

JOINT BUDGET WORK SESSION – BOARD OF SUPERVISORS/SCHOOL
BOARD
STAFFORD, VIRGINIA
MINUTES
April 19, 2018

Call to Order A joint budget work session of the Stafford County Board of Supervisors and the Stafford County School Board was called to order by Meg Bohmke, Chairman, at 5:45 p.m., on Thursday, April 19, 2018, in the A/B/C Conference Room, 2nd Floor, George L. Gordon, Jr., Government Center, 1300 Courthouse Road, Stafford, VA.

Roll Call The following members were present: Meg Bohmke, Chairman; Gary F. Snellings, Vice Chairman; Jack R. Cavalier; Thomas C. Coen; Wendy E. Maurer; and Cindy C. Shelton. Mark Dudenhefer was out of town and unable to attend.

Also in attendance were: Thomas C. Foley, County Administrator; Fred Presley, Deputy County Administrator; Maria Perrotte, Chief Financial Officer; Andrea Light, Budget Division Director; Marcia C. Hollenberger, Chief Deputy Clerk; associated staff and other interested parties.

Attending from the School Board was Patricia Healy, Chairman; Sarah Chase; Jamie Decatur; Irene Egan; Holly Hazard; Dewayne McOsker; and Pamela Yeung; School staff included Superintendent, Dr. Bruce Benson; Assistant Superintendent, Pamela Kahl; Chris Fulmer; Scott Horan, Matthew Townsend, associated staff and other interested parties.

Ms. Bohmke welcomed everyone and said that this would be the final joint budget work session; that both Boards were in the throes of budget and Capital Improvement Program (CIP) discussions and adoption. A special Board of Supervisors (Board) meeting is scheduled for Tuesday, April 24, 2018, for the Board to consider adoption of the CY2018 tax rates. Ms. Bohmke noted that the County Administrator's proposed budget was for a tax rate of \$0.965 per \$100 of assessed value while the Board's advertised tax rate was \$.099 per \$100 of assessed value. She said that while the Board could adopt a rate under the advertised rate, it could not by law go above it without advertising and holding another public hearing. On Wednesday, May 2nd, between 2:00 and 4:00 p.m., the Board will hold its final work session (in the Board Chambers) and plans to adopt the budget at that meeting so as to permit time for the Schools to get contracts to its teachers.

The School Board presented its list of CIP projects in priority order. They were: 1. Purchase and renovate Fredericksburg Christian School (FCS) and make improvements to the Gari Melchers complex with the opening needed in fall, 2019 (FY2020); 2. Rebuild or renovate Ferry Farm ES with the opening needed in fall, 2023 (FY2024); 3. Build high school #6, with the opening in fall 2024 (FY2025); 4. Rebuild Hartwood Elementary School (new site), opening in fall 2025 (FY2026); and 5. Build elementary school #18, opening fall 2027 (FY2028).

It was noted that the purchase of FCS would provide 20 new classrooms needed in fall 2019 and would give space for Head Start in the northern end of the County. Renovations to the Melchers' complex would give parity to and space in the southern end of the County. Renovations or a rebuild of Ferry Farm ES was initially brought up ten years ago but there has been no movement on it. Rebuilding Ferry Farm ES would give space for an additional 250 students at that location. A new site is necessary for a rebuild of Hartwood ES, although Ms. Hazard said that the Schools' wished to keep the current Hartwood ES in its inventory for future use. The new site should have access to County water and sewer as currently, Hartwood ES is the only school on well and septic, which is not sufficient to meet the needs of the students, faculty, and staff. Regarding building ES #18, it was noted that rebuilding Hartwood ES could be viewed as ES #18 as it would be a new school. Ms. Light indicated that the Schools' projected dates were not within the County's financial parameters.

Ms. Hazard said that the above-referenced list was not new; it was formed last summer when the purchase of FCS became known; it seemed as if the stars aligned at a time when additional enrollment capacity was needed. She said that elementary schools were operating at 93% capacity; there were 230 Pre-K students; 11 of 17 elementary schools were closed to transfers; Conway ES and Burns ES would not be under 90% capacity for long; Widewater, with 40 new students would be at 100% capacity; Hartwood ES and Rocky Run ES were both at 100% capacity; Margaret Brent ES and Winding Creek ES were also at 100% capacity. Ms. Hazard said that the need for high school #6 was heard loud and clear. She added that system capacity was considered to be 88% across the Division and every 93 students raised that number by 1%.

Dr. Chase thanked the Board members that visited FCS and for keeping an open mind about that purchase. Ms. Yeung noted that as development occurs and enrollment grows, there is a need for additional schools and more classrooms to keep smaller class sizes; she added that this was not a Republican or Democratic point of view but was about the kids, teachers, and space needs.

In speaking about Ferry Farm ES, Mr. McOsker said that it was built in 1957 and not a lot of work had been done to the school since that time except for the planned \$10 Million upgrade that was supposed to get the school to 2017 for a rebuild that did not happen. He spoke about parity, long-time tax payers, moving students not being fair, and asked that something be done at Ferry Farm ES.

Mr. Cavalier spoke about parity and asked if FCS was not purchased, would the renovations at Melchers be taken off the School Board's priority list. He said that FCS was on the list of considerations with the Joint CIP Committee met but Melchers was never discussed. Ms. Yeung said that the Melcher's renovation would not come off the list. Ms. Healy said they would have to reevaluate resources as the purchase of FCS only came up this year and while she was skeptical at first, she looked at it and it appeared to be a good investment that could be used for a Head Start program in the northern part of the County, which would alleviate daily hours

and long bus trips for four and five year old children. She said that it would provide relief to the County and could be brought up to standards and fully renovated for about \$10.5 Million rather than the \$40 Million cost to build a new school. Mr. Cavalier said that he did not dispute that Melchers needed renovation but asked why it was not brought up before now or to the Joint CIP Committee. Ms. Healy said that it was not a north/south issue. Mr. Cavalier said that it was important to have complete parity. He commented to Mr. McOsker that \$26 Million was not enough to rebuild Ferry Farm ES, but it may be enough for renovations, and asked Mr. McOsker to choose an option and provide the Board with complete costs either way. Mr. McOsker said that the renovation costs were done in an old evaluation and had to be rerun. Mrs. Maurer agreed that Ferry Farm ES was a priority and that delaying renovations (or a rebuild) was not a good idea. She spoke about “racking and stacking” priorities and noting those with which the Schools’ could pay cash (such as a new HVAC system or something similar), which would get the project going. She asked for a laundry list of needs. Ms. Bohmke asked about the students having to be relocated during the work on Ferry Farm ES and if that had been worked into the equation and would trailers be used. Ms. Healy said that the Ferry Farm rebuild numbers came from Scott Horan and in FY22, the rebuild would be \$38.3 Million; in 2032, it would be \$52.2 Million. Renovations in FY22 would be 24.542 Million; and in FY2029, they would be \$30.197 Million. Mr. McOsker asked Mr. Horan if the cost of renting trailers was included in the cost projections. Mr. Horan said that it was included. Mr. Coen said that he echoed Mr. McOsker’s statement that something had to be done with Ferry Farm ES, sooner rather than later as nothing had been done there for ages. He asked for a laundry list and a breakdown of what could be done in what years. Mr. Cavalier said that there were three elementary schools on the priority list; he agreed that there was a need to work on Ferry Farm ES and that it would add capacity at the elementary school level. Mr. McOsker talked about the possibility of placing a classroom, or classrooms, in the basement, which was not a real option due to air quality issues, etc.

Mr. Cavalier said that Hartwood ES should be the next priority, but said that enrollment numbers did not support building three new elementary schools and the need for that many extra seats. He asked how the School Board justified that expense. Ms. Healy said that the numbers were projected out 10 years and if elementary school #18 is not needed, it would not be built, and the last priority would drop off the list. She added that there was no way to tell how many students would have to be accommodated in 10 years and if the economy was good, there would be the need for another school as people would be moving into the County. If there was an economic slump, that may not be the case. Mr. Cavalier said that it was not affordable; that all of the priorities were over the CIP capacity. Ms. Healy said that they were not asking that the money be spent now but in the out-years. Ms. Decatur said that she agreed with the need to renovate or rebuild those elementary schools that were built in the 1950’s, and that Hartwood ES needed a rebuild. She said that the purchase of FCS would add classrooms that were needed now; she realized that the other projects would exceed debt capacity at this time but they were scheduled for out-years.

Mr. Coen said that basement classrooms were not the best and bringing them up to speed and making them usable would be cost prohibitive. He suggested redoing the library and not the basement; turning the library into a 20th century space. Ms. Hazard spoke about the west/east struggle if some capacity was not added and some schools in the southern part of the County being at 105% capacity. She said that if some of the approved development in the Hartwood area got going, Hartwood ES would exceed 105% capacity. Ms. Hazard said that Pre-K and special education enrollment numbers continued to grow. Mrs. Maurer asked about enrollment capacity at the new Moncure ES. In response to Mrs. Maurer's question about furniture, Ms. Healy some of the furniture from the old Moncure ES would be moved to the new school but not all of it could be repurposed; but if the old Moncure ES was renovated, the furniture there could remain and be reused. Ms. Healy added that different furniture was needed for Pre-K and special education students. She said that it was a rumor that the Board was considering reusing the old Moncure ES and if that rumor was confirmed, the School Board could do more homework on that proposal. Ms. Egan asked if students are put back into the old Moncure ES, how they would explain the dangers there, which is why a new Moncure ES was being built.

Mr. Cavalier said that using the old Moncure ES was hypothetical at this stage. He asked about putting Pre-K, a northern Head Start, and the Alternative School students at the old Moncure ES, and if all three groups would fit into the footprint of the old Moncure ES. Dr. Chase said that she would not want three-year old children in the same school with the bad kids who had to attend the alternative school. Mrs. Maurer said that not all "bad" kids attended the Alternative School; that her son attended the Alternative School and not because he was kicked out of Mountain View HS. Ms. Healy said that they could make anything work and that staff would look at it and put together the cost for renovating the old Moncure ES. She said she'd heard about Pre-K and Head Start but not heard a rumor about moving the Alternative School. Mr. Snellings said he was confused; that if it was just a rumor, how come he asked Dr. Benson about it that morning and eight hours later there was an answer. Ms. Decatur said it was discussed by the Joint CIP Committee. Dr. Benson said that renovating the old Moncure ES was on and off the table and talked about renovation costs so that it could serve Pre-K and Head Start needs. He added that there were other issues with the Alternative School, some of the students paid tuition, and some that would have travel time issues if the Alternative School was moved to north Stafford. Ms. Bohmke said they should look at where those students lived and asked that they do a feasibility study. She wondered about the marketability of the old Moncure ES site as she was not convinced that big box retail would still be interested in that site. She said that when the idea of purchasing FCS came on line, she thought that a big concern was filled and all Pre-K and Head Start would be located there, thus freeing up much needed space in the other schools. Ms. Hazard said that the advantage of FCS was that it was a buildable site ready for school, whereas use of the old Moncure ES was not immediate. She talked about opening FCS then redistricting, which would be very difficult when considering moving children that were just moved into the new Moncure ES. Ms. Hazard added that if the old Moncure ES was on the table, there was a lot of work to do there but that both that and FCS were needed to maximize space and enrollment capacity, adding that FCS was a "god-send."

Mr. Coen thanked those who helped out with Student Government Day, which concluded prior to the start of the joint budget work session. He then asked what Pre-K growth was projected to be. He said that if 20 of the 21 classrooms at FCS would be utilized right away, did that not mean that classrooms in the other elementary schools would have to be used for Pre-K again; he said he thought that FCS was a short-term solution. With Moncure ES, there would be 36 classrooms available and if they started out with 20, there was room for growth and there would not be a need for another full-fledged elementary school. Mr. Coen asked again for a laundry list of the Schools' needs.

Mr. Cavalier spoke to Ms. Healy's reference to a rumor, saying that it was an idea, not a rumor. He said he was not completely comfortable with a renovation of the old Moncure ES; that it was an old school but not as old as Ferry Farm. Ms. Yeung asked Mr. Cavalier if he had ever visited Moncure ES. Mr. Cavalier replied that he had been there many times. Ms. Yeung asked if he ever spoke with the principal there. Mr. Cavalier said that he had probably been there and spoken with the principal more times than Ms. Yeung. Ms. Yeung told Mr. Cavalier that he did not know (inaudible)... Ms. Decatur said that Moncure ES was presented as part of the CIP discussions. Mr. Cavalier agreed with Ms. Decatur.

Mr. Foley referred to the hand-out with the summary of projects, saying that staff took the projects and plugged them into the out-years to determine debt capacity and how it fit with the model. Ms. Yeung asked, "What model?" Mr. Foley said it was the financial planning model. Ms. Light talked about ramping up money for the new courthouse. Ms. Healy spoke about year FY2020 where the available funding was \$55 Million and about moving projects up to that year. Mr. Cavalier said the County had to build a courthouse. Ms. Healy talked about flexibility. Mr. Foley said that if a project is moved up, debt service moved up, too.

Mrs. Maurer asked about the change in enrollment projections between the Joint CIP meetings and the December projections and there being a significant discrepancy. She asked why they were double the original projections. Dr. Benson said they were not talking about a few months but years' worth of growth projections. He said that enrollment was cyclical and numbers could and would change from year-to-year. Mrs. Maurer talked about statistical deviations and asked why the numbers were doubled. Ms. Healy said that Mr. Horan worked with and was in lockstep with Jeff Harvey, Planning and Zoning Director, in looking at approved subdivisions and proposed development schedules, all of which affected enrollment projections. Mr. Horan talked about changing data points and the number of kids coming and going and the volatility of the numbers based on the economy and build-out of the already approved developments.

Mr. Horan said that Matt Townsend was working with local developers and the numbers were better than in previous years. Mrs. Maurer said that there was still a 50% statistical deviation and wanted to know what had changed. Mr. Horan said that construction data was constantly changing and enrollment assumptions would be better as better information was gathered from

the developers. He added that he was confident in the model and that next year's numbers would be even better. Mrs. Maurer mentioned the over-arching elementary school numbers and comparing one set of numbers to another (from September to December) and seeing a dramatic difference, which led her to question the model being used. Mr. Horan said he would dig down into the complexities of the model and provide an explanation as to why each year was different. Mrs. Maurer said she needed an explanation before making a \$165 Million decision. Mr. Horan responded that that was fair enough.

Ms. Bohmke said that when Shirley Heim MS was opened, it was half empty, yet the School Board had done its research indicating the need for another middle school. Mr. Horan said that in 2008, the economy slowed down, which led to a decrease in home building. Ms. Healy said that the School Board presented its wish to build one new middle school in the central portion of the County or one in north Stafford. She said she was amazed and thrilled with the Board's foresight when it recommended building both Dixon-Smith and Shirley Heim middle schools. But the actual projected needs at the time were for only one new middle school.

Mrs. Maurer talked about budgeting and statistically speaking, for every \$1 Million spent, the Schools gave up one teacher; that by rebuilding Stafford HS at a cost of \$70 Million, they gave up 70 teachers for 30 years. She said there were not two pots of money and that money borrowed had to be paid back; that if Stafford HS had been renovated rather than rebuilt, the difference in those two costs could be used for operations. Ms. Hazard said she talked to developers about build-outs when she was on the Planning Commission. She said that some developments were just now being built and developers were in catch-up mode from the 2008 depression. Ms. Decatur talked about reasonable differences in the numbers and there being more students at Widewater ES than projected. Mrs. Maurer said the revised projections had 100 more students' year-over-year. Ms. Decatur said that sometime it worked out that way. Ms. Bohmke asked about looking at the modeling year-by-year. Mr. Horan said they would look at the differences and provide a more detailed analysis; that the 10-year window and adjusted models and methodology were very sound. Ms. Bohmke said that it was a conversation for the Joint Committee.

Mr. Foley asked about proceeding with the purchase of FCS, saying that it would be included in the Board's final budget work session and spoke about the timing of the agreement and when was it needed. If FCS was not purchased then analysis on the remodel of the old Moncure ES needed to be done; and questions about Ferry Farm were still out there unanswered. He said that the Board would have additional discussions at its meetings on May 1st and May 2nd.

Ms. Bohmke brought up redistricting. Ms. Healy said there had been no formal discussion about redistricting but they talked about the impact of FCS; possibly moving Head Start out of Melchers; and making room for Pre-K in the southern part of the County. She said that a look at County-wide redistricting was not done due to lack of capacity and the need for two more Pre-K classrooms next year and the School Board not being sure where to put them. Mr.

Snellings spoke about unfunded mandates for special education children who spent two hours or more on a bus each day. There were a total of 48 two year olds in the program; pre-school was for the three and four year olds. Dr. Benson pointed out that the two year olds were handled differently with different priorities.

Mr. Snellings pointed out that even if the Board went with raising taxes and the \$.099/\$100 of assessed value, it would not fully fund the School Board's requested budget; that would take \$1.05/\$100 of assessed value. Ms. Yeung asked if it could be raised to \$.0995. Mr. Snellings said no because that was above the advertised rate. Ms. Bohmke said that on Page 9 of the School Board's budget was the reference to the 2.5% cost of living allowance (COLA). She asked about the difference in market-based and service-based including bus drivers, paraprofessionals, monitors, etc. She said that Spotsylvania was giving its teachers a 4% increase and wondered where they were getting the money. Mr. Snellings said that the gap between the County and Schools' budget in Spotsylvania was only \$2 Million, whereas the gap in Stafford was \$13.4 Million; which could not be made to work even with a three cent tax increase.

Ms. Bohmke asked where the Schools' could decrease its requested budget and where cuts could be made. Mr. McOsker said that the School Board took the Superintendent's budget and used a typical model, looking at special education needs; pay raises; market-based compensations; and actually cut \$680,000 by decreasing the number of new teachers to 16 from 20 from the Superintendent's budget. Ms. Decatur said it was a zero-based budget. Mr. Fulmer spoke about a last year to this year comparison and the salary lapse, compensation and benefits, a \$3 Million savings from Virginia Retirement Systems (VRS), and cutting four growth positions from general education. He said there was a detailed list on the Schools' website and that on the last page of the budget summary, it was noted that \$1.5 Million was cut from last year to this year. Mr. McOsker said including increases and decreases, the total difference in FY18-FY19 was \$17.4 Million.

Mrs. Maurer said there were 86.5 new positions and asked about the statistical anomaly with added positions and \$2.4 Million in unfunded State mandates. She asked about the deviation between where the Schools were and what the State mandated; that on the spreadsheet provided by the Schools, it appeared that the number was four times greater than the State requirements. The State report showed that Stafford County was significantly higher than every place else.

Mr. McOsker said that nurses were not State mandated but you could not run a school without them. Mrs. Maurer said she would fight to the death on unfunded mandates but the numbers she was given were wrong; she said she had to depend on being given correct information before taking up the fight. Ms. Decatur asked Mrs. Maurer about which numbers she was speaking. Mrs. Maurer replied that there were 4.5 special education positions listed. Dr. Chase talked about a classroom with autistic children and one child having a meltdown, which the teacher and/or paraprofessional was dealing with, leaving the other seven children in the

classroom unattended if Schools went strictly by State mandated numbers. Dr. Chase said if a student's IEP required a dedicated paraprofessional, the child had to have a dedicated paraprofessional and that added to the required number of special education teachers and paraprofessionals. Mrs. Maurer said the document she was given did not support that statement. Mr. McOsker spoke about "must do" vs. compliance. Dr. Benson said that the information shared with the Board discussed the difference between State standards vs. school standards. Mrs. Maurer asked again what was required by the State. Dr. Benson said considering the student's needs was the most important thing. Mrs. Maurer said there was a difference in "should" vs. "must." Dr. Benson said that staffing needs varied. Mrs. Maurer said that she appreciated that but the County could not afford a \$17 Million budget increase and the Schools' would have to choose between pay increases vs. staffing at four times over the State standard. Dr. Benson noted that Stafford's paraprofessionals were the lowest paid and out of market.

Mr. Cavalier said that he totally supported the 2.5% COLA and wished it could be higher and then talked about categorical funding. He said that the Sheriff was the head of security in the County and the head of the Security Task Force, and he (Mr. Cavalier) relied on him the most, which raised a big fiscal issue in putting School Resource Officers (SRO) in each elementary school, at Head Start, and at the Alternative School. Mr. Cavalier described a pilot program in Prince William County where retired deputies, those whose certifications were still active, were placed in the elementary schools; they were trying it out for a year and suggested that maybe Stafford would also want to try it. Ms. Egan said that maybe Stafford County should wait and see how it worked out in Prince William County. Ms. Hazard said, "The devil was in the details" and she did not want the Reader's Digest version; she needed more details before agreeing to Mr. Cavalier's suggestion. Ms. Healy asked about the duties of the retired deputies. Mr. Cavalier said their duties were the same as SROs in the middle and high schools. Ms. Healy said she was confident in the Sheriff and asked that he let the School Board know more about the program. Mr. McOsker asked about the cost and if the Board could use the tax rate increase to fund it, or get the money into the base budget. Dr. Benson said he would like to hear more about it so long as they were officers in good standing and had all the necessary certifications to carry weapons and perform the duties of a SRO.

Dr. Benson said he echoed what Mr. Coen said earlier about renovating libraries in the schools where it was needed. He said that libraries had a positive impact on all students and should be a 21st century space that would move forward in future years. Mr. Coen said that \$1.05 was not advertised; that the tax rate would be \$.0965 or up to \$.099 and asked what the School Board's priorities were if the higher tax rate was adopted by the Board. He said that the Board's purpose for advertising the higher tax rate was out of respect for the School Board and so that the 2.5% COLA would not be touched as it was in the past. He asked for each individual member of the School Board to say what their priority was.

Ms. Egan said that her priority was the COLA, market adjustments, and cutting growth positions if necessary. Ms. Yeung said that this was a great idea and her priority was sensitivity and diversity training adding that guns were very dangerous. Mrs. Maurer said that Spotsylvania's raise was 4% to teachers and 2% to administration and said it was worth looking into that in Stafford; that the difference was six figures. Ms. Decatur said she ran the budget numbers on her own and looked at Mr. Foley's recommendation for funding and if it were approved, it would fund the 2.5% COLA but not fund nurses who were a "need" not a "want." She said the Schools' could do without a person to do furniture inventory. After last year taking away the 2.5% raise, Ms. Decatur said she lost sleep and felt terrible, and it was her priority this year.

Ms. Hazard said that her priority was focused on increased compensation. Dr. Benson said that compensation should be market-based; that the County was looking at that too, and the Schools' were out of market. Ms. Bohmke said she knew that was true and the Board and School Board should work together on what to offer all employees and get each one to the middle of market; that the two Boards should work together. Ms. Healy said the first order was compliance and making sure that the Schools were truly compliant. She added that compliance was non-negotiable. Ms. Healy said that she believed that all employees should get 2.5% and not differentiate between staff and administration; that without administration there would be no schools. She said that lowering administration's raise was sending a message that they were not important and she disagreed with it, then she thanked Dr. Benson for his role in making progress getting staff towards the median and teachers would not flock to Stafford County if they were at the bottom of the pay scale, nor was it good for retention of current staff.

Mr. McOsker said that his first priority, aside from Ferry Farm ES, was pay raises; that he believe the 2.5% COLA should be across the board and that compliance must also be on the to-do list. He added that bus drivers, monitors, and paraprofessionals should be brought up to market. Mr. McOsker said that if the Board paid the entire cost of the COLA (\$5.2 Million), it would take a huge burden off the backs of the School Board and would take the angst out of the budgeting process.

Ms. Bohmke said that she and Mr. Foley had just spoken about commonality and how it was handled in Albemarle County; that it would be good for the Board and the School Board in future years. Mr. Foley talked about a joint compensation strategy and teachers being treated differently on raises, which were based on market data and weighted differently than administration. More money was spent to get the teachers caught up. He said it would not fit with how things were done here; that all non-classified positions got the same raise across the board. It makes sense based on a market-data approach. Albemarle also benchmarked localities that were in a similar market. The two Boards spent a year to get in full agreement as to what the similar market was.

Mr. Foley said that in Stafford, the Board and School Board did not work well together; there was no strategy or joint decision making on how to get to market without arguing about it. He said that in Albemarle, Schools and the County shared the same self-insured pool, as well as the same compensation and benefits packages. Dr. Benson said they should not pick 27 comparison localities. Ms. Healy said she promised to make sure the Administrative Assistants in the Schools were where they needed to be as they, too, were under market. Ms. Yeung said the market study should have the same job descriptions. Dr. Benson said it would be a challenge getting to market; one that would require annual adjustments.

Adjournment Ms. Bohmke thanked everyone and adjourned the meeting at 8:04 p.m.

Thomas C. Foley
County Administrator

Meg Bohmke
Chairman