

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, MARCH 18, 2021 AT 5:00 P.M.

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

**Budget Update:**

**School Division Estimate of Needs:**

School Board Chairperson Wendy Lovell provided an overview of the  
FY22 estimated funding projects and needs which included the following:

**Mandated Cost Increases for FY 2022:**

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 - 17.6%)	\$472,068
Worker's Compensation	\$0
Property and Casualty Insurance	\$4,632

Minimum Wage Increase to \$11.00/Hour (as of 1/1/22)	\$26,159
<u>Approximate Mandated Cost Increases for FY22</u>	<u>\$546,264</u>

**Salary Increase for All RCPS Employees:**

All RCPS Employee Salary Increase for FY22 (5%)	\$1,239,917
<u>Approximate Personnel Costs Increases for FY22</u>	<u>\$1,239,917</u>

**Additional Personnel Needs:**

Additional Preschool Teacher (Governor's Preschool Initiative)	\$73,489
<u>Additional Approximate Personnel Costs Increases for FY22</u>	<u>\$73,489</u>

**Estimated Budget Projections/Needs Adjustments:**

Removed Preschool Teacher (Governor's Preschool Initiative)	(\$73,489)
Cut Insurance Claims cost - Based on setting up Escrow account	(\$80,000)
Cut Fuel Cost - (match average actual cost FY2017 - 2019)	(\$70,000)
<u>Additional RCPS Budget Request Cuts for FY22</u>	<u>(\$223,489)</u>

**TOTAL of Approximate Budget Increases for FY22: \$1,636,181**

Projected Increase in State Funding for FY22 w/ 5% Salary Increase (Adopted Budget)*	\$406,879
<u>Projected Total of Additional Needed Funding for FY22</u>	<u>\$1,229,302</u>

School Board Member Mr. Corey Berkstresser noted that Rockbridge County Public Schools did not provided raises to its employees last year like neighboring school districts.

Chairperson Lovell explained how that the MVE Primary Elementary Transition Classroom (PETC) classes result in savings for the locality when children utilize services within the County rather than being sent elsewhere to be educated.

School Board Member Ms. Heather Hostetter stated that health insurance options were expanded to staff two years ago offering a high deductible insurance plan, which includes a \$3,000 out of pocket maximum to the employees. At the recommendation of the RCPS health insurance advisor, she noted, the school division pays a premium based on a \$5,000 out of pocket maximum and the school division assumes the risk of the difference between the \$5,000 and \$3,000 out of pocket maximum. She added that the \$80,000 escrow amount covers the anticipated difference should all covered employees reach the \$5,000 out of pocket maximum. In addition, she noted, the plan allows the school division to put more money in the pocket of employees, which is based on historical data that reflects most employees do not exceed the \$3,000 out of pocket amount and is also a cost savings to the school division in paying premiums. Ms. Hostetter asked the Board of Supervisors to consider authorizing the School Division to establish an escrow account for to set aside unspent funding to support this program in future budget years.

Schools Superintendent Dr. Phillip Thompson added that the \$80,000 is a calculated risk, but reflects funds that do not need to be included in the "ask" every year. He also stated that the funds would be replenished annually and that the amount of difference is typically \$25,000.

Mr. Suter concurred that this amount did not need to be added to the operating budget, annually.

Supervisor Lewis stated that the funds returned to escrow at the end of the year is typically returned to the school capital escrow account and asked that everyone be cognizant to the fact that there will be fewer annual funds going into this escrow account to help be for CIP projects.

Supervisor Ayers asked how many staff members utilize the high deductible plan.

Schools Director of Technology and Human Resources Jason Kirby replied that 210 of the 500 employees utilize the plan.

Superintendent Thompson shared that the School Board and administration worked hard with incentives for employees to make the move to the high deductible plan.

Chairperson Lovell stated that it is has been gratifying that employees have been partners with the School Board in making this continued change in order to decrease the cost.

Supervisor McDaniel expressed his support to separate the presented health insurance escrow account and work out an agreement that the School Superintendent and County Administrator coordinate on setting aside funds if and when needed.

Supervisor Ayers stated that the amount could grow as the School Division has more employees move to the high deductible insurance plan.

Superintendent Thompson agreed.

Supervisor Lewis inquired about there being no increase in VRS and what impact that would have long term.

Chairperson Lovell advised that this would be the second year of the biennium and the same amount as last year would be needed.

Mr. Suter added that the state sets the amount in the first year based on exposure and employees.

Supervisor McDaniel clarified that, if salaries go up, the amount also increases.

Trustee Hostetter reiterated that the projected increase in state funding for FY 2022 (\$406,879) includes a 5% salary increase and if that 5% increase is not provided, the state revenue number will decrease.

Chairman Lyons communicated the state will fund up to a 5% increase for SOQ positions. He added that it's not an all or none scenario. The School Division will not lose money from the state if they provide a lower raise, as the expenditures would be less too. Chairman Lyons stated that a raise should not be given just to get money from the state.

School Chairperson Lovell noted that the state funding will only be available in fiscal year 2022.

Trustee Neil Whitmore added that if the money is left on the table, it will lead to Rockbridge County Public Schools getting further behind.

Trustee Hostetter expressed her sentiment that the School Division still needs to remain competitive with our surrounding school divisions to help hire and retain the highest quality staff possible.

Chairman Lyons stated that he could not justify a raise based on the state funding their portion of SOQ funds of up to 5%.

Chairperson Lovell expressed her belief that School Board members understand the different perspectives.

Supervisor Lewis stated that this is his eighth year in hearing that the state is giving support of a raise with a significant portion being left up to the locality.

Trustee Kathy Burant inquired when the last year was that the state provided help with raises.

Superintendent Thompson stated that in the past couple of years, the state usually takes money from within the state's budget that is offered to school divisions, moving lines around saying that they will offer a 5% raise. However, they never pay the full cost of a 5% raise. Rather they pay for the LCI portion, which reflects 45% of the School Division's employees. Non-SOQ positions (55%) are funded by the locality, that is, to make up the remaining balance to come out of the operating budget, which greatly impacts the school budget. This year is different in that it is truly new money coming from the state and not coming out other lines of the operating budget. Superintendent Thompson stated that he is in support of giving the 5% raise, but if the raise is not given, and the state funding is lost, he reminded those present that it is not available in the operating budget this year.

Trustee Burant expressed her sentiment that the new money this year is even more reason to provide the raise this year because it may not be available again next year.

**County Budget Update and Budget Adoption Schedule Review:**

Mr. Suter stated that the Board of Supervisors met on March 8, 2021 and the budget was balanced at that time, but knew that there were other funding updates coming. He provided details of their budget development items, noting that there are three big changes since the March 8 meeting: raises for schools, constitutional officers and jail. The County General Fund is currently \$324,161 expenditures over revenues with the largest

expenditure increases involving the transfer to the schools, the regional jail, fire and rescue, social services, and the Comprehensive Services Act for At Risk Youth and Families (CSA). He stated that there will be Finance Committee meetings over the next two weeks. Upcoming meeting dates for the FY 2022 budget are April 5; April 7; April 19 for the public hearing; and April 26, 2021 for anticipated budget adoption.

Supervisor Lewis received confirmation from Mr. Suter that the raise for the constitutional officers is 5%. (Sheriff, Commonwealth's Attorney, Commissioner of the Revenues, Treasurer, and Clerk of the Circuit Court. There are some supplemental deputy positions in the Sheriff's Office who are covered under this raise. In essence, part of the state funding is provided by the state with the locality picking up the balance on locally-funded positions.

Trustee Burant inquired what type of raise will be utilized throughout the budget process.

Mr. Suter replied that a 2% raise is anticipated for "Board of Supervisor Employees" (i.e., County departments).

#### **School Division CIP Update:**

Mr. Randy Walters, Director of Transportation and Maintenance, provided an update of the Capital Improvements Plan (CIP) that was approved on November 10, 2020. The Quinn Evans Feasibility Study was presented on May 12, 2020. Recommendations from the Feasibility Study helped to create a list of priorities. Those priorities were placed into the current Capital Improvements Plan using debt service calculations as a

guide. He stated that the current CIP is actually a seven-year plan. He referenced the highlights of the plan as the following projects:

FY 2023: top priority - Floyd S. Kay Technical Center renovation at \$4.6 million [cosmetic and infrastructure as well as to allow programming opportunities that are now available to students], with estimated \$300,000 coming off of the debt service schedule to support this effort;

FY 2025: Construction of Auxiliary Gyms at CES and RCHS at \$8.8 million, with estimated \$300,000 coming off of the debt service schedule to support these projects;

FY 2027: RCHS athletic projects at \$6.6 million, with estimated \$270,000 coming off of the debt service schedule to support this effort;

FY 2029: RCHS building renovations in FY 2029 at \$14 million, with estimated \$800,000 coming off of the debt service schedule in FY 2030 to support his project.

Mr. Walters added that FY 2022 projects have already taken place with work started at Central Elementary School for the HVAC replacement.

Supervisor Lewis inquired and received confirmation from Mr. Walters that the bleacher replacements will have railings.

Supervisor Lyons inquired if the figures provided are estimated costs.

Mr. Walters stated that the cost was provided by Quinn Evans based on 2021 prices.

Trustee Berkstresser added that there will be a cost adjustment over the years.

Mr. Suter stated that this represents the latest adjustment of the CIP. The Board's recently enacted process is having the school division

CIP rolled into the provisional CIP adopted in January. This will allow changes moving ahead. It is the practice to adopt the CIP in final format with the budget. If at a certain point, the CIP is to be adopted as revised or keep the other one. It is recommended to approve the CIP's together for budget adoption.

Trustee Hostetter inquired and received confirmation from Mr. Suter, that if the estimates change, there should be a revised document. He stated that by nature the CIP is a soft document meaning that estimate numbers need to get tight closer to the time of project for purpose of budget.

Supervisor McDaniel stated that the CIP is approved for over a number of years. This year for example, the FY 2022 numbers need to be exact and beyond that, cost figures are considered estimates.

Superintendent Thompson stated that the School Board did not request the approval of the current version and would bring back the updated CIP in October 2021 for approval.

Supervisor McDaniel inquired on the status of the Transportation Office plans, which is budgeted at \$100,000.

Mr. Walters stated that there is a basic structure plan similar to Habitat for Humanity homes with the students of Kurt Bennett [RCHS - Carpentry/Building Trades/Intro to Construction] building the structure adjacent to the Fleet Services lot, once more students can return to school.

Supervisor McDaniel inquired if the issue of who the land beside the Fleet Services facility belongs to has been resolved and inquired if there is a designated area.

Superintendent Thompson stated that it is his understanding that it is County property.

Mr. Suter stated that there has been discussion with Fleet Services Director Mr. Steve Kingery on this project.

Supervisor Day inquired if there had been consideration to building it at near the softball field.

Mr. Walters stated that the only property discussed at this point has been the property with Mr. Kingery at Fleet Services.

Superintendent Thompson stated that with COVID-19, material costs are up 50% more than pre-COVID and is not sure that the amount requested is enough at this point. Administration will take a more detailed look to Supervisor Day's point of location. He stated that Mr. Kingery would like to have the Transportation Office in close proximity to the Fleet Services facility and it is the intent of the School Board to have plans in place rather quickly before Lexington City decides to do something with the property where the Transportation Office is currently housed. He stated that the building will have at least two offices, possibly four.

Supervisor McDaniel stated that a detailed cost and location for Transportation Office needs to be determined soon.

Supervisor McDaniel inquired on the contract with Lexington Golf & Country Club (LGCC) which allows RCHS to use their tennis courts; asking when does the contract end and is it necessary for the renovation/expansion at RCHS. He stated that RCHS is landlocked and inquired how much actual space can be used for expansion. He also referenced VMI and W&L as possibilities for practice sites.

Superintendent Thompson stated that he is unsure of how the contract is structured or if there is a contract, rather an MOU of some sort when the Board of Supervisors offered funding assistance to resurface the tennis courts at the LGCC. It is desired long-term to have more courts at RCHS at the request of athletic directors and coaches. Supervisor Ayers commented that it would be nice to have updated courts so the public could utilize them after school hours. Superintendent Thompson responded that unfortunately, RCHS had nice tennis courts at one time that were vandalized by evening community use.

Supervisor Lewis stated that it was his understanding that there is no contract, but a one-time fund contribution to the Lexington Country Club.

Supervisor Ayers expressed her sentiment that it is important for a team to go where they feel welcomed, which is usually home courts.

School Chairperson Lovell expressed her sentiment that practice fields away from the home school can be problematic with young drivers. She also expressed her sentiment that our schools are used by the community in many ways.

Trustee Burant stated that she arrived at Rockbridge County High School in 1993. She went on to reflect that the school opened in 1992 and there are still no lights on the RCHS softball and baseball fields, tennis courts and that that the renovations cannot continually be put off. There have been budget cuts over the years that prevented renovations. She expressed her desire for students to be treated fairly and have opportunities, as our athletic facilities are subpar when compared to the other schools in our district.

Trustee Hostetter reiterated that the longer it is put off, the further behind the county becomes, with each year costing more money to catch up.

Supervisor Lewis stated that the safety factor is paramount, especially in correlation to young drivers.

Supervisor Lyons inquired how much money was received through the CARES Act and what the plans are for the funds.

Superintendent Thompson stated that CARES Act transfer one provided \$437,000; CARES Act transfer two provided \$1.8 million; and the Coronavirus Relief Fund provided \$438,000. The Coronavirus Relief Fund provided the bipolar ionization units to make buildings safer for teachers and students, PPE, and HVAC. There are strings with funding that makes it difficult to spend in the best way to be used.

Supervisor Lyons stated that there has been discussion of the importance of some of the smaller CIP projects. He expressed his sentiment that there may be justification of safety issues that should be taken care of right away. He stated that the CIP reflects a majority of athletics but expressed his sentiment that academics need to be taken care of. If federal funds can be used, it would free up funds for the CIP.

School Chairperson Lovell replied that she agreed, but to Trustee Burant's point, a lot of items are in the CIP because they have not been taken care of.

Supervisor McDaniel inquired if the HVAC process will be complete during the summer and received confirmation from Superintendent Thompson.

Trustee Berkstresser inquired if the phone project was on hold while looking for voice over internet.

Superintendent Thompson stated that the division is looking at options now.

Supervisor McDaniel stated that in past years, FY 2022 projects should technically not begin until July 1 into FY22. He asked when school will end and asked if there is a need to begin projects as soon as school ends versus waiting until July 1st and if that is done, will end-of-year excess funds be used for projects.

Superintendent Thompson stated that in the past, the School Board has worked with the Board of Supervisors about those types of projects and have begun even earlier when approved. The HVAC has already been agreed upon and begun. He stated that he would like to use year-end funds.

Supervisor McDaniel stated that there is good communication between the Superintendent and County Administrator so that it does not take longer to get projects done.

Mr. Suter stated that sometimes work will commence in June and will not invoice until July, in the new fiscal year.

**Additional Discussion:**

The next regularly scheduled Joint Meeting of the Rockbridge County School Board and Rockbridge County Board of Supervisors is scheduled for Thursday, May 20, 2021 at 5:00 p.m. with the location to be announced.

**Adjournment:**

Supervisor Lewis moved to adjourn at approximately 6:04 p.m. Supervisor Ayers provided the second, and the motion carried by unanimous vote by the Board.