

At a **Southampton County School Board/Board of Supervisors joint budget workshop (compensation/benefits) session** held in the Wigwam of the Southampton County High School at 23350 Southampton Parkway, Courtland, Virginia on February 15, 2012 at 7:00 PM.

SUPERVISORS PRESENT

Dallas O. Jones, Chairman (Drewryville)
Dr. Alan W. Edwards, Vice-Chairman (Jerusalem)
Glenn H. Updike (Newsoms)
Carl J. Faison (Boykins-Branchville)
Barry T. Porter (Franklin)
Ronald M. West (Berlin-Ivor)
S. Bruce Phillips (Capron)

SUPERVISORS ABSENT

None

SCHOOL BOARD MEMBERS PRESENT

Mr. Russell C. Schools, Chairman
Mrs. Roberta T. Naranjo (Vice-Chairman)
Mrs. Denise Bunn
Mrs. Lynn Bradley
Mrs. Diane Jones
Mrs. Florence Reynolds
Mr. Christopher Smith

SCHOOL BOARD MEMBERS ABSENT

Mrs. Becky Blackburn
Dr. Deborah Goodwyn

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)
Jon Mendenhall, Assistant County Administrator
Lynette C. Lowe, Finance Director
Mr. Charles E. Turner, School Board Superintendent
Joy Carr, School Board Finance Director
Dr. Wayne K. Smith
Dr. Timothy Kelly
Mr. Bill Hatch
Cynthia J. Edwards, Administrative Secretary

Mr. Russell C. Schools, School Board Chairman called the meeting to order. He turned the meeting over to Mr. Dallas O. Jones, Chairman of the Board of Supervisors.

Chairman Jones stated he was glad we were having this session tonight. He stated he thought it would benefit Mr. Charles Turner as well as the Board of Supervisors. He stated this is just a work session. That nothing is final yet. He turned the meeting over to Mr. Charles E. Turner, School Board Superintendent.

Mr. Charles E. Turner stated he had the privilege to speak with Mr. Michael Johnson some this week on the budget. He thought this meeting would benefit the school board as well as the Board of Supervisors so they could see what he was working with. He turned the meeting over to Mr. Michael W. Johnson, County Administrator.

Mr. Michael W. Johnson, County Administrator stated that we were here tonight to set the stage by presenting data as to where we are and how we got there. He stated that everyone needed to be aware of this information so they could look at what direction they needed to go.

Mr. Michael W. Johnson gave the schedule for the joint budget workshops.

Mr. Michael W. Johnson and Mr. Charles E. Turner gave the following presentation:

Fiscal Year 2013 Budget

Joint Workshop – “Compensation and Benefits”
 Southampton County Board of Supervisors
 Southampton County School Board
 Wednesday, February 15, 2012
 7:00 p.m.



Budget Approval Process

January 26, 2012	Budget request forms issued
February 15, 2012	BOS/School Board Workshop (compensation/benefits)
February 17, 2012	Budget request forms returned
February 29, 2012	BOS/School Board Workshop (state revenue estimates)
March 14, 2012	BOS Budget Workshop (local revenue estimates)
March 21, 2012	BOS Budget Workshop (department/agency presentations)
March 28, 2012	BOS/School Board Workshop (finalize draft school budget)
April 4, 2012	BOS Budget Workshop (draft budget distributed) <i>Focus on: General & Financial Administration, Judicial Administration, Public Safety</i>
April 11, 2012	BOS Budget Workshop <i>Focus on: Public Works, Health & Welfare, Culture and Community Development</i>
April 18, 2012	BOS Budget Workshop <i>School Budget/Public Housing; Focus on Social Services</i>
April 23, 2012	BOS Regular Session <i>Focus on: Building Fund</i>

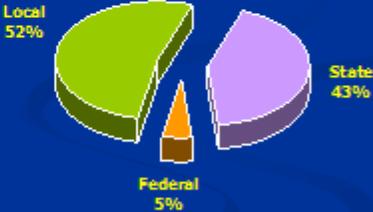
Budget Approval Process

April 25, 2012	BOS Budget Workshop <i>Adopt School Budget; Focus on Emergency Fund, Reserves; Draft Budget</i>
May 21, 2012	Public Hearing on FY 2013 Budget and Tax Rates
May 23, 2012	BOS Budget Workshop (if necessary)
May 29, 2012	BOS Regular Session <i>Board adopts final budget and tax rates</i>

Fiscal Year 2012 Budget

Revenue Sources

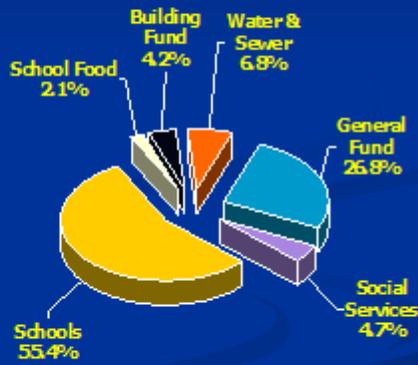
State	\$22,303,849
Federal	2,423,908
Local	<u>27,416,204</u>
TOTAL	\$52,143,961



Fiscal Year 2012 Budget

Expenditures

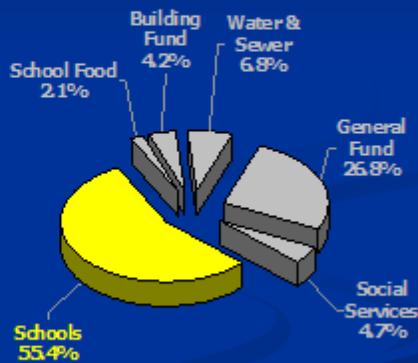
General Fund	\$13,967,989
Social Services	2,446,506
Schools	28,892,027
School Food	1,072,600
Building Fund	2,210,971
Water & Sewer	<u>3,553,868</u>
	\$52,143,961

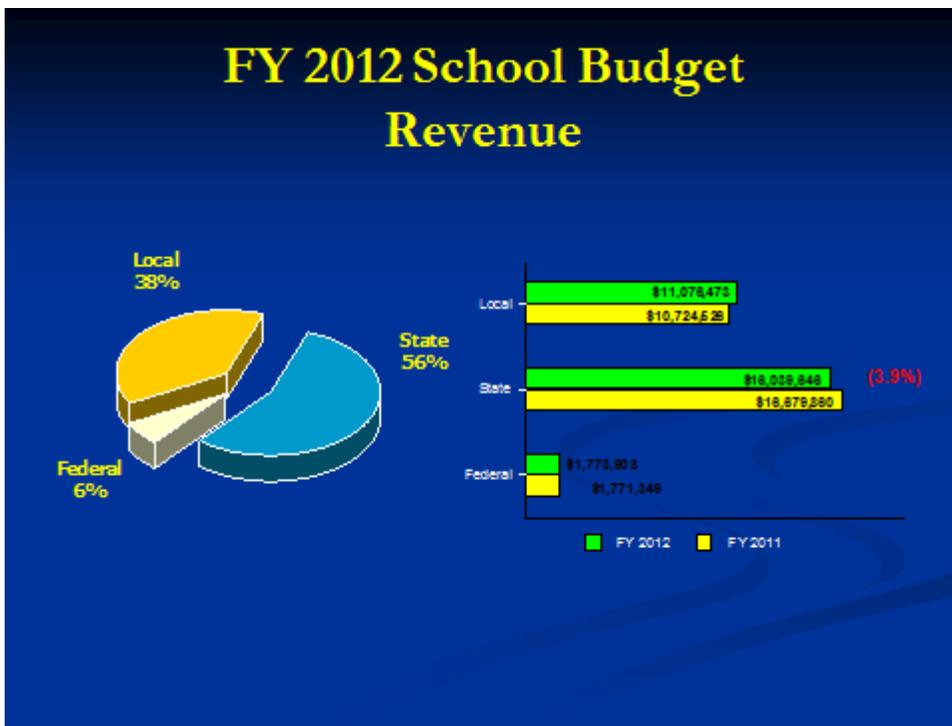


Fiscal Year 2012 Budget

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Per-Pupil Expenditure – 2010 For Operations, Excluding Debt Service

TABLE 15 OF SUPERINTENDENT'S ANNUAL REPORT
Fiscal Year Ending June 30, 2010

	Locality	Total	
1	Surry County Public Schools	\$ 11,442	\$ 16,533
2	Sussex County Public Schools	6,408	15,221
3	Franklin City Public Schools	3,870	13,018
4	Statewide Average	5,423	11,020
5	Southampton County Public Schools	2,735	10,391
6	Suffolk City Public Schools	3,482	10,089
7	Greensville County Public Schools	1,997	10,056
8	Isle of Wight County Public Schools	4,068	9,741
9	Patrick County	2,018	9,691
10	New Kent County Public Schools	3,337	8,734

Local Funding History for Schools Including Debt Service

	A Adopted Budget	B Final Budget	C Actual	D Variance (C-B)
FY 2012	\$ 11,076,473	\$ 12,170,545	TBD	TBD
FY 2011	10,724,526	13,192,841	\$11,568,060	(\$1,624,781)
FY 2010	10,768,851	11,900,893	9,432,482	(2,468,411)
FY 2009	9,879,647	10,362,842	9,230,800	(1,132,042)
FY 2008	9,684,534	10,009,183	9,525,988	(483,195)
FY 2007	9,150,094	9,692,296	9,367,647	(324,648)
FY 2006	8,782,623	9,074,263	8,807,768	(266,495)
FY 2005	8,514,528	8,862,940	8,570,800	(292,140)
FY 2004	8,446,401	8,816,448	8,467,535	(348,913)
FY 2003	8,314,287	8,587,471	8,138,893	(448,578)

State Funding For Education Trend Actual Spending



Governor's Budget

ADM	Proposed		Difference	% Change
	FY 2012	FY 2013		
	2730	2714	(16)	(0.59)
500 Programs				
1 Basic Aid	\$ 0,308,070	\$ 0,000,210	\$ (294,220)	(2.51)
2 Sales Tax	200,1739	2,059,950	50,217	2.16
3 Textbooks	1,251	69,425	67,064	4317.67
4 Vocational Education	10,0001	140,009	(17,992)	(25.41)
5 Gifted Education	80,732	25,215	(1,427)	(1.68)
6 Special Education	1,422,000	1,201,292	(193,291)	(13.56)
7 Prevention, Intervention, Remediation	23,0000	229,232	10,530	0.59
8 VRG Retirement	407,029	654,002	246,973	15.20
9 Social Security	217,741	511,049	(30,092)	(4.62)
10 Group Life	19,274	31,215	12,241	0.21
11 Remedial Summer School	-	29,434	29,434	100.00
Incentive Programs				
12 Comparable Index Field Materials	25,022	-	(25,022)	(100.00)
13 Supplemental Support for Operating	24,020	-	-	0.00
14 Technology - VPSA	20,000	200,000	-	-
Categorical Programs				
15 Adult Education	3,070	3,070	-	0.00
16 Special Education - Homebound	17,20	420	(1,202)	(74.91)
17 School Lunch	12,029	14,016	-	-
Legacy-Funded Programs				
18 Adult	20,4209	227,000	32,191	10.29
19 Early Reading Intervention	45,220	25,424	10,100	22.20
20 Comparable Index - Field Materials	4,011	-	(4,011)	(100.00)
21 Career Care	21,402	10,202	(11,200)	(50.02)
22 K-3 Primary Class Size Reduction	12,9901	290,210	130,202	02.20
23 SOL Algebra Readiness	20,210	32,091	6,145	23.12
24 Virginia Pre-school Initiative	20,0333	233,222	33,219	10.29
25 Mentor Teacher Program	4,279	4,279	-	0.00
26 GLEP	15,717	15,717	-	0.00
27 Special Education - Regional Tuition	22,000	1,014,417	222,414	23.22
28 Career & Technical Education	20,000	29,002	1,202	4.22
29 Remedial Summer School	02,217	-	(02,217)	0.00
30 Textbooks	70,614	90,017	-	0.00
31 School Breakfast	10,000	11,102	-	-
	\$ 16,042,291	\$ 16,202,127	\$ 221,546	1.30

2012/2013 STATE REVENUE

- Based on the Governor's Budget, there appears to be an increase of \$221,546 over the current FY12 Budget.
- Excluding other state programs such as Textbooks, The Virginia Pre-school initiative, and Early Reading Intervention, the operating budget is expected to increase by \$88,849.00 over the current FY12 budget.
- An increase of \$379,214 in retirement and life benefits along with an increase of \$352,414 in Special Education Regional Tuition, leaves a deficit of \$642,779 for other operating expenses.

School Employees

- ESTIMATED ADDITIONAL COST – ALL EMPLOYEES FUNDED

\$2,815,612

Southampton County School Board Proposed School Operating Budget 2012-2013

CATEGORY DESCRIPTION	2011-2012 BUDGET	2012-2013 REQUEST	CHANGE IN FUNDS
61000 INSTRUCTION	\$15,950,784	\$18,799,600	\$ 2,848,816
62000 ADMINISTRATION/HEALTH	1,220,657	1,359,748	139,091
63000 TRANSPORTATION	2,818,191	2,863,497	45,306
64000 MAINTENANCE	3,392,690	3,352,571	(40,119)
65000 FOOD SERVICE HOSPITALIZATION	129,818	129,818	-
66000 SITE IMPROVEMENT	154,026	154,026	-
67000 DEBT SERVICE	2,524,381	2,297,795	(226,586)
68000 TECHNOLOGY	409,236	458,340	49,104
GRAND TOTAL	\$26,599,783	\$29,415,395	\$ 2,815,612

**Southampton County School Board
Proposed School Operating Budget Recap
2012-2013**

11-12 ADOPTED BUDGET	\$26,599,783
12-13 REQUESTED BUDGET	\$29,415,395
PROJECTED STATE REVENUE (ADM 2714)	\$15,598,659 (Governor's Budget)
CURRENT LOCAL FUNDING	11,076,473
LOCAL TUITION & FEDERAL TO SCHOOL OPERATING	80,000
TOTAL REVENUE	\$26,755,132
TOTAL ADDITIONAL REVENUE REQUIRED	\$ 2,660,263

STRATEGY

- Work on Retirement Increase Internally
 - Retirement 892,264
 - Life 131,090
 - Health Credit 75,569
 - Total \$1,098,923

- \$530,709 Plus Savings

STRATEGY

- SEEK ASSISTANCE ON PERSONNEL

PERSONNEL

■ SUPERINTENDENT	1
■ ASS'T SUPERINTENDENT	1
■ PRINCIPALS	6
■ ASS'T PRINCIPALS	5
■ TEACHERS/GUIDANCE/LIBRARIANS	232
■ DIRECTORS/SUPERVISORS	8
■ FEDERAL SUPERVISORS	2
■ TECHNOLOGY	3
■ PSYCHOLOGISTS	2
■ NURSES	8
■ TEACHER ASSISTANTS	46
■ SECRETARIES/BOOKKEEPERS	28
■ MAINTENANCE/GARAGE	11
■ CUSTODIANS	30
■ DRIVERS	102
■ DRIVER ASS'T	5
■ CAFETERIA	30
■ TOTAL	520

Current Teacher Salary Scale

■ 0	37,745	11	39,554
■ 1	37,607	12	39,803
■ 2	37,740	13	40,014
■ 3	37,873	14	40,242
■ 4	38,090	15	40,427
■ 5	38,307	16	40,827
■ 6	38,525	17	41,237
■ 7	38,728	18	41,649
■ 8	38,927	19	42,064
■ 9	39,135	20	42,481
■ 10	39,334	21	42,909

AVERAGE TEACHER SALARY 2010/2011

Chesapeake	54,548
Virginia Beach	52,732
Isle of Wight	51,959
Suffolk	49,280
Sussex	49,262
Surry	47,645
Franklin	44,459
Southampton	43,537

TEACHER SALARY COMPARISON 2011/2012

	0 YRS	5 YRS	10 YRS	15 YRS	20 YRS
Surry	39,403	39,703	42,003	44,503	47,003
Isle of Wight	39,200	41,650	45,760	50,900	56,050
Sussex	38,948	40,113	41,576	43,660	47,013
Suffolk	38,900	38,900	41,952	46,941	53,176
Chesapeake	38,616	41,001	44,936	49,613	53,703
Virginia Beach	38,597	40,464	45,008	49,553	54,098
Southampton	37,475	38,307	39,334	40,427	42,481
Franklin	36,000	38,373	41,135	44,096	47,271

Cost for Teaching Degree

University	Cost Per Year	Total 4 yrs
William & Mary	24,824	99,296
University of VA	24,344	97,376
Virginia Union	21,804	87,216
Virginia Tech	17,365	69,460
James Madison	16,576	66,304
Virginia State	15,970	63,880
Norfolk State	14,627	58,508

SCHOOLS CURRENT ANNUAL HEALTH INSURANCE COST

	SINGLE	DUAL	FAMILY
EMPLOYEE COST KEY ADVANTAGE 250	1,680	7,392	13,104
EMPLOYEE COST KEY ADVANTAGE 500	912	5,976	11,028

County Employees

	A	B	C	D	E	F	G	H
	Rate	FY2012	Rate	FY2013 (No additional raise)	Rate	FY2013 with a 2% raise effective July 1, 2012	Rate	FY2013 with a 3% raise effective July 1, 2012
Aggregate salaries		\$ 3,336,204.00		\$ 3,603,314.00		\$ 3,713,584.00		\$ 3,771,619.00
FICA	0.0765	\$ 425,049.00	0.0765	\$ 428,663.00	0.0765	\$ 437,342.00	0.0765	\$ 441,523.00
Retirement (Employee)	0.05	\$ 277,810.20	0.05	\$ 280,171.70	0.05	\$ 283,773.20	0.05	\$ 288,580.35
Retirement (Employee)	0.1122	\$ 623,405.09	0.1449	\$ 811,949.18	0.1449	\$ 823,133.12	0.1449	\$ 835,307.59
Retiree Health Ins Credit	0.0006	\$ 3,333.72	0.0006	\$ 3,362.12	0.0006	\$ 3,423.35	0.0006	\$ 3,462.37
Group Insurance/EMVET	0.0023	\$ 15,357.37	0.0132	\$ 79,966.38	0.0132	\$ 73,445.71	0.0132	\$ 76,135.37
Health Insurance (est. 10%)	Current	\$ 1,074,636.00		\$ 1,182,093.60		\$ 1,182,093.00		\$ 1,182,093.00
TOTALS		\$ 7,973,996.38		\$ 8,383,794.97		\$ 8,517,767.38		\$ 8,593,782.89
				\$ 407,798.59		\$ 331,771.00		\$ 623,786.90

COUNTY CURRENT ANNUAL HEALTH INSURANCE COST

	SINGLE	DUAL	FAMILY
EMPLOYEE COST KEY ADVANTAGE 250	252	3,264	5,652
EMPLOYEE COST KEY ADVANTAGE EB	780	4,236	7,080

Social Services

	A	B	C	D	E	F	G	H
	Rate	FY2012	Rate	FY2013 (No additional raises)	Rate	FY2013 with a 2% raise effective July 1, 2012	Rate	FY2013 with a 3% raise effective July 1, 2012
Aggregate salaries		\$ 1,084,267.00		\$ 1,089,499.00		\$ 1,113,369.00		\$ 1,126,304.00
FICA	0.0765	\$ 82,946.43	0.0765	\$ 83,652.67	0.0765	\$ 85,321.75	0.0765	\$ 86,162.26
Retirement (Employee)	0.05	\$ 54,213.35	0.05	\$ 54,674.95	0.05	\$ 55,768.45	0.05	\$ 56,581.20
Retirement (Employer)	0.1122	\$ 121,694.76	0.1149	\$ 123,448.01	0.1149	\$ 126,616.97	0.1149	\$ 129,201.45
Retiree Health Ins Credit	0.0006	\$ 650.56	0.0006	\$ 656.10	0.0006	\$ 669.22	0.0006	\$ 679.78
Group Insurance/Health	0.0028	\$ 3,035.95	0.0032	\$ 3,484.19	0.0032	\$ 3,472.87	0.0032	\$ 3,486.21
Health Insurance	Current	\$ 159,000.00		\$ 159,900.00		\$ 159,900.00		\$ 159,900.00
TOTALS		\$ 1,513,768.04		\$ 1,530,264.91		\$ 1,618,372.24		\$ 1,633,421.90
Locality share (13.5%)		\$ 204,364.05		\$ 206,646.06		\$ 211,002.70		\$ 213,181.01
Locality's increase				\$ 11,702.02		\$ 16,088.65		\$ 18,296.97

SCHOOL SALARIES & FRINGES

- 2% INCREASE \$354,053
- 3% INCREASE \$531,078

Capital Improvements

FY 2013-2018 Capital Improvements Plan
Project Ranking Score Sheet

Department	Project	Ranking (FY 2013-14)	Total Estimated Cost	Possible Funding Source
School Board	Capron Elementary School	High	\$10,504,891	Low Interest Utility Loan Fund
Sheriff	Replace jail	High	\$4,800,000	General Assembly reimbursement
Library	Expand/renovate building	High	\$3,058,218	
Sheriff	Animal pound	High	\$ 500,000	
School Board	Replacement school buses	High	\$ 455,000	
Sheriff	Radio system upgrades	High	\$ 300,000	
Sheriff	Courthouse security improvements	High	\$ 300,000	Courthouse security fees
Utilities	500 line owners, Edge Hill	High	\$ 281,000	

STRATEGY

- KEEP BUSES IN COUNTY CIP

DIVISIONS FUNDING BUSES THROUGH CIP

- SPOTSYLVANIA
- HANNOVER
- PULASKI
- HARRISONBURG
- NEWPORT NEWS
- MONTGOMERY (SEEKING CIP)
- CHARLOTTESVILLE (SEEKING CIP)
- ALBEMARLE (SEEKING CIP)

Southampton County Schools
Focus, Objectives, and Strategies:
A team effort from the school board, central office, building administrators, teachers and the community

<u>Focus Area</u>	<u>Objective</u>	<u>2011-2012 Strategies</u>	<u>Required Documentation</u>
Transportation	Provide a safe/efficient transportation system	<ul style="list-style-type: none"> •Continue to monitor fuel costs and its impact on the overall transportation system •Continue to study transportation needs, prioritizing long and short-term plans •Continue to recommend a 10% fleet replacement annually •Continue inservice training for staff •Continue to build on communication between principals and bus drivers as it relates to discipline issues •Continue to explore incentives for recruiting and retaining bus drivers <p style="text-align: center;">*****</p>	<ul style="list-style-type: none"> •Report on bus/car fleet replacement needs (January/July)



FUNDING FOR BUSES

- In FY09 the budget was approved with \$235,000 for the replacement of four school buses.
- In FY10 the budget for buses was eliminated due to the economic situation and, to date, has not been restored.

HVAC CONTROL SYSTEM SHS/SMS

- Cost to Upgrade Controls at SHS: \$40,534
- Estimated Cost to Upgrade at SMS: \$40,000

Supervisor West asked if they purchased any buses in 2009.

Mr. Charles Turner said yes.

Supervisor West asked if they purchased any since 2009.

Mr. Charles Turner said here and there. The schools had to purchase two buses this year and try to take care of what they had to and be prepared for the unknown. He stated they had to replace the HVAC Control System at SHS at \$40,000.00 this past year. He stated they have a similar situation at Southampton Middle School that is going to have to be replaced soon. He stated that right now they are manually making the adjustments.

Supervisor Faison asked if it was more expensive if it was done manually.

Mr. Charles Turner said there is no cost if done manually. He stated that Mr. Grizzard did it manually until eventually the system just crashed and had to be replaced. He stated that Southampton Middle School is in the same condition and will eventually have to be replaced also.

Mr. Russell Schools said that you may not be aware that Southampton High School is 20 years old. It was built in 1993.

Supervisor Edwards asked why the teacher's salaries are so low. They are on the bottom of the list.

Mr. Charles Turner said they don't have the money to increase them.

Supervisor Edwards asked what the teacher turnover rate is compared to other schools.

Mr. Charles Turner stated it was 30%; but it has come down possibly because of the economy.

Supervisor West asked how we compare in relation to aides and administrative staff. He stated they funded 8.4 positions by the staff.

Mr. Charles Turner said when you have a small school that you have a grade level of 18 children in one class. He stated that you could not have 36 children in a class room.

Supervisor West asked what the comparison was.

Mr. Charles Turner said he had not looked at that. He stated he wants to have a quality school system. He stated that because of what they had done Southampton was fully accredited. He stated they had done a good job in getting teachers in that worked hard for them to be accredited.

Mr. Russell Schools stated they don't have any classes so small that they could put two classes together and get rid of a teacher.

Supervisor West said he wouldn't question that at all. The smaller classes tend to learn better. He taught school in Portsmouth for two years. He stated that they never had that opportunity.

Supervisor Edwards asked out of the 520 personnel how many were administrators. He also questioned the administrator's salaries. He wanted to know how they compare to other schools. He stated administration is on the bottom just like teachers.

Mr. Charles Turner said that some of the positions were funded by the Federal Government.

Supervisor Edwards asked about the two psychology positions.

Mr. Charles Turner said that there are comprehensive needs of the children and they try hard to take care of those needs. By doing what they do they don't have the problems other schools have. They have a lot of testing going on with these children. The services that are required are tremendous. The main stream is special education.

Supervisor Edwards asked if they were mandated to perform comprehensive services.

Mr. Charles Turner said they are mandated to have children with special needs mixed in the regular classrooms. He said you can't pick those children out from the others.

Supervisor West asked about the amount of time spent with these children.

One of the teachers for 36 years said the teachers do an excellent job with these children.

Mrs. Roberta Naranjo said they do a lot for the children. There are so many special needs that are met.

Supervisor West said not all federal mandates are good.

Mr. Russell Schools said they have certain mandated programs they have to follow. One of those mandates is "No Child Left Behind". He stated all schools in Southampton County are accredited.

Mr. Charles Turner told Supervisor West he would be impressed if he went on a tour of the school. At one time children with disabilities were put in a building behind the Courtland Elementary School now they are in regular classrooms. They had to accommodate for those disabilities. If children stay in the hospital they have to provide services for them. Nurses work with those needing feeding tubes, etc. They have to make sure the federal requirements are fulfilled. There are a lot of mandates that are not funded and you have to find the money to meet them. He stated just recently a student at a school in Virginia died. Now the school is required to carry a certain medication – an anti-peanut medication. They have to have a defibulator. That requires training. They have to fund the training.

Supervisor Phillips asked about the Courtland School and the Hunterdale School. He wanted to know how much they cost to maintain.

Mr. Charles Turner said you see what the Board of Supervisors is dealing with now demolishing an old school. He stated you see what happens when schools are left idle. They are now using the old elementary school for a head start program. There are no expenses coming from the Courtland Elementary School. The Hunterdale School is being used as a Fresh Start where problem children and dropouts are given another chance. They are working to get the dropout rate down and the graduation rate up. They help these students out through credit retrieval. He stated the graduation rate at Fresh Start is 87% which is higher than the state rate of 85%. When children stay in school and graduate they tend to go on to college, in the military, or a trade school. Fresh Start is a good alternative program. He stated that unless they told you the kids were in trouble you wouldn't

know it. Kids who have been suspended from school attend school at Fresh Start from 4 to 7 in the evenings. He gave some examples of what some of the children at Fresh Start had achieved.

Mr. Russell Schools stated that some years back when you acted up they threw you out on the streets which was not good because the kids were just getting in trouble. With Fresh Start they still have to attend school which is better than being on the streets. They have such a success rate at Fresh Start that some parents of those students ask if they can bring their other children there because they do so well there.

Mr. Charles Turner said they would like to do another power point concerning your interest so you could see what is being done.

Mrs. Roberta Naranjo said they didn't want any kids on the street because it was not good for the community.

Chairman Jones said the Ivor and Capron Schools have been eyesores for some time.

Supervisor Porter said he had been a teacher. On the other side from a money standpoint we have basically the lowest average pay for teachers but we can't impose more tax money on our residents.

Supervisor Edwards said we can guarantee you that imposing more tax money on the citizens will not happen.

Supervisor Porter said they had hoped we would get this economic stuff behind us, but it hadn't happened. He said they would love to give everybody a salary increase, but they can't afford it. They are going to have to use what they have strategically. They are going to have to continue to do what they are doing with less money.

Mr. Charles Turner said that is why they wanted to lay out some background so everyone could see what they are working with. He commended Mr. Michael Johnson for suggesting they get together jointly to work on this. He said it was easier to deal with the budget in pieces.

Mrs. Florence Reynolds told the Board of Supervisors that they already have their minds made-up before they even looked at everything. She said the Board wants to cut taxes, but they are going to have to look for ways to increase revenue. They are going to have to find ways to bring businesses into this county.

Supervisor Porter said he agrees that some bad choices had been made. They are going to have to work hard to survive until the economy gets better and that we don't know when that is going to be. He stated that over 40 % of the residents in the county are retired and are struggling to pay their taxes. Taking property will costs them more than they can get out of it. He stated you can't get businesses to come in the county when taxes are so high. Your perception is that you don't care anything about the county but getting your money for the schools.

Mr. Charles Turner said if people hear that is our perspective it will become a reality. He stated that their students need to be prepared for the world. He is delighted they had the opportunity to share information. He wouldn't want people to have a bad perception of the schools. As a business person he would want to have a good image. He stated this is a wonderful county and we have to market it as such.

Supervisor Edwards said this is a different time. They are going to have to do the same quality job, but do it with less money.

Supervisor West said the past Board of Supervisors had worked hard at bringing businesses into the county. He thought that through the schools hard work and developing good students would bring industry into the county. The trades that they were teaching would prepare students for jobs. He hopes fruition comes. We are going to have to do what we have to do to get where we want to be. We are low to medium income county, but are high taxed. He stated the school system is doing a good job. He was glad to get this information tonight. He stated he can't believe what teachers are expected to do today. He commented that in Richmond they are steadily making cuts. As Supervisor Porter said last time we are up against a brick wall.

Mr. Charles Turner said he thought there was a misunderstanding about the carryover. The Board has supported them. The teachers and staff have supported them. They couldn't have done what they had without them. The schools are fully accredited. They have in three years cut three million dollars.

Supervisor Edwards said he knew they had worked hard and they are going to have to keep on doing great things with less until the economy changes.

Mr. Charles Turner said there had been 96% participation in the trades. If the county could bring in industry they could provide trained students to fill the jobs. He emphasized that 96% of the students have participated in trade classes. He stated if they were told what they needed, they could make sure the students were trained.

Chairman Jones called on Supervisor Updike. He stated he hadn't heard from him tonight.

Supervisor Updike said the citizens are going through the same crunch as the school system. He stated he will not vote for an increase in taxes. They are going to have to cut the budget because they don't have the money.

Supervisor Faison said he had worked closely with the school system. He stated he would not make a decision tonight. We have a good school system. He didn't want to do anything to jeopardize our school system. He would hate to have to rebuild the system.

Mrs. Florence Reynolds said they seem to have already made up their minds.

Supervisor Porter said to bring the Board of Supervisor some scenarios. He commended the School Board for doing a good job. He said they were the best schools in the area. He doesn't know how they are going to get any magic money.

Mr. Charles Turner said they have two more of these meetings to look at the situation.

Supervisor Porter said he enjoyed the discussion at the Board of Supervisors meeting. He stated they wanted to be completely transparent.

Mr. Charles Turner said they have to find a better way. He wants to make sure they understand where they are.

Mr. Russell Schools said he thought they had covered enough tonight.

Mr. Dallas Jones said they didn't want to be here too long tonight. They have a couple of more meetings. The meeting was adjourned.

Dallas O. Jones, Chairman

Michael W. Johnson, Clerk

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