

AT A JOINT MEETING OF THE ROCKBRIDGE COUNTY BOARD OF SUPERVISORS  
AND THE ROCKBRIDGE COUNTY SCHOOL BOARD HELD AT MAURY RIVER MIDDLE SCHOOL  
AT 600 WADDELL STREET, LEXINGTON, VIRGINIA,  
ON THURSDAY, JANUARY 21, 2021 AT 5:00 P.M.

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BOARD MEMBERS PRESENT: D. E. LYONS  
R. W. DAY  
L.E. AYERS

BOARD MEMBERS ABSENT: D.B. MCDANIEL  
A.J. "JAY" LEWIS, II.

COUNTY ADMINISTRATOR: SPENCER H. SUTER

FISCAL SERVICES  
DIRECTOR: STEVEN J. BOLSTER

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CALLED TO ORDER:

Chairman Lyons called the meeting to order.

**Additions to the Agenda:**

There were none.

**FES/CES HVAC Projects:**

Mr. Randy Walters, Director of Transportation and Maintenance, provided an update on the HVAC projects for Central Elementary School and Fairfield Elementary School noting that he anticipates receiving the final proposals soon. He stated that the plans are on track to begin over spring break and those projects will not interrupt the school day for students.

Fiscal Services Director Steven Bolster provided an update on the financing plan and schedule for the HVAC projects. He communicated that

it will be March or April before a recommendation on which financing option (Virginia Public School Authority Spring 2021 Financing Pool or direct bank financing) is in the best interest of the County and School Division. He continued that April or May is the estimated closing date for the financing effort. Mr. Bolster stated that he anticipates County Financial Advisor Davenport & Company will issue a direct, bank-financing RFP by February 1, 2021 and that staff will bring a reimbursement resolution to the Board of Supervisors by February or March to capture project expenditures incurred prior to the financing closing date.

**Budget Updates:**

**Rockbridge County Public Schools:**

Superintendent Thompson provided a presentation on the School Board's FY 2022 budget. He noted that it is very early in the process and the budget numbers presented were based upon Governor Northam's budget. Superintendent Thompson also noted that some new items are dependent upon needs and may be not be finalized until a later time.

The highlights of the presentation were as follows:

- Mission, Vision, Goals
- RCPS School Board FY22 Budget Considerations

As of January 20, 2021, the following are other FY22 budget considerations for the RCPS School Board:

Local Composite Index (LCI): The state uses a local composite index to determine a school division's ability to pay for the local required share of education costs for the Standards of Quality. The LCI is calculated every two years with each new biennium, and considers property

value, adjusted gross income, taxable retail sales, and the student and total population in each school division. It is difficult to entirely understand how Rockbridge County can be seen to have a higher ability to pay when compared to many other school divisions with seemingly a larger economic base from which to help pay for schools. The RCPS School Board continues to advocate with our representatives in the General Assembly in hopes they would support revisiting how the LCI is calculated to ensure a fairer distribution of state funds to areas of true high need such as Rockbridge County. He cautioned that delegates often represent more than one locality so in order to help one locality, it may hurt another.

Supervisor Day inquired as to who sets the LCI.

Superintendent Thompson stated that it is set at the state level.

Chairman Lyons added that it is a thirty-three-step formula with many categories factored in which includes personal income of local citizens. He noted that there are several wealthy residents of Rockbridge County

Average Daily Membership (ADM): The RCPS FY22 budget is based on the VDOE ADM estimation of 2397, which is based on the governor's budget and will likely change. The March 31, 2020 ADM was 2516. The September 30, 2020 ADM was 2439. This low ADM count is well out of the norm when compared to recent years. The drop in ADM over the past two years can be partially explained by the two large graduating senior classes. There is also a much smaller than normal incoming Kindergarten class due in part to the COVID-19 pandemic. These factors combined with families of students from various schools at multiple grade levels moving out of Rockbridge County have resulted in the state projected ADM of 2397 for FY22. Fewer students (smaller ADM) mean less state funding revenues for FY22.

Superintendent Thompson expressed his recommendation to build a budget based on the state estimate in hopes the actual ADM is better than forecasted.

Projected Additional State Funding for FY22: The estimated increase in state funding revenues will be approximately \$17,292 more than FY21 when budgeting for FY22 using an ADM of 2397. Superintendent Thompson cautioned that \$153,245 of the projected revenue from the state is tied to giving a 2% bonus to RCPS employees before the end of September 2021.

RCPS School Board FY22 Budget Considerations:

As of January 20, 2021, the following are mandated FY22 budget considerations and associated cost estimations for the RCPS School Board:

Virginia Retirement System (VRS) - Increase approximately \$0: RCPS is currently in the second year of the biennium so there is no increase to VRS for the FY22 budget year.

VRS Associated Charges for Group Life -- Increase approximately \$0

Health Care Credit - Increase approximately \$20,182: The General Assembly added a new group of employees who qualify for this benefit (non-exempt employees). This is a new mandated benefit.

Long Term Disability Insurance- Increase approximately \$23,223.

As of January 20, 2021, the following are other FY22 budget considerations for the RCPS School Board:

Health Care Premium Increases - Increase approximately \$628,425: Health care costs continue to rise. While it is still relatively early to truly know the cost of any potential health care cost increase, our health insurance broker, at this time, is estimating an increase of approximately 23.7%. The driving cost is prescription medications of employees. This

increase does not account for any new participants electing to enroll in the health care plan provided by the school division for the 2021-22 school year. RCPS Administration will be meeting with their broker soon for a more thorough evaluation of the claims from the most recent 12 months for a better understanding of what we can expect for FY22.

Statewide Minimum Wage Increase to \$11.00/Hour - \$26,159: Employees will not see this increase until the mandated effective date of 1/1/2022.

Worker's Compensation - Increase approximately \$0: Much like health insurance rates, each year we must reassess and negotiate with worker's compensation carriers for favorable rates. At this point, we believe we will be able to keep this cost at the same rate for FY22.

Property & Casualty Insurance - Increase approximately \$4,632: Property and casualty insurance carriers are reassessed and negotiated annual for favorable rates. A slight increase for FY22 of approximately \$4,632 is anticipated.

As of January 20, 2021, the following are mandated FY22 budget considerations and associated cost estimations for the RCPS School Board:

Bonus/Salary Increase for All RCPS Employees (2%) - \$495,967: In the Governor's proposed budget released on December 17, 2020, \$153,245 was allocated toward our FY22 state funding if we give a minimum of a 2% employee bonus or salary increase between July 1, 2021 and September 30, 2021. If this minimum mandate is not met, RCPS state funding for FY22 will be reduced by \$153,245.

Additional Salary Increase for All RCPS Employees (2%) - \$495,967: In FY21, RCPS proposed a salary increase for all employees. Due to the poor economic conditions caused primarily by the loss of revenue toward

the end of FY20, our employees did not receive any salary increase. Several of our surrounding school divisions were able to offer their employees varying degrees of a salary increase for FY21. This has created a wider gap between salary scales and caused RCPS to be less competitive in our mission to hire and retain the highest quality teaching staff possible.

School Board Chairperson Lovell stated that it is a priority to get teacher pay back to the middle while taking care of teachers for today and moving forward.

Superintendent Thompson reiterated that teachers and staff have been working hard and that many teachers have had to re-invent ways to teach. He emphasized the need to make employee pay a priority to at minimum meet the cost-of-living increase.

Trustee Burant stated that she recognizes the need to increase teacher pay through either a bonus or raise, especially this year, and leading into next year.

Superintendent Thompson stated that he would like to be able to give a bonus for the current year. He feels the division will be able to save more money due to the fact that there was a period of 100% virtual instruction, there are no field trips and potentially no buses being purchased. While under normal circumstances, Superintendent Thompson stated it would not be his preference to forgo bus purchases in order to provide employee bonuses. However, he understands the amount of extra work teachers and staff have had to put into helping students. This along with fewer miles being accumulated on our current buses allows him to feel this is the right time to do so. He feels Rockbridge County Public

Schools can give a bonus to staff; however, the RCPS School Board would need permission from the Board of Supervisors to move money across budget categories.

Chairman Lyons stated that he would love to see a bonus given to teachers of Rockbridge County and realizes that teachers have worked hard. He stated that the School Division has kept all employed and paid; likewise, the County of Rockbridge employees have worked with no bonus. He stated that because of unknown circumstances, he feels it is not wise to give a bonus this current year. Chairman Lyons expressed his sentiments that it could result in a taxpayer who has been unemployed and would then have to pay more tax for schools for the needs of the school division next year.

Supervisor Ayers stated that she would like to see what can be done next year for teachers. She also inquired what will be done to help students who fall behind in reading and other areas.

Superintendent Thompson stated that administration realizes that there will be academic gaps and there will be RCPS programs to help address this issue. It is anticipated that a second round of CARES Act funding will allow for a summer program. Funds for this program will not necessarily have to come from the division operating budget.

A School Division summary of FY22 Estimated Funding Projections/Needs as of January 20, 2021 is reflected below:

Mandated Cost Increases for FY22

- Virginia Retirement System (VRS) = \$0
- VRS Associated Group Life Insurance = \$0
- VRS Associated Health Care Credit = \$20,182

- Long Term Disability Insurance (.5% increase) = \$23,223
- Health Care Insurance (Early/Conservative Estimate - 23.7%) = \$628,425
- Worker's Compensation = \$0
- Property and Casualty Insurance = \$4,632
- Minimum Wage Increase to \$11.00/Hour (as of 1/1/22) = \$26,159
- Approximate Mandated Cost Increases for FY22 = \$702,621

Bonus/Salary Increase for All RCPS Employees

- All RCPS Employee Bonus/Salary Increase for FY22 (2%) = \$495,967
- Additional All RCPS Employee Salary Increase for FY22 (2%) = \$495,967
- Approximate Personnel Costs Increases for FY22 = \$991,934

Additional Personnel Needs

- Additional Preschool Teacher (Governor's Preschool Initiative) = \$73,489
- Additional Approximate Personnel Costs Increases for FY22 = \$73,489

TOTAL of Approximate Budget Increases for FY22

\$1,768,044

Projected Increase in State Funding for FY22 (Governor's Budget)

\$17,292

Projected Total of Additional Needed Funding for FY22

\$1,750,752

**County of Rockbridge:**



Mr. Suter provided a timeline for the budget process. He stated that the Board of Supervisors adopted their CIP on January 11, 2021, which includes the CIP of Rockbridge County Public Schools. The next Board of Supervisors budget meeting will be held on February 3, 2021 and a draft budget will be presented to the Board of Supervisors on February 25, 2021. He requested soft numbers from Rockbridge County School Board by February 15, 2021.

Mr. Bolster provided a brief overview of the estimated cost increases and noted that actual costs won't be known until late March. He noted that a majority of the external agencies are submitting requests based on FY19-20 budget numbers. Mr. Bolster remarked that he has is still organizing FY 2022 budget submissions and that the status of revenues versus expenditures is not known at this time.

Superintendent Thompson stated that a positive factor of the Feasibility Study was that it helped to guide a priority list and that Central Office staff has worked to re-organize the list so that new projects could be accomplished as some items fall off from debt service. He also noted that priorities may change next year.

**Additional Discussion:**

Superintendent Thompson stated that the Rockbridge County Public Schools COVID vaccination clinics will be held on January 28 and January 29, 2021. A survey with a registration link was emailed to staff and an 80% return rate to participate in the clinics was achieved.

Mr. Walters stated that the COVID vaccination clinic for dose two will be held on February 26, 2021.

The next regularly scheduled Joint Meeting of the Rockbridge County School Board and Rockbridge County Board of Supervisors is scheduled for Thursday, March 18, 2021 at 5:00 p.m. with the location to be announced.

**Adjournment:**

Supervisor Day moved to adjourn. Supervisor Ayers provided the second, and the motion carried by unanimous vote of present Board members:

Ayes: Day, Ayers, Lyons  
Nays: None  
Absent: McDaniel, Lewis  
Abstain: None