

March 4, 2014

Clarke County Board Of Supervisors  
FY2015 Budget Work Session  
Main Meeting Room

10:00 a.m.

At a budget work session of the Board of Supervisors of Clarke County, Virginia, held in the Berryville Clarke County Government Center, 101 Chalmers Court, 2<sup>nd</sup> Floor, Berryville, Virginia on Tuesday, March 4, 2014.

Board Members Present

Barbara Byrd; J. Michael Hobert; Bev McKay; John Staelin; David Weiss

Board Members Absent

None

School Board Members Present

Janet Alger; Chuyen Kochinsky; Beth Leffel; Chip Schutte

School Board Members Absent

Barbara Lee

Staff Present

David Ash; Tom Judge

Others Present

Mike Murphy; Rick Catlett; Lisa Floyd; Val Van Meter and other citizens

Call to Order

Chairman Hobert called the session to order at 7:04 p.m.

Chairman Hobert welcomed the School Board and advised those in attendance that the purpose of the meeting was for the Schools to present and explain its FY2015 budget.

#### CCPS Proposed FY2015 Budget

School Board Chairwoman Jane Alger advised that the members of the School Board would be speaking three to five minutes each on a different area of the budget.

#### Janet Alger [Russell District] Comments – Overall Budget

Highlights of her comments include:

- The School Board adopted FY2015 budget is a needs-based budget in accordance with the Code of Virginia.
- Schools of today are different in that they are highly regulated from state to federal government, have increased accountability, increased high-stakes testing and unfunded mandates.

#### Chip Schutte [White Post District] Comments - Expenditures

Mr. Schutte advised that he would be speaking on behalf of himself and Barbara Lee [Millwood / Pine Grove District] who was unable to attend this evening. Highlights of his comments include:

- Schools proposed budget requests creation of a \$300,000 fund for distribution in accordance with the findings of the salary and compensation study. With this fund, the Schools hope to address, in the most efficient way, those employees they deem grossly underpaid.
- Budget includes VRS and state insurance increases.
- Budget is just under \$28,000,000.
- School Board is trying to be as efficient as possible.
- Budget addresses school safety and security upgrades.
- This budget reflects the impact of the small budget increases over the last 7 years.

#### Beth Leffel [Buckmarsh / Blue Ridge District] Comments – Revenue Changes and Sustainability of Programs

Highlights of her comments include:

- FY2014 Budget included a large initiative of CTE and STEM Program.

- o Will continue partnership with Valley Health Systems.
- o Will continue certified nursing assistant program at the high school that expanded last year.
- o Hired a STEM Coordinator, who started the year off with a science fair at the high school.
- o In FY2014, the Schools began a partnership with the Farm Bureau resulting in the startup of the swine project. This program reflects the agricultural nature of the County and combines agriculture programs with STEM programs.

Chuyen Kochinsky [Berryville District] Comments – Purpose of Schools

Highlights of her comments include:

- Common goals are to keep schools safe, neighborhoods safe, maintain the quality of education for all students, ensure community involvement and participation.
- Clarke’s local composite index is .5151 compared to Loudoun County’s .5616.
- Valuing land conservation, while preserving the small rural environment, controlling human and economic growth, and lowering taxes is now a major impediment to sustaining and improving the quality of the school division.

Tom Judge Review Changes FY2014 to FY2015

Mike Murphy asked Tom Judge review page 20 of the Schools proposed FY2015 budget.

**Clarke County Schools**                      02/25/14  
**Executive Summary**

<b>Fund</b>	<b>FY 14 Adopted</b>	<b>Change</b>	<b>%</b>	<b>FY 15 Proposed</b>
<i>Expenditure</i>				
<b>School Operating Fund</b>	20,637,598	1,338,365	6.5%	21,975,963
<b>Food Service Fund</b>	761,012	21,331	2.8%	782,343
<b>Debt Service Fund</b>	3,888,619	(20,971)	-0.5%	3,867,648
<b>School Capital Fund</b>	728,163	615,037	84.5%	1,343,200
<b>Total Expenditure</b>	<b>26,015,392</b>	<b>1,953,762</b>	<b>7.5%</b>	<b>27,969,154</b>
<i>Revenue: State &amp; Federal Transfers, Fees, &amp; Other</i>				
<b>School Operating Fund</b>	9,713,245	(1,619)	0.0%	9,711,626
<b>Food Service Fund</b>	761,012	21,331	2.8%	782,343
<b>Debt Service Fund</b>	119,008	-	0.0%	119,008
<b>School Capital Fund</b>	154,000	-	0.0%	154,000
<b>Total Transfers, Fees, &amp; Proceeds</b>	<b>10,747,265</b>	<b>19,712</b>	<b>0.2%</b>	<b>10,766,977</b>
<i>Revenue: Local Tax Funding</i>				
<b>School Operating Fund</b>	10,924,353	1,339,984	12.3%	12,264,337
<b>Food Service Fund</b>	-	-	-	-
<b>Debt Service Fund</b>	3,769,611	(20,971)	-0.6%	3,748,640
<b>School Capital Fund</b>	574,163	615,037	107.1%	1,189,200
<b>Total Local Tax Funding</b>	<b>15,268,127</b>	<b>1,934,050</b>	<b>12.7%</b>	<b>17,202,177</b>

Mike Murphy, School Superintendent, Review

Highlights of his comments include:

- Approximately two thirds of the requested increase in operating fund. A great portion is driven by VRS retirement, health and other insurance increases, as well as the funds for to be set aside and distributed based on the salary and compensation study.
- \$300,000 fund represents an approximate increase of 2% if the funds are spread across the board.
- Capital requests include:
  - \$225,000 for the specific safety and security improvements.
  - \$234,000 for roofing at Johnson Williams Middle School.
  - Purchase of two buses.
  - ADA accommodations provided in a five-year forecast with Boyce Elementary heading the list for upgrades.

Supervisor Questions

Chairman Hobert inquired about the job descriptions of the two safety and security specialist positions and asked if they would be cross trained.

Mike Murphy responded that the Schools were working collaboratively with Winchester City and Frederick County Schools to look at different ways to provide school resource officers. He said that the position would be a school safety employee, which would be similar to a school resource officer; but they would not carry a firearm, handcuffs, or tear gas. This position would assist in maintaining orderly conduct in the building, check parents in and out, provide perimeter security, operate on a flexible schedule to provide support at night and evening events at a specific school or across the division, provide direct support to administrators, and work with principals, counselors and law enforcement.

Lisa Floyd added that the grant included specific descriptions that were critical components such as entry and exit and liaising with law enforcement. She said that the job description was not complete; because the Schools were not yet approved and the job description must be tailored to Clarke County.

Mike Murphy continued that the Schools would work with parents, student groups, and community members to foster safe schools and communities.

Chairman Hobert asked Superintendent Murphy to clarify that the Schools preferred a model that involves hiring a security specialist as opposed to another deputy that would be accountable to the Sheriff and potentially used by the Sheriff for other functions.

Mike Murphy responded that he did but only in the sense that if the Schools were year round he would work with the Sheriff's Office. He opined that the challenge that School divisions across the country have, working with law enforcement community for SRO, is that if the SRO is on every day for the school year the Sheriff has to figure out what to do with that person for the rest of the schedule. He said that a school division employee would liaison with law enforcement and that currently the Schools meeting quarterly with the law enforcement community. Superintendent Murphy opined that he expected the frequency of the meetings would increase with the addition of the security positions. He noted that training would be in partnership with Frederick County and Winchester City.

Chairman Hobert asked the Superintendent to speak to the proposed addition of four custodial positions.

Mike Murphy responded that with the opening of the new high school, and by the Schools 23,000 square foot standard, 6 plus custodians were required for that facility. He said that the four custodians from the old high school were moved to the new; and over time, schedules were changed and positions rotated increasing staff to six custodians at the new high school to maintain the facility in it as-built condition. He said that to get these six positions the Schools cannibalized other places and done without or minimalized services in other places. Superintendent Murphy continued that with the addition of Cooley PreK-3 the Schools were adding approximately 93,000 square feet. He further commented that Clarke Schools were open from dawn to dusk and even well into the evening hours. He said that the Schools have day and evening custodians. He concluded by stating that standards could be lowered and custodians could clean larger spaces.

<u>New Positions</u>	<u>Sal &amp; Ben</u>	<u>FTE</u>
School Safety and Security Specialist	47,181	1.00
School Safety and Security Specialist	47,181	1.00
Cooley PK3 Custodian	28,368	1.00
Cooley PK3 Custodian	28,368	1.00
Cooley PK3 Custodian	28,368	1.00
Cooley PK3 Custodian	28,368	1.00
Central Office Receptionist/Compliance Clerk	31,736	1.00
HVAC Mechanic	31,974	0.50
<i>Total New Positions</i>	<b>271,544</b>	<b>7.50</b>

Chairman Hobert asked if the Schools could repurpose salaries in FY2015 as it had in FY2014.

**Positions changes.** During FY 14 \$226,000 in originally budgeted salary and benefits were repurposed to non-personnel expenditures. This enabled the Division to take advantage of funding authority in certain grants. In the FY 15 budget, these dollars are once again utilized for personnel costs, as follows:

Modifications of FY 14 Compensation

JW Counselor	57,275	1.00
Boyce Counselor	17,704	0.40
CCHS Counselor (Substance Abuse)	36,820	0.50
Alternative Education Restoration	22,129	0.50
JW IA to Librarian Upgrade	34,971	-
Boyce IA to Art Teacher Upgrade	34,971	-
ECSE IA to Case Manager Upgrade	22,130	-

*Identified Changes within Base budget* 226,000

Mike Murphy responded in the affirmative noting that the Schools have reduced less than two and a half employees over the last few years. He briefed the Board on the FY2014 repurposing efforts.

Chairman Hobert asked for clarification of the statement “repurposed to non-personnel expenditures.”

Tom Judge responded that in FY2014 \$226,000 originally budgeted for use on salaries and benefits was placed into non-personnel to maximize certain grants such as, Title I and the Lord Fairfax Pass Through.

Mike Murphy added that it was important to note that these were one-time expenditures. He informed the Supervisors that Clarke is now a Title I School Division at Boyce and DG Cooley Elementary Schools.

Vice Chairman Weiss asked about the approximately \$916,000 in capital fund carry over from last year advising that the Supervisors Finance Committee had questioned whether these funds could be used in FY2015 to lower the Schools’ request.

Mike Murphy responded that the \$932,000 included the \$300,000 for the ERP system, which reduces funding to \$632,000. He added that the Schools budget for safety and security jumped \$136,000 leaving about \$450,000 in actual building-type capital expenditures. He explained that the reason he was protecting those funds was to replace cameras or anything electronic related to schools safety and security, as well as lighting upgrades at DG Cooley, painting, fencing, HVAC replacement. He said that the Schools could trim a little bit but he would prefer not to lose any of these funds.

Supervisor Staelin asked questions about the School Funding History found on page 54 of the Schools’ Proposed Budget document. He remarked that the middle section, predominately state funding, is off by about \$800,000 or 7% in 5 years; and the local section at the bottom is up by 13% or \$1.8 million.

### School Funding History

Source: Joint Administrative Services

Fund	FY 09 <i>Adopted</i>	FY 10 <i>Adopted</i>	FY 11 <i>Adopted</i>	FY 12 <i>Adopted</i>	FY 13 <i>Adopted</i>	FY 14 <i>Adopted</i>	FY 15 <i>Proposed</i>
<i>Expenditure</i>							
School Operating Fund	20,303,923	19,358,114	18,931,781	19,048,085	20,542,386	20,637,598	21,975,963
Food Service Fund	749,260	765,581	759,952	780,232	754,252	761,012	782,343
Debt Service Fund	3,529,168	3,494,057	3,636,438	4,122,196	4,034,879	3,888,619	3,867,648
School Capital Fund	484,650	518,585	690,400	844,918	504,200	728,163	1,343,200
<b>Total Expenditure</b>	<b>25,067,001</b>	<b>24,136,337</b>	<b>24,018,571</b>	<b>24,795,431</b>	<b>25,835,717</b>	<b>26,015,392</b>	<b>27,969,154</b>
<i>Revenue: State &amp; Federal Transfers, Fees, &amp; Other</i>							
School Operating Fund	8,991,411	8,745,532	8,943,033	8,966,628	9,670,210	9,713,245	9,711,626
Food Service Fund	749,260	765,581	759,952	780,232	754,252	761,012	782,343
Debt Service Fund	1,620,855	472,859	218,070	147,673	136,746	119,008	119,008
School Capital Fund	180,000	180,000	154,000	154,000	206,510	154,000	154,000
<b>Total Transfers, Fees, &amp; Proceeds</b>	<b>11,541,526</b>	<b>10,163,972</b>	<b>10,075,055</b>	<b>10,048,533</b>	<b>10,767,718</b>	<b>10,747,265</b>	<b>10,766,977</b>
<i>Revenue: Local Tax Funding</i>							
School Operating Fund	11,312,512	10,612,582	9,988,748	10,081,457	10,872,176	10,924,353	12,264,337
Food Service Fund	0	0	0	0	0	0	0
Debt Service Fund	1,908,313	3,021,198	3,418,368	3,974,523	3,898,133	3,769,611	3,748,640
School Capital Fund	304,650	338,585	536,400	690,918	297,690	574,163	1,189,200
<b>Total Local Tax Funding</b>	<b>13,525,475</b>	<b>13,972,365</b>	<b>13,943,516</b>	<b>14,746,898</b>	<b>15,067,999</b>	<b>15,268,127</b>	<b>17,202,177</b>
<b>General Fund Balance Usage (pay-as-you-go)</b>				247,227		200,000	

Superintendent Murphy thanked Mr. Staelin for pointing this out and added that the state and federal governments have forced the burden or responsibility of public education onto the localities.

Vice Chairman Weiss commented that almost every year since 2003, when he joined the Board of Supervisors, taxes have been raised; and the majority of that revenue has gone to the School system for capital and/or operating.

Chairman Hobert thanked the School Board for its presentation, for providing an opportunity for the public to view the Schools' budget and expressed appreciation for the work done by Superintendent Murphy.

#### Adjournment

There being no further business to be brought before the Board at 7:52 pm Chairman Hobert adjourned the Board of Supervisors FY2015 Budget Work Session.

#### Next Regular Meeting Date

Approved March 18, 2014

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The next regular meeting of the Board of Supervisors is set for Tuesday March 18, 2014 at 1:00 p.m. in the Berryville Clarke County Government Center, Main Meeting Room, 101 Chalmers Court, Berryville, Virginia.

ATTEST: March 4, 2014

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J. Michael Hobert, Chair

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David L. Ash, County Administrator

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Minutes Recorded and Transcribed by:  
Lora B. Walburn  
Deputy Clerk, Board of Supervisors