

VIRGINIA:

A FY12-13 Budget Work Session of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room of said county on Tuesday, May 29, 2012.

Members Present: B. Wally Beauchamp, Chair
F.W. Jenkins, Jr., Vice Chair
Ernest W. Palin, Jr., Board Member
Jason D. Bellows, Board Member
William R. Lee, Board Member

Staff Present: Frank A. Pleva, County Administrator
Jack D. Larson, Assistant County Administrator

Mr. Beauchamp called the meeting to order at 4:30 p.m.

**FORM for DISCLOSURE OF INTEREST
IN A TRANSACTION OF GENERAL APPLICATION
(Required by Section 2.2-3115G of the Code of Virginia)**

I, Ernest W. Palin, Jr., an employee of the Lancaster County School Board make the following disclosure to my agency and the general public:

In connection with consideration of the Fiscal Year 2012 – 13 School Board Budget, I have a personal interest in such transaction by virtue of my employment and my wife's employment by Lancaster County School Board; along with approximately 250 other employees.

I and my wife are members of a group of approximately 250 persons which is affected by consideration of the school board budget. Adoption of the school board budget will not affect me or my wife to any greater degree than any other employee of the school board. Consequently, I am able to participate in this transaction fairly, objectively, and in the public interest.

I, Jason D. Bellows, an employee of the Lancaster County School Board make the following disclosure to my agency and the general public:

In connection with consideration of the Fiscal Year 2012 – 13 School Board Budget, I have a personal interest in such transaction by virtue of my employment with Lancaster County School Board; along with approximately 250 other employees.

I am members of a group of approximately 250 persons which is affected by consideration of the school board budget. Adoption of the school board budget will not affect me to any greater degree than any other employee of the school board. Consequently, I am able to participate in this transaction fairly, objectively, and in the public interest.

FY 2013 School Board Budget

Mr. Larson said things went well for the first few meetings between county and school board staff. Recognizing they have a number of budget concerns such as Virginia Retirement Systems rates. He advised schools administration staff in January 2012 that the schools should ask for no more than level funding because of decreasing enrollment. As of right now there is a decrease in student enrollment with an increase per pupil cost which has been the case for the past ten years. The budget increase of \$113,759 will only continue to drive the per pupil rate higher. He discussed the contribution from State; however the Governor has not signed the budget. The county contribution has a trend that continues to increase even after the meetings with the Superintendent. It should be a matter of what the county can afford. This request has the second largest budget increase in the county for FY 2012-13.

Mr. Bellows asked if the schools or county had made a decision on the VRS contribution.

Mr. Larson said no and that the proposed school board budget included a 1% VRS contribution. He stated option two of the proposed school board budget included a 5% VRS contribution with an increase of \$200,000.

Mr. Lee asked about the \$6,400 and if that was in addition to the \$439,000.

Mr. Bellows stated he would prefer if the schools went with the 5% VRS contribution because if they do approve the 1% VRS contribution it would be unmanageable.

Mr. Palin said if the Board approved the 5% VRS contribution which is option two that would be an additional \$52,000.

Mr. Lee asked if the 5% VRS contribution would mean the school board budget would be an increase of \$206,000 over the last year.

Mr. Larson said yes.

Mr. Larson said for the last three years the school board has returned money to the county, and there is an indication they will return money this year.

Mr. Palin stated the total school board budget with the 5% VRS contribution including food operations would be \$15,827,224.

Mr. Larson said yes.

Mr. Jenkins said there are still some issues that have not been resolved and concerns expressed by the public. We all agree that there is a low ADM and the county should be getting some savings, but that has never happened. Unfortunately, the increase has all gone up on the county contribution side with big ticket salaries. The Assistant

Superintendent position is being vacated by retirement but nowhere in the budget is there a decrease to reflect this.

Mr. Bellows said he thinks the Superintendent and School Board have done a great job with the budget. The big increase in the proposed budget is due to the 5% VRS contribution.

Mr. Jenkins asked about the revenue budget proceeds from Virginia Sales Tax.

Mr. Larson said the latest numbers projected by the State are higher in basic education by \$50,000 and sales tax \$53,000 for a total of \$103,000 above schools projections.

Mr. Jenkins said the revenue would cover two-third of the increase plus VRS contribution. He agreed with the 5% VRS contribution but why should the county not take into account for the revenue from Virginia sales tax. Why does a school system as small and diminishing as Lancaster County need an Assistant Superintendent. Why is there a need for an added position with no justification?

Mr. Larson said it is a new position. They done away with one but added another position with a different title and decrease in pay. This person would be an assistant to the superintendent.

Mr. Bellows stated the title for the position is Director of Curriculum and the person will also assume the role of Assistant Superintendent to make decision in the case the Superintendent is not available.

Mr. Larson stated after doing a comparison between Northumberland and Lancaster Schools, it appears Lancaster School administration is top heavy. There was also a request to make up the cost for loss grant money. He said the county should not be responsible for replacing those funds.

Mr. Palin stated the federal grant was for Title I which was payroll for teachers and paraprofessionals at the primary school. The school division manages those funds.

Mr. Beauchamp said he will support 5% VRS contribution but can support the additional funding. He stated he would like to see more effort taken by the school board to get the cost per pupil down and in line the surrounding counties. This issue must be addressed.

Mr. Lee said if the schools return 24% - 25% funding every year why do they need a built-in cushion.

Mr. Bellows stated with teachers coming in and leaves at different salaries. A teacher may retire at the top of the salary scale, and a new teacher is hired at a lesser rate. That could account for a good percentage of the return funding.

Mr. Larson stated that no one at the school board has ever answered the questions from the Board of Supervisors and/or public. Why does the cost per pupil continue to increase with decreased enrollment?

Mr. Pleva stated on FY 2013 School Board Budget option two excludes step and/or rises.

Mr. Palin made a motion to Approve the FY 2013 Lancaster County School Board Budget in the amount of \$15,827,224 which includes 5% VRS contribution in a lump sum.

VOTE:	B. Wally Beauchamp	Nay
	F. W. Jenkins, Jr.	Nay
	Ernest W. Palin, Jr.	Aye
	Jason D. Bellows	Aye
	William R. Lee	Nay

Motion failed 3 – 2.

Mr. Jenkins requested that Mr. Larson talk to Mrs. Salg, Director of Finance for the School Board asking about the revenue and expenditures.

Mr. Palin said the schools have returned larger amounts because that would look favorable.

Mr. Larson stated as he has worked with the school budget over the years no one from the School Board office has even attempted to answer any of his questions. He has asked why the cost per pupil in Lancaster County is so much higher than the surrounding counties. The school board and administration avoid answering that question every year. Over the past years he has compared the surrounding counties and the school board with the response that those are not their numbers. Then he used the Virginia Department of Education numbers, and they still avoided answering the question. Lancaster County has been higher than surrounding counties for the last ten – twelve years and continues to increase for no apparent reason. The schools must have some justification and answer this question.

Lancaster Chamber of Commerce

Mr. Pleva said after the Chamber gave a presentation and requested \$2,600 which was the highest tier, the Board directed him to see what other localities contributed to their Chamber of Commerce. He said Northumberland County is a member of the chamber and budgeted \$7,000 in the current year calling it dues, Westmoreland County contributes \$1,500, Warsaw/Richmond County contributes \$121 per year, and Middlesex County contributes \$200 per year as a member.

Mr. Beauchamp stated the Chamber is doing a great job, more than they have in the past and we need to show support. He suggested the Board contribute \$275 per year which is Tier 2.

By consensus of the Board, the county will become a member the Lancaster County Chamber of Commerce at the \$275 level.

BOARD REPORTS

None

COUNTY ADMINISTRATOR

None

ADJOURNMENT

Motion was made by Mr. Beauchamp to adjourn the meeting to Thursday, May 31, 2012 regular Board of Supervisors meeting to be held in the Board/Commission meeting room.

VOTE:	B. Wally Beauchamp	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	Jason D. Bellows	Aye
	William R. Lee	Aye