

AT A JOINT WORK SESSION MEETING OF THE BOARD OF SUPERVISORS OF THE COUNTY OF JAMES CITY, VIRGINIA, THE CITY COUNCIL OF THE CITY OF WILLIAMSBURG, VIRGINIA, AND THE WILLIAMSBURG-JAMES CITY COUNTY SCHOOL BOARD, HELD ON THE 23RD DAY OF FEBRUARY 2011, AT 8:01 A.M. AT 2007 LEGACY HALL, 4301 NEW TOWN AVENUE, JAMES CITY COUNTY, VIRGINIA.

A. CALL TO ORDER

Chairman Jim Nickols called the School Board to order at 8:01 a.m.

School Board was all present.

Chairman Mary Jones called the Board of Supervisors to order at 8:01 a.m.

Board of Supervisors was all present.

Mayor Clyde Haulman called the City Council to order at 8:01 a.m.

City Council was all present.

B. DISCUSSION ITEMS

2.01 School Budget

Dr. Scott Burckbuchler, Assistant Superintendent for Administrative Services, discussed the Superintendent's Proposed FY 2011-2012 School Board budget. He expressed his appreciation for the support of the County and the City in spite of the falling State contributions. Dr. Burckbuchler stated that a public hearing would be held March 1, 2011, on the budget with approval expected on March 15, 2011. He explained that the key goal of the school budget is preservation of instruction goals and noted that the budget was zero-based and built based on need. He commented that enrollment drives faculty positions at the schools, and enrollment is expected to decrease this year with an increase into the next school year.

Dr. Burckbuchler noted that the School Board had several in-depth discussions in preparation of the budget. He noted that the operating total was \$110.2 million, an increase of 0.6 percent over FY 2010-2011 and the Full-Time Equivalent (FTEs) have increased by 1.91 over FY 2010-2011. Enrollment is projected to be 10,705, an increase of 156 students compared to September 2010. He stated that the local revenue increase proposed is \$1.4 million due to an increase in State sales tax for education. He noted that the revenue from the State was roughly \$2.5 million less, offset by \$1.8 million in one-time funds from the Federal Jobs Fund.

He gave an overview of expenditures and noted that instruction comprises the largest component, but there were needs in other areas as well. He noted that there were major increases in the budget proposal of about \$2.4 million, comprised of \$1.8 million for retirement, \$550,000 net increase in compensation based on compensation study recommendations of a 1 percent scale adjustment, longevity and adjustments for the Virginia Retirement System (VRS) Plan 2, and \$55,000 for testing. He highlighted major budget decreases including personnel adjustments including elimination of reserve teaching positions and all coaching positions, reduction in rates for property, liability, and workers' compensation insurances, school allocations, and base-

budget reductions including salary and benefits. He noted that this budget limits flexibility and utilizes one-time funds, but the student-teacher ratios have been maintained at their targeted levels, current programming is maintained, and athletics and co-curricular activities have been maintained. He made note of special education spending increases due to transitioning positions into the budget that had been supported through stimulus funding. He noted that there were minimal layoffs and supporting quality faculty through adjustments recommended by the compensation study.

Discussion was held on how the House and Senate proposed budgets would impact the proposed School Board budget, assuming the State revenues would be between the two proposals. Dr. Burckbuchler commented on making up deferred VRS payments and future adjustments that would be made based on the General Assembly's direction. He explained that he anticipated rates to increase, but the investment earnings would drive the VRS rate in the future. Discussion was held on five-year projections in relation to the use of one-time funding and adjustments in the absence of additional revenues. He noted that the one-time funding was being used for its intended purpose to prevent layoffs. Discussion was held on the zero percent increase in health insurance costs and employee contributions to health insurance premiums and the \$1 million increase in special education due to the needs of the students. Discussion was held on the reevaluation of the Composite Index and the "hold harmless" adjustment being considered by the General Assembly. Dr. Burckbuchler explained that the revenue was decreased due to the loss of that revenue stream in the Governor's proposed budget. Discussion was held on how to transition existing employees to making a five percent contribution to VRS that would apply to new employees. Dr. Burckbuchler noted the administrative recommendation not to move in that direction and effectively decrease the employees' take-home compensation. He commented that making that transition would create stress on the employee and the employer due to the Federal Insurance Contributions Act (FICA) and other payments, but for new employees there was a choice. He explained that in the future, there could be savings by reducing the public responsibility for the increase in salaries. Future plans were discussed on how to make those adjustments in the event that the responsibility is imposed by the General Assembly.

2.02 Enrollment

Dr. Burckbuchler highlighted the historical enrollment figures by level and by school, along with projected future enrollment. He explained that there were ranges within the projections, and the actual enrollment this year was 10,549.

Discussion was held regarding a decreased actual enrollment for the current school year, but the budget proposal for the upcoming year was less than the current year. Dr. Burckbuchler explained that there was growth, but not as much as was anticipated. He noted where projected enrollment would exceed school capacity. Discussion was held on how to deal with capacity and reallocate students in overcrowded middle schools. Dr. Burckbuchler was hesitant to propose spot redistricting. He explained that there would be better balance among the middle schools, but there were also downsides to addressing growth this way. He noted that he could also provide the numbers based on medium and high levels of growth. Discussion was held on how middle school capacity issues were impacted by the Academy for Life and Learning (ALL) program and it was explained that it was an issue that was part of the overall middle school enrollment. He stated that one issue was an instructional position and the other was a capacity issue, and discussion was held on the allocation of students within the ALL program. Discussion was held about a possible magnet program to help address overcrowding and other opportunities that could be provided as a result of additional instructional space. It was noted that redistricting was a premature action based on the current enrollment figures.

2.03 Capital Projects

Dr. Burckbuchler began the discussion with an overview of middle school capacity and the plan for four middle schools. He explained that the staffing cost for a new middle school is \$2.1 million and there were no additional resources for this purpose. He stated that maintaining three middle schools was a temporary fiscal solution, and there were several options to address middle school capacity. He stated that the recommendation was to build additions to Hornsby and Berkeley Middle Schools to meet enrollment standards through 2017. He stated there was available funding at this time and that when Hornsby Middle School was designed there was a request for a design that would accommodate additions. He noted that there were other options, including trailers and reopening James Blair Middle School at a cost of over \$2 million. He reviewed middle school capacity versus projected enrollment. He reviewed the figures for low, moderate, and high enrollment projections that present figures based on a scenario without redistricting. Discussion was held on the contrast of building school additions, opening new schools, or incorporating trailers at schools in relation to incremental costs. Discussion was held on the conversion of James Blair Middle School as an administrative building as opposed to reopening the building as a middle school. Discussion was held about the time frame to address the issues related to finding or building a new unified School Board administrative building. Dr. Burckbuchler noted that funding related to the new administrative building would include additional funds for furniture, equipment, and other resources. Discussion was held on the cost and savings related to renovations for James Blair Middle School. Discussion was also held on conversion to geothermal heating and cooling in the schools. Dr. Alan Robertson and Mr. Marcellus Snipes discussed the Capital Improvements Program (CIP) proposed for this budget cycle. Dr. Robertson discussed the possibility and sequence of upgrading of schools to geothermal systems. He commented that as the funds were available, process would continue, but it was not feasible at this time. Discussion was held on the potential savings in operational costs for geothermal systems in relation to the life cycle of the system. Mr. Snipes discussed the bus fleet and safety equipment and proportional contributions to New Horizons as a capital expense, along with a potential upper Peninsula center. Discussion was held on fuel efficient buses and the possibility of natural gas buses in the fleet to reduce fuel costs. Discussion was held on a capital project for a traffic signal for the new school, and the discussions held with the Virginia Department of Transportation (VDOT) about warrants for a light.

At 9:40 a.m. the Board recessed.

At 9:50 a.m. reconvened.

2.04 Compensation Study

Mr. Jon Andre, Senior Director for Human Resources, gave an overview of the Compensation Study. The School Board requested a Compensation Study to be conducted by a consultant selected through the Request for Proposal (RFP) process. At the October 19, 2010, Special Call Meeting, Evergreen Solutions, LLC was approved to conduct the compensation study. The study was completed in January 2011 and the results were briefed at the February 1, 2011, School Board meeting. Mr. Andre discussed the study and noted that there was a sound structure, but the study recommended increasing pay grades and the compensation within the grades. He stated that the recommendation was a 2.5 percent increase within the ranges, and the proposal was for a one percent increase. He noted that there was a retirement incentive program to contribute savings toward the one percent increase as well as a proposal to discontinue longevity pay. He stated that there was a more comprehensive approach toward compensation as a result of the study.

Discussion was held about position comparisons with peer organizations, including accountants, human resources professionals, and other skill sets beyond school teachers. Discussion was held on how the school system performs and compares to market levels as a result of the recommendations of the study. Discussion was held about the competitive impact on incoming teachers due to VRS contributions. Discussion was held on turnover and the ability to hire new teachers as a result of low median pay. Discussion was held

on a comprehensive approach on compensation and what goals the school system has as a competitor in the market. Dr. Burckbuchler noted that the study showed a recommendation for scale adjustments as well as average below-market compensation. Discussion was held on targeted pay adjustments for those below the competitive market value and consistency among all employees. Dr. Burckbuchler noted that the circumstances related to school employees were unique.

2.05 Student Performance (State Report Card)

Dr. Steven Constantino, Superintendent, reviewed core values of instruction and student performance. He commented on the variables that promote student achievement, including the quality of the teachers, leadership, and families. He stated that student learning was the primary goal and that the School Board and administration were committed to providing a quality education to all students. He highlighted the special programs, faculty, and staff that help make the school system outstanding. He stated that strategic thinking and long-term planning would be key to attaining higher achievement in the school system. He noted the high standards and high expectations that have been set for the students. He commented on the necessity to adapt to a changing economic and academic environment.

Discussion was held on the benchmarks in relation to the State report card and how it applies to student achievement. Mayor Haulman requested more meaningful data over the last ten years. Dr. Constantino explained that the benchmarks were based on criteria testing rather than competition. He commented on the different testing and comparative data that results, but noted that the comparisons could be inappropriate. Discussion was held about annual measurable objectives and goal-setting to achieve certain levels on the State report card. Discussion was held about the ALL program and the impacts of an inclusion setting on achievement for the students who participate in the program. Dr. Constantino explained the complementary nature of achievement coaching and the instructional methodology in the classroom. He explained that understanding and meeting the learning needs of the student was the most important factor to academic achievement. Discussion was held about the possibilities and issues related to implementing dual programming to address alternative learning needs. Discussion was held about various different philosophical approaches to alternative learning and how to address the resulting cynicism in the community. Discussion was held about the disciplinary facet of the ALL program and continuing to improve the program in the future. Dr. Constantino discussed the importance of the parents in influencing student achievement and the necessity to engage parents in the learning process for continuous improvement. Mr. Icenhour expressed concern about allowing economic conditions to dictate school and classroom sizes and the increasing number of trailers at schools.

C. ADJOURNMENT

Ms. Koch made a motion to adjourn.

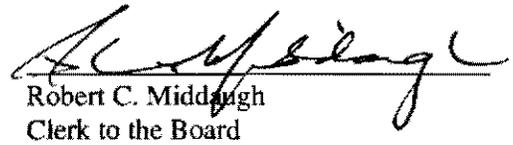
At 11:00 a.m. the School Board adjourned.

Mr. Pons made a motion to adjourn.

At 11:00 a.m. the City Council adjourned.

Mr. Goodson made a motion to adjourn.

At 11:00 a.m. the Board of Supervisors adjourned.



Robert C. Middaugh
Clerk to the Board

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