

School Board Budget Workshop Minutes
January 24, 2018

MEMBERS PRESENT: Leah Paladino, Chairperson; Harry Daniel, Vice-Chairperson; Sharon Mack, Member; Andrea Whitmarsh, Superintendent

MEMBER PRESENT BY TELEPHONE: N/A

MEMBERS ABSENT: Rodney Kibler, Member; Jason Collier, Member

BOARD OF SUPERVISORS: N/A

The closed session meeting was called to order at 6:00 pm in the School Board Conference Room.

Mrs. Paladino made a motion to move into closed session; Mrs. Mack seconded, motion carried.

Mrs. Paladino announced that we would reconvene into open session in the School Board Conference Room at 6:25 p.m.

Dr. Whitmarsh presented the Budget Presentation to the board members present. The school board is aware of our vision and our core values as well as the school board priorities.

Dr. Whitmarsh advised the board that they are scheduled to meet with the Board of Supervisors for a joint workshop on 2/13. She asked if they would like to keep that meeting and also if they keep that meeting do they wish to share numbers at that time. The Board decided to keep the 2/13 meeting and to share the preliminary numbers at that time. Dr. Whitmarsh advised that they will also have a meeting on 3/6 at 5:30 to present the adopted Budget to the Board of Supervisors if needed.

FY2019 Influencing factors: Enrollment is projecting flat which is less than the previous year. VRS is going to go down. We are expecting our operating expenses to be pretty stable. The first debt payment for Phase 1 of the Facilities Project is due in July. We do have some retiring debt which will offset some of this payment. Our LCI has increased meaning that our county can potentially afford more. Mr. Daniel asked how much of an increase. Kristie advised that if all factors involved had remained the same that we would've expected \$150,000 - \$200,000 less money. But since many factors have changed it is hard to pinpoint a number.

We will receive an increase in state funding. Federal funding is holding flat. Local funding increased last year due to VRS & Healthcare increases. Enrollment has gone up 3.6% since 2013 and staffing has increased 1% over the same time.

VRS rates are decreasing estimated \$120,000 and health insurance will be increasing at 6.5% (\$230,000.00). Mrs. Paladino advised that at PREP Board Meeting almost everyone else had higher increases than that this year. This increase is based upon keeping the contributions for employees about the same.

The Summary of Capital Debt spreadsheet shows the retiring debt each year through 2024 and this would be utilized to offset some of the New Capital Debt for the facilities project also outlined in the spreadsheet. An additional line demonstrates the difference between the retiring debt and the new debt payments to show how much will be covered in the budget. Beginning with FY2019 it will be \$1,023,477 but by FY2024 it is \$660,157.

The budget process began back in September gathering information. This year there have been \$875,000 of requests submitted covering additional personnel, materials & supplies and facilities maintenance/upgrades. Dr. Whitmarsh recommended that we concentrate on the compensation of employees to go along with the board priority of recruitment and retention of the most highly qualified educators, leaders & support staff. We have provided information on an overall percentage increase for all staff as well as some other where we need to look to be more competitive. Mrs. Paladino inquired as to

what the COLA increase would be this year as that would aid in the decision on the salary increases. Degree supplements have not been visited in quite a while. We want to make some changes to include degree supplements in VRS and eliminating the Bachelor's +15 and the Masters +15 (grandfather those who have previously received). Mrs. Paladino recommended taking out the half step and weighting the receipt of the degree. Mrs. Paladino asked if the yearly payments taxable as bonuses? Ms. Spencer advised that they are not. Adding these supplements into VRS will increase salaries. This has an \$80,000 price tag. Mr. Daniel stated that it would be money well spent. School board was agreeable.

Non-degree supplements have a proposed increase of \$25,000 in the budget. Substitute Pay Rates will need to be looked at. We don't remember the last time this was increased. After reviewing the regional rates, the proposal is for this budget is a 20% increase. This will cost approx. \$20,000 in the sub budget. Mrs. Paladino commented that it would be worth it to have a reliable person in the classroom so that a day of productivity would not be lost. Ms. Mack & Mr. Daniel were in agreement. Transportation compensation after an analysis of the regional rates we feel that we are competitive. We believe that will be an increase along with the standard recommended overall staff increase. We feel that we also need to establish a car driver scale for consistency purposes. We can do this within the resources we already have.

We are evaluating other projects but we are repurposing resources and are not asking for additional funds.

We are projecting almost \$480,000 in state revenue. VRS is going down \$120,000. Healthcare is going up \$230,000. Here's what we need to discuss: What we want to put forward for a compensation increase which includes FICA & VRS, do we want to include degree supplements and substitute rate increases. Dr. Whitmarsh suggested to move forward with the substitute pay increase and also either a 2% or 3% overall staff increase. Mrs. Paladino stated that they should ask for 3% based on their school board priorities. Ms. Spencer advised that this would mean that we would be asking for \$452,859 outside of the debt. With the 3% increase, degree supplements and Substitute pay increase the budget would increase to \$40,503,147.

Mrs. Paladino asked if everyone was in line with that. Mrs. Mack advised that she was and that it was in line with their priorities and it is a good starting point. Mrs. Paladino advised that not losing ground on raises is very important.

Dr. Whitmarsh advised when they speak with the Board of Supervisors that she will have this presentation along with some additional information on the teacher shortage.

Mrs. Paladino adjourned the meeting at 7:20pm.

Chairman

Clerk