



VIRGINIA BEACH CITY PUBLIC SCHOOLS CHARTING THE COURSE

School Board Services

Beverly M. Anderson, Chair
At-Large

Kimberly A. Melnyk, Vice Chair
District 7 – Princess Anne

Daniel D. Edwards District 2 – Kempsville	Sharon R. Felton District 6 – Beach	Dorothy M. Holtz At-Large
Laura K. Hughes At-Large	Victoria C. Manning At-Large	Joel A. McDonald District 3 – Rose Hall
Trenace B. Riggs District 1 – Centerville	Carolyn T. Rye District 5 - Lynnhaven	Carolyn D. Weems District 4 - Bayside

Aaron C. Spence, Ed.D., Superintendent

School Board Special Meeting MINUTES

Tuesday, March 5, 2019

School Administration Building #6, Municipal Center
2512 George Mason Dr.
Virginia Beach, VA 23456

- 1. Call to Order and Electronic Roll Call:** Chairwoman Anderson called the special meeting of the School Board of the City of Virginia Beach to order at 4:00 p.m. in the School Board Chambers at the School Administration Building. In addition to Superintendent Spence, all School Board members were present with the exception of Vice Chair Melnyk who Chairwoman Anderson announced was absent due to being in Hawaii for a family trip. She stated the purpose of the special meeting was for the School Board to discuss and take action on the School Operating Budget for Fiscal Year 2019-20, and Capital Improvement Program (CIP) for Fiscal Year 2019-20 through Fiscal Year 2024-25; and discuss additional funds for full-day kindergarten.
- 2. Moment of Silence followed by the Pledge of Allegiance**
- 3. Adoption of the Agenda:** Ms. Holtz made a motion, seconded by Ms. Rye, that the School Board adopt the agenda as published. The motion passed (ayes 10, nays 0).
- 4. Action:**
 - A. Resolution Regarding School Operating Budget for Fiscal Year 2019-20:** Ms. Riggs made a motion, seconded by Ms. Weems, that the School Board approve a resolution regarding the School Operating Budget for Fiscal Year 2019-20 as proposed. The resolution requesting a lump sum appropriation of \$789,283,638 from the City Council of Virginia Beach was read aloud before the School Board cast their votes. The motion passed (ayes 10, nays 0), and the Budget Resolution was approved as follows:



Budget Resolution – FY 2019/20

WHEREAS, the mission of Virginia Beach City Public Schools (VBCPS), in partnership with the entire community, is to empower every student to become a life-long learner who is a responsible, productive, and engaged citizen within the global community; and

WHEREAS, the School Board of the City of Virginia Beach has adopted a comprehensive strategic plan and school improvement priorities to guide budgetary decisions; and

WHEREAS, the School Board has studied the recommended FY 2019/20 Operating Budget in view of state and federal requirements, the strategic plan, priorities, community expectations, competitive compensation for employees and the best educational interests of its students; and

WHEREAS, the next phase (third year of the five-year implementation plan) of the planned expansion of the VBCPS Full Day Kindergarten program is included in this budget; and

WHEREAS, the City/School Revenue Sharing Policy provides 34.11% of certain general fund revenues to meet obligations of the School Board of the City of Virginia Beach; and

WHEREAS, the proposed Operating Budget moves all eligible employees up an experience step (0.5 percent), not to exceed the “top of scale” and provides a 2.5 percent cost of living adjustment (COLA) for all employees; and

WHEREAS, the total funds requested for FY 2019/20 from the City of Virginia Beach to the School Board of the City of Virginia Beach are \$448,000,537, and

WHEREAS, the debt service payment is estimated to be \$45,356,996 leaving a balance of \$402,643,541 to allocate between the Operating Budget and the Capital Improvement Program (CIP); and

WHEREAS, \$5,800,000 of the School Reserve Special Revenue Fund, which would have normally been used for major one-time purchases, will now be budgeted to use for the FY 2019/20 Operating Budget.

NOW, THEREFORE, BE IT

RESOLVED: That \$3,591,000 of the Sandbridge Tax Increment Financing (TIF) be allocated to the Schools’ PAYGO for the CIP, with the remaining \$409,000 earmarked for the Operating Budget, bringing it to a total of \$403,052,541; and be it

FURTHER RESOLVED: That federal funds in the amount of \$12,200,000 along with state funds in the amount of \$364,462,756 and other local funds in the amount of \$3,768,341 be added to the Operating Budget, bringing it to a total for FY 2019/20 of \$783,483,638; and be it

FURTHER RESOLVED: That \$5,800,000 of the School Reserve Special Revenue fund be added to the Operating Budget, bringing the total to \$789,283,638; and be it

FURTHER RESOLVED: That the School Board of the City of Virginia Beach requests a Lump Sum Appropriation of \$789,283,638 from the City Council of Virginia Beach for the School Board FY 2019/20 Operating Budget; and be it

FURTHER RESOLVED: That the School Board of the City of Virginia Beach requests an appropriation of \$116,662,679 for categorical grants and other special revenue funds comprised of federal grants in the amount of \$43,941,899, state grants in the amount of \$20,948,312, local grants in the amount of \$1,071,964; Green Run Collegiate in the amount of \$3,913,938; and other special revenue funds in the amount of \$46,786,566; and be it

FINALLY RESOLVED: That a copy of this Resolution be spread across the official minutes of this School Board, and the Clerk of the School Board is directed to deliver a copy of this Resolution to the Mayor, each member of the City Council, the City Manager, and the City Clerk.



- B. Capital Improvement Program (CIP) Fiscal Year 2019-20 through Fiscal Year 2024-25: Ms. Riggs made a motion, seconded by Mr. Edwards, that the School Board approve the resolution regarding the Capital Improvement Program (CIP) Fiscal Year 2019-20 through Fiscal Year 2024-25 as proposed. Ms. Manning and Ms. Weems commented on what they considered extravagant facilities being built and suggested cost saving measures to include replicating plans for buildings and reducing allocations for each project. Following discussion, the resolution for the adoption of the CIP program of \$412,431,000 was read aloud. The motion passed (ayes 7, nays 3 – Hughes, Manning and Weems), and the resolution was adopted as follows with the associated funding summary and project summary:

**FY 2019/20 - FY 2024/25 Capital Improvement Program (CIP)
BUDGET RESOLUTION**

WHEREAS, the mission of Virginia Beach City Public Schools, in partnership with the entire community, is to empower every student to become a life-long learner who is a responsible, productive, and engaged citizen within the global community; and

WHEREAS, the School Board of the City of Virginia Beach has adopted a comprehensive strategic plan and school improvement priorities to guide budgetary decisions; and

WHEREAS, the primary funding sources for the School CIP have been Sandbridge Tax Increment Financing (TIF) funds and the issuance of debt by the City; and

WHEREAS, the City/School Revenue Sharing Policy provides 34.11% of certain general fund revenues to meet obligations of the School Board of the City of Virginia Beach; and

WHEREAS, the City/School Revenue Sharing Policy allocates funds first to Debt Service, while the balance is used for the Operating Budget; and

WHEREAS, the School Board has comprehensively reviewed all sources of funding, projected various scenarios and prioritized the needs of the Operating and Capital Improvement Budgets.

NOW, THEREFORE, BE IT

RESOLVED: That the School Board of the City of Virginia Beach adopts a CIP program of \$412,431,000 (as shown on the attached School Board Funding Summary and Project Summary dated March 5, 2019), and be it

FINALLY RESOLVED: That a copy of this Resolution be spread across the official minutes of this School Board, and the Clerk of the School Board is directed to deliver a copy of this Resolution to the Mayor, each member of the City Council, the City Manager, and the City Clerk.



CIP #	Project Category	Total Project Cost	Six Year Appropriations	Appropriations to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
					2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
1-003	Renovations and Replacements - Energy Management/Sustainability	19,775,000	19,775,000	8,675,000	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000	2,100,000
1-004	Tennis Court Renovations - Phase II	2,200,000	2,200,000	1,000,000	200,000	200,000	200,000	200,000	200,000	200,000
1-035	John B. Dey Elementary School Modernization	27,289,241	27,289,241	25,989,241	1,300,000	0	0	0	0	0
1-043	Thoroughgood Elementary School Replacement	32,470,000	32,470,000	28,970,000	3,500,000	0	0	0	0	0
1-056	Princess Anne Middle School Replacement	77,873,759	77,873,759	49,975,759	27,898,000	0	0	0	0	0
1-107	Princess Anne High School Replacement	127,350,000	89,573,000	0	4,218,000	19,141,000	18,341,000	16,941,000	16,291,000	14,641,000
1-110	Energy Performance Contracts - Phase II	30,000,000	30,000,000	15,000,000	5,000,000	5,000,000	5,000,000	0	0	0
1-178	Renovations and Replacements - Grounds - Phase III	11,225,000	11,225,000	1,325,000	1,400,000	1,500,000	1,600,000	1,700,000	1,800,000	1,900,000
1-179	Renovations and Replacements - HVAC - Phase III	55,250,000	55,250,000	5,650,000	6,750,000	7,250,000	7,850,000	8,500,000	9,250,000	10,000,000
1-180	Renovations and Replacements - Reroofing - Phase III	34,750,000	34,750,000	4,200,000	2,700,000	4,750,000	5,100,000	5,500,000	6,000,000	6,500,000
1-182	Renovations and Replacements - Various - Phase III	15,975,000	15,975,000	1,850,000	1,975,000	2,100,000	2,250,000	2,400,000	2,600,000	2,800,000
1-184	Plaza Annex/Laskin Road Office Addition	13,300,000	13,300,000	13,300,000	0	0	0	0	0	0
1-185	Elementary School Playground Equipment Replacement	1,750,000	1,750,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
1-209	B.F. Williams/Bayside 6th (Grades 4-6) Replacement	59,450,000	1,000,000	0	0	0	0	0	0	1,000,000
			Total	Appropriations to Date	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
					2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
GRAND TOTAL (all projects)		508,658,000	412,431,000	156,185,000	56,791,000	41,891,000	42,391,000	37,391,000	38,391,000	39,391,000
TARGETS					56,791,000	41,891,000	42,391,000	37,391,000	38,391,000	39,391,000
DIFFERENCE					0	0	0	0	0	0

Funding Sources	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Charter Bonds	32,300,000	32,300,000	32,300,000	32,300,000	32,300,000	32,300,000
Sandbridge	3,591,000	3,591,000	3,591,000	3,591,000	3,591,000	3,591,000
Public Facility Revenue Bonds	15,000,000	0	0	0	0	0
PayGo	0	1,000,000	1,500,000	1,500,000	2,500,000	3,500,000
Interest/Sale of Property	150,000	0	0	0	0	0
Energy Performance Contracts Funding	5,000,000	5,000,000	5,000,000	0	0	0
State Construction Grants	0	0	0	0	0	0
Lottery Funds	0	0	0	0	0	0
School Special Reserve Fund Balance	750,000	0	0	0	0	0
Total	\$ 56,791,000	\$ 41,891,000	\$ 42,391,000	\$ 37,391,000	\$ 38,391,000	\$ 39,391,000



5. **Discussion of Additional Funds for Full Day Kindergarten:** At the request of Chairwoman Anderson, Farrell E. Hanzaker, Chief Financial Officer, reviewed costs to accelerate implementation of full-day kindergarten to the remaining schools in the 2019-20 school year at a total of \$4,859,000 which includes costs for additional staffing, salaries, benefits, furnishings, etc. He explained the division would acquire 85% of a one cent real estate tax increase if imposed. Terms in the City/Schools Revenue Sharing Policy for requesting additional local funding were reviewed. Superintendent Spence responded to an inquiry as to whether the expansion was possible at this time, and noted three schools (Thoroughgood, John B. Dey, and Hermitage) currently impacted by construction projects will have to be delayed.

Discussion ensued in which School Board members spoke to the accelerated plan, and stated their position on requesting additional funds that could potentially impose a tax increase.

Chairwoman Anderson advised a resolution to request additional funds from City Council to complete the full-day kindergarten implementation plan in the 2019-20 school year will be presented for action at the School Board's March 12 regular meeting.

6. **Adjournment:** There being no further business before the School Board, Chairwoman Anderson adjourned the meeting at 4:56 p.m.

Respectfully submitted:

Dianne P. Alexander, Clerk of the School Board

Approved:

Beverly M. Anderson, School Board Chair