

MINUTES
BOARD OF SUPERVISORS
COUNTY OF YORK

Regular Meeting
February 5, 2013

6:00 p.m.

Meeting Convened. A Regular Meeting of the York County Board of Supervisors was called to order at 6:02 p.m., Tuesday, February 5, 2013, in the East Room, York Hall, by Chairman Walter C. Zaremba.

Attendance. The following members of the Board of Supervisors were present: Walter C. Zaremba, Sheila S. Noll, Donald E. Wiggins, George S. Hrichak, and Thomas G. Shepperd, Jr.

Also in attendance were James O. McReynolds, County Administrator; and James E. Barnett, County Attorney.

WORK SESSION

Chairman Zaremba introduced Shawn Knox, a member of Boy Scout Troop 94 who was working on his Citizenship merit badge.

JOINT MEETING WITH THE YORK COUNTY SCHOOL BOARD

School Board Members Present: Barbara Haywood, Chairman; Mark Medford, Vice Chairman; Cindy Kirschke; and Page Minter.

Also present was Dr. Eric Williams, Superintendent of Schools; Dr. Carl James, Chief Operations Officer; Katherine Goff, Community & Public Relations Coordinator; Dr. Stephanie Guy; Chief Academic Officer; and Dennis Jarrett; Chief Financial Officer.

Preliminary Fiscal Year 2014 Budget Information

Mr. McReynolds reviewed highlights of where staff was in developing the proposed FY14 budget. He started with the expenditure side of the budget, stating the equivalent of a 2 percent pay increase for employees was currently included. Budget reductions of \$100,000 have been identified to date. Health insurance costs will increase significantly due to the implementation of the Patient Protection and Affordable Care Act (PPACA); and with funding for the Capital Improvements Program (CIP), the expected increase in expenditures was a little over \$2 million. With the Superintendent of Schools' preliminary expenditure estimate, the total increase was just under \$5 million. Mr. McReynolds then reviewed the current revenue outlook, stating without knowing what the State will do, staff had identified a potential increase of \$1.675 million in revenues. He indicated the potential shortfall in funds for FY14 was about \$3.3 million which was equivalent to a 3.77-cent increase in the real estate tax rate. Mr. McReynolds went over the important dates of the budget presentation and the work sessions leading up to the May 7th adoption date. He noted that citizen input was welcomed and encouraged, and he provided the email address and call-in telephone number for comments.

Discussion followed concerning the health insurance costs, including premium increases and the PPACA, and how the County's self-insurance program worked.

Dr. Williams commended both Boards for their communication efforts. He indicated he had not released the Superintendent's proposed document at this time and stated there would be one more work session, and the School Board would have 5 or 6 weeks before adopting its budget late in March. He reminded both Boards that what he shared tonight could be changed significantly prior to the School Board budget coming to the Board of Supervisors. Dr. Williams then provided a recap of the FY10, 11, 12, and 13 budgets. He stated the state budget has continued to grow, and the December forecast was over 3 percent in 2013 and 2014, yet K-12 funding actually fell in dollars and as an overall percentage of the general fund. The major reason was that K-12 education had not been the high priority that it once was. The standards of quality

have changed in the last years, and this has resulted in a decline in State funding.

Discussion followed regarding approximately \$13 million in Federal stimulus funds received by the School Division that was used for technology, textbooks, and carrying several positions for a couple of years which avoided some layoffs.

Dr. Williams continued his review, discussing the Local Composite Index (LCI). He stated York County has a relatively high ability to fund education according to the LCI, but York was in last place in terms of per pupil expenditure in the region. He stated by spending more in per pupil expenditure, the School Division would yield about \$5 million more in revenue. He noted that many people move to York County because of the schools, and the School Division's Strategic Plan Goal No. 1 was for York County students to consistently demonstrate growth and excellence, and he reviewed the unfulfilled Student Achievement Objectives.

Mrs. Noll asked what resources the School Division was looking at to improve those objectives.

Dr. Williams stated an increase in County funding was needed. If not, he stated the Schools Budget would require additional reductions. An increase of expenditures in textbooks and instructional materials, staff compensation, and professional development would be the kinds of resources that would help improve the objectives.

Chairman Zaremba asked how York County compared to the other school divisions that were shown on the slide in meeting those objectives.

Dr. Williams stated York did very well in comparison to those divisions, but the York School Division did not want to meet the averages; it wanted to excel for college advantage. He then noted that in FY2014 there could be a \$2.9 million gap, even with more reductions of over \$.5 million. Reductions and savings included compensation savings due to attrition, the reduction of 12 positions, reductions in School Board Office operations, and school materials and supplies for a total projected expenditure reduction of \$1.77 million. New Expenditures included two new special education positions, janitorial supplies, transportation for special education, and new health insurance costs, with health insurance being the most significant cost.

Discussion followed regarding projected costs for School Division health insurance increases.

Dr. Williams next spoke of the School Division's hope to fund the last 4 percent of the VRS contribution to the employees which would cost approximately \$1.2 million, and he provided rationale for why it was important to implement the full VRS requirement in FY2014. He noted the major reason was to help attract high-quality new employees to the School Division.

Chairman Zaremba noted that one of the reasons the Board had changed the date for the adoption of the budget was to definitively know what the state was going to do. He indicated that when the School Board approved its budget, the School Division would pretty much know what the state budget was going to offer.

Dr. Williams spoke of the School Board's new strategic plan, stating in order to attract the best employees, compensation must be addressed in this fiscal year budget. He noted the State-supported 2 percent market adjustment was not big bucks, as it was only \$15 a week pre-tax for a starting teacher, but it had to be provided to qualify for the State dollars. Dr. Williams then reviewed examples of other potential expenditures that were not included in \$2.9 million budget gap such as additional high school counselors, textbooks, school resource officers for the middle school level, and a step increase for all staff. He stated there were several questions needing answers that would be significant in shaping the budget prior to adoption, which was scheduled for March 25.

Mr. Shepperd asked why the School Board was approving its budget so soon.

Dr. Williams stated it was to meet statutory requirements.

Mr. Hrichak noted both the County and School Division workforces were aging which brings on increased health care costs, and they will continue to increase. He asked if Dr. Williams was looking at any kind of tiered approach to control the costs in the long term.

Dr. Williams stated they were looking at long-term strategies for health care in the current

plans offered, but they had not focused on a tiered approach for new employees.

Mr. McReynolds noted that it was his understanding that Federal health care regulations taking effect indicated the premium for the single rate could not exceed 9.5 percent of their income.

Discussion followed on employee health care costs.

Chairman Zaremba stated both boards had a number of weeks to go before adopting their budgets. The numbers were soft at this point in time, and those numbers would start to harden as the budgets were developed, especially with respect to the numbers coming from the state. He stated it was a balancing act in regard to the County contribution because the Board wants to provide all it could to the School Division, but it had to be cognizant of how much more could be put on the citizens.

Meeting Recessed. At 7:35 p.m. Chairman Zaremba declared a short recess.

Meeting Reconvened. At 7:42 p.m. the meeting was reconvened in open session by the Chair.

CONSENT CALENDAR

Mr. Hrichak moved that the Consent Calendar be approved as submitted, Item No 1.

On roll call the vote was:

Yea:	(5)	Noll, Wiggins, Hrichak, Shepperd, Zaremba
Nay:	(0)	

Thereupon, the following minutes were approved:

Item No. 1. APPROVAL OF MINUTES

Minutes of the following meetings of the York County Board of Supervisors were approved:

January 2, 2013, Regular Meeting
January 12, 2013, Adjourned Meeting

OPEN DISCUSSION

Mr. Shepperd indicated he had attended the Virginia Association of Planning District Commissions Conference in Richmond and met with the head of the Senate Transportation Committee, and stated it was very interesting to watch that process. He noted it was good listening to the Secretary of the Interior's presentation on how it was going with TMDLs.

Mr. Hrichak spoke of the Hampton Roads Economic Development Authority's annual meeting he attended last week. A gentleman gave a presentation on the economic strength of this region, showing how each jurisdiction compared to the others. He stated that in order to get new jobs, the locality has to have a product, and York County does not have a product. Mr. Hrichak stated if the County wanted to encourage more businesses, the Board had to look at this.

Mrs. Noll stated the County did have a product at one time, but the economy was not conducive to doing anything much with it. She stated she talked to the Secretary of Transportation and thanked him for including I-64 in the Governor's request for the transportation bill. She stated he was very optimistic.

Mr. Wiggins stated much of the County's budget goes to areas the citizens do not want the Board to reduce. Over 70 percent of every dollar that comes in to the County goes to two areas that people moved to York County for—schools and public safety—and the County had only 30 percent left to run the county. He stated Mr. McReynolds goes through a tremendous time trying to get the budget down to where the Board had to raise taxes as little as possible, if they had to be raised at all. The Board has no control over the School Board's budget other than

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approving it or not approving it. Mr. Wiggins stated the Board was doing everything it could to keep costs low; but there was only one way to raise money, and that was with taxes.

Chairman Zaremba stated most of the Board members had the opportunity last week to attend the Economic Development Authority recognition of businesses, which was very well attended. He spoke of the importance of revitalizing economic development growth in the County because of the need for higher revenues. He noted the County did not have the high tech businesses it would like, and the economic development activity in the region needed everything it could to bring business to this area for a boost to the economy.

Mr. Barnett stated that tomorrow he would forward to the Board members the latest list of General Assembly bills with action on them through today. He noted that tomorrow was cross-over day except for revenue bills, and there was speculation that there could be a deadlock on the budget vote.

CLOSED MEETING. At 7:54 p.m. Mr. Wiggins moved that the meeting be convened in Closed Meeting pursuant to Section 2.2-3711(a)(7) of the Code of Virginia pertaining to consultation with legal counsel on a matter of actual litigation in which the County is involved.

On roll call the vote was:

Yea: (5) Wiggins, Hrichak, Shepperd, Noll, Zaremba
Nay: (0)

Meeting Reconvened. At 8:10 p.m. the meeting was reconvened in open session by order of the Chair.

Mrs. Noll moved the adoption of proposed Resolution SR-1 that reads:

A RESOLUTION TO CERTIFY COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT REGARDING MEETING IN CLOSED MEETING

WHEREAS, the York County Board of Supervisors has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

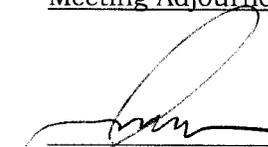
WHEREAS, Section 2.2-3711.1 of the Code of Virginia requires a certification by the York County Board of Supervisors that such closed meeting was conducted in conformity with Virginia law;

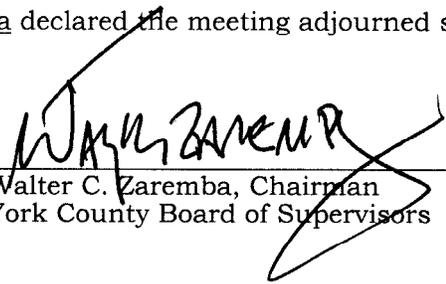
NOW, THEREFORE, BE IT RESOLVED by the York County Board of Supervisors this the 5th day of February, 2013, hereby certifies that, to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the York County Board of Supervisors.

On roll call the vote was:

Yea: (5) Hrichak, Shepperd, Noll, Wiggins, Zaremba
Nay: (0)

Meeting Adjourned. At 8:13 p.m. Chairman Zaremba declared the meeting adjourned sine die.


James O. McReynolds, Clerk
York County Board of Supervisors


Walter C. Zaremba, Chairman
York County Board of Supervisors