

At the budget workshop meeting of the Giles County Board of Supervisors held on Thursday, May 23, 2018, at 5:30 PM, in the Giles County Administration Office, 315 North Main Street, Pearisburg, the following were present unless noted absent:

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| Jeff Morris | Chair (Central District) |
| Richard McCoy | Vice-Chair (At-Large Supervisor) |
| Larry Jay Williams | Eastern District |
| John C. Lawson, Jr. | Western District |
| Paul "Chappy" Baker | At-Large Supervisor |
| Chris McKlarney | County Administrator |
| Rhonda Tickle | Finance Director |
| Richard Chidester | County Attorney - Absent |
| Missy Bray | Board Secretary |
| Giles County Public School Representatives | |
| Marion Ballard | School Board Chair/Western District |
| Stevie Steele | School Board Eastern District |
| Dr. Terry Arbogast | School Superintendent |

CALL TO ORDER

Mr. Morris called the work session meeting to order.

BUDGET SUMMARY

Mr. McKlarney presented a budget summary with level funding as advised by members at the last meeting. He related there were line items that had increased due to things such as the insurance changes. Mr. McKlarney presented items such as projected revenues, general fund transfers, anticipated leases, along with a decrease in the machinery and tool valuation. He related the general fund transfer required with level funding for the upcoming fiscal year would be approximately \$415,000.

SCHOOL BUDGET DISCUSSION

Dr. Arbogast related School Board members had several meetings within the schools as well as a retreat in February gathering information to develop a proposed budget for the schools. He related the proposed budget is what the schools need to help the kids. He highlighted areas of the proposed school budget as well as proposed increases and related he anticipates increased funding from the state. This increase will require local match in the amount of approximately \$445,355, which is \$127,000 more in local funding than the previous year. Members discussed state funding uses and required match.

Dr. Arbogast related the proposed budget includes a request for two new buses to update the fleet, however he feels five new buses are needed. Members discussed options and loan rates.

Dr. Arbogast informed members the proposed budget includes additional teacher assistant positions, which would enable each kindergarten class to have an assistant as well as two in each school to be utilized in other grades. He explained the need for a floating nurse in the schools to cover when others are out and the increased demand of medical needs of students. Mr. Ballard related he had recently seen a report where the nurse at Macy had seen 89 children in a day.

Dr. Arbogast related a need for reading specialists in kindergarten through third grades indicating there would be one assigned to each elementary/middle school. He cited a need for an additional Spanish teacher at Giles High School as well as a request for assistant principals at each elementary/middle school. Members discussed student counts at each school and additional requirements and issues principals encounter. Members inquired if redistricting would ease any of the burden on the schools with the higher student counts.

Dr. Arbogast stated an additional Speech/Language Pathologist is needed in the schools and an increase should be added to the coaching supplements. He related an increase for each employee was also included in the proposed budget with the calculation based by category and by years of experience. Members discussed the calculation and the need to insure the starting pay was increased for teachers instead of making the gap wider. Mr. Steele indicated the school board would be glad to take another look at the calculation if funding was provided for the increases.

Dr. Arbogast related an increase in the STEM program, fuel and the need for a ten-passenger van for athletics. He indicated the teachers can no longer drive the smaller buses without a CDL due to new state requirements. Dr. Arbogast explained a needed increase for FTE relating to the Tech Center for the purchase of materials for programs. Members discussed donations to the Tech Center programs, and Ms. Tickle stated a list of valuation of the donations should be kept for audit purposes. Dr. Arbogast related an increase in HSA funding and overhead expenditures and stated he did not anticipate any carryover funds. Mr. McCoy inquired about the overhead expenditures. Dr. Arbogast stated the overhead was expenditures over and beyond the FY 2017-2018 school year budget. Ms. Tickle explained the budget is based on certain revenues and sometimes they do not get changed. Members discussed various items of the proposed budget at an increase of \$1.7 million to the county contribution.

Members discussed the lack of a state budget and the difficulty it poses to localities to make informed decisions. Mr. McCoy inquired about proposed raises at the state level. Mr. McKlarney related there were none of which he was aware but there might be a three percent increase proposed in December.

Members discussed the need to educate school staff and the public on the process and the need for increased school funding from the state. They also discussed student numbers and the desire to include the pre-K classes in the ADM number. Mr. Steele inquired if members would be willing to help with salary increases if the state does not come through with funding. Members discussed the amount of tax increase it would take to fund the proposed budget. Mr. Ballard indicated this proposed budget is to fund

functional stuff for the students. Mr. Steele stated the proposed budget might not be realistic but it is what they need to teach the kids. Mr. Williams indicated members would do what they could to help but could not allow continued increases to be detrimental to the county. Members discussed the need to set tax rates early in order to get tax tickets out in a timely manner. Mr. Steele stated he would like to better understand the process in order to know what can and cannot be done. Members discussed various options in the proposed budget. Mr. McKlarney related members need to continue to have these types of conversations and indicated the compensation committee would be the best thing to happen in a long time. He also indicated the budget would need to be advertised for two weeks prior to the hearing. Mr. Steele requested school board members be advised and be able to meet again prior to a decision being made. Mr. McCoy related the county could not continue to sustain funding increases each year indicating the state needs to provide additional funding for schools.

Mr. Steele related the proposed school budget does not include a facility assessment or any facility improvements stating the assessment is needed in order to be non-reactive. He indicated an RFP has been drafted and is ready to be sent out. Mr. McKlarney related he had received two phone calls implying people believe the assessment is a ploy to get consolidation. Mr. McCoy related the assessment needs to be done when the state comes through with additional school funding adding he was not suggesting there is not a need for the assessment. He related Giles County schools are immaculate compared to some he had seen.

COUNTY BUDGET WORK SESSION

Mr. McKlarney presented the draft county budget. He related information regarding anticipated revenues including tool and machinery taxes, which would not include pipeline equipment unless the project was still underway on January 1, 2019. Members deliberated about upcoming special elections and requirements of the county.

Members examined each departmental budget. While discussing the Fire and Rescue budget, Mr. Williams informed members he had received a request from Eggleston Fire Department on a surplus Tracker from the Sheriff's Office.

Mr. Williams made a motion to transfer ownership of the surplus tracker from the Sheriff's Office to Eggleston Volunteer Fire Department. Mr. Baker seconded the motion. The motion was approved 5-0 as follows: Voting Yes: Mr. Baker, Mr. Lawson, Mr. McCoy, Mr. Morris, and Mr. Williams

Mr. McKlarney related there is \$165,000 built up in the fire department fund to be used on trucks. Members talked about the need for new air packs, and Mr. McKlarney related five to six departments had applied for grant funding on new air packs but not all.

Members discussed Day Reporting. Mr. McKlarney informed members Pulaski County had expressed interest in starting a Day Report program in combination with the one in Giles. He will check on the progress.

Members deliberated on Animal Control. Mr. McKlarney related the two part time employees had both left and a full time employee will be leaving within a year. A new full-time officer was being obtained to fill that gap.

Members discussed the request from the schools to reacquire custodians. Mr. McKlarney stated he had informed school administration they would get no more than what the county had spent to maintain the custodians and supplies. Members discussed various options of employee transfers as well as the need for the schools to supervise them.

Mr. Williams stated someone needs to meet with the Health District due to reduced service in the county. He also related he would like to provide funds to Social Services to increase the starting pay by \$1,000. Mr. Morris stated he did not know how it could be put toward starting salaries with all the job changes in the department. Members discussed the turnover rate and if giving an increase was appropriate.

Members discussed budget issues and various options as well as tax and water rates. They deliberated on the school budget requests and options. Members concurred the match for the increased state funding should be covered. They discussed bus options and loan rates as well as the need for adding newer buses to the fleet.

Members discussed the draw from the general fund and how that could affect the state audit potentially flagging the county as a distressed locality. Members agreed to have a work session following the next meeting.

ADJOURN

With no further business, the meeting was adjourned. The next Board of Supervisors meeting will be held on Wednesday, June 6, 2018, at 3:00 PM. The session will be held at the Giles County Administration Office located at 315 North Main Street, Pearisburg.

APPROVED:

Chair

ATTEST:

Clerk

May 23, 2018