was made by Mr. Tankard, seconded by Mr. Bennett, to approve the budget amendment and appropriation as set out above for the School Debt Service Fund (QZAB) in the amount of \$50,867. All members were present and voted “yes.” The motion was unanimously passed.

Motion was made by Mr. Long, seconded by Mr. Murray, that the Board allocate the sum of \$55,747 for the Pre-K Teacher & Instructional Assistant for the remainder of FY 2011. All members were present and voted “yes,” with the exception of Mr. Bennett who voted “no.” The motion was passed. Mr. Bennett noted that he was in favor of the Pre-K allocation but was voting against the motion because all classifications were not incorporated.

(C) 1. At the request of the County Administrator, motion was made by Mr. Murray, seconded by Mr. Long, that the Board authorize the County Administrator to submit a request to the Virginia Office of Emergency Medical Services to perform a study on the County’s EMS services in consideration of (1) consolidation and standardization [personnel management, supply & equipment ordering, leadership & management]; (2) centralized billing; and (3) funding of system. All members were present and voted “yes.” The motion was unanimously passed.

2. The County Administrator indicated that at the Board’s request, Planning staff had reviewed the Waterfront Village zoning applicable to Oyster and Willis Wharf and provided comments and/or recommendations for the Board’s consideration. The report contained summaries of the two communities’ vision statements which were incorporated as amendments to the County’s Comprehensive Plan. The memo concluded with staff’s recommendation that both visions be reviewed and updated as may be appropriate with each village. The Willis

Wharf Vision is now sixteen years old and staff is aware that some of the activities considered desirable in 1994 are no longer deemed appropriate by residents. Although the Oyster Community Vision is only six years old, as part of the comp plan it should also be reviewed again at this point. Unless approached as a separate process, these reviews should be incorporated into the overall comp plan review and update now being programmed for 2011.

Mr. Murray stated that he would like to have more flexibility for the residents of the two communities and urged greater discretion capability for the zoning administrator. Ms. Benson responded that residents she has spoken with feel that what is adopted is reflective of what they want for their communities and that residents need to be involved in the review of their visions.

Mr. Randall said that he believed middle ground can be achieved and that the Oyster developers in question should be actively engaged in any decision-making. Mr. Long and Mr. Murray added that the County needs to be ready for economic development when it arrives.

A side-by-side chart was distributed which compares the items in the two vision statements.

Motion was made by Mr. Long, seconded by Mr. Randall, that Planning staff be authorized to move forward with commencement of a vision review process for both waterfront communities in advance of the Comprehensive Plan review process. All members were present and voted "yes." The motion was unanimously passed.

On another matter, it was the consensus of the Board to cancel the December work session, scheduled for Monday, December 27th.

Mr. Tankard stated that the Accomack-Northampton Planning District Commission is looking to do a medical needs study for the entire Eastern Shore and asked the Board to consider that the ANPDC might be the best vehicle to do this study. Ms. Nunez reported that the Health

Department is also planning to study this topic.

The latest list of delinquent properties, scheduled for auction on November 30th, was distributed to the Board.

Adjourn:

Motion was made by Mr. Murray, seconded by Mr. Randall, that the meeting be adjourned. All members were present and voted “yes.” The motion was unanimously passed. The meeting was adjourned.

_____ CHAIRMAN

_____ COUNTY ADMINISTRATOR