

AT A JOINT HYBRID MEETING OF THE MIDDLESEX COUNTY BOARD OF SUPERVISORS AND THE SCHOOL BOARD HELD ON TUESDAY, FEBRUARY 9, 2021, BOTH ELECTRONICALLY AND IN-PERSON IN THE BOARD ROOM OF THE HISTORIC COURTHOUSE, SALUDA, VIRGINIA:

Present: Wayne H. Jessie, Sr., Jamaica District  
Peter W. Mansfield, Saluda District  
John B. Koontz, Jr., Hartfield District  
Reginald A. Williams, Sr., Harmony Village District  
Lud H. Kimbrough, III, Pinetop District

Matthew L. Walker, County Administrator  
Betty S. Muncy, Assistant County Administrator  
Heather W. Lewis, County Attorney

**DECLARATION OF EMERGENCY**

Ms. Muncy read the Electronic Meeting Provisions allowing the Board of Supervisors to conduct county business by electronic means, pursuant to the Board of Supervisors' Government Continuity Ordinance, #81, adopted on May 5, 2020, and re-adopted on November 4, 2020, extending the ordinance for up to an additional six months.

**CALL TO ORDER**

Chairman Jessie called the meeting to order at 4:30 p.m. for the purpose of receiving the School Board's proposed budget requests for FY22.

**ROLL CALL**

Attendance was taken by Ms. Muncy with the following roll call: Supervisor Koontz – Present; Supervisor Mansfield – Present; Supervisor Williams – Present; Supervisor Kimbrough – Present; and Chairman Jessie – Present. All five Board members were present; there was a quorum. Supervisor Williams led the group in prayer; Mr. Walker led in the Pledge of Allegiance. Members of the School Board that were present were James Goforth, Garland Harrow, Dr. Richard Shores, Dr. Peter Gretz, Superintendent, and Dr. Tracy Seitz, Assistant Superintendent, along with the following staff: Mrs. Karen Murray, Director of Finance; and Mrs. Peggy Jordan, Executive Assistant. A quorum was present for the School Board.

Claudia Soucek, School Board Chairman, joined the meeting at 4:36 p.m.

## **SCHOOL BOARD BUDGET REQUEST PRESENTATION**

Dr. Gretz presented the draft budget to the Board, stating that everything in the budget is related to the central mission of preparing children for the global economies of today and the future. Dr. Gretz stated that every year, a community survey is sent to community members, stakeholders, families and staff for input on ways for the school system to grow and change, things that perhaps the school should not be doing, or for suggestions on ways to realize savings in the budget. The budget request addresses several priorities, the first being investing in personnel, recruiting, and retaining staff. The majority of the budget relates to personnel costs. Second, the request lends itself to making sure that all students have access to quality programs and career training programs that will help further students' interests and passions and connect them to what they would like to do beyond high school. Third, included in the budget request are ways to realize efficiencies in operations and safety in all departments and schools. He said that the draft budget numbers are based on what was proposed by the Governor, but final numbers will not be known until the General Assembly has finished. He said that a minimum wage adjustment is coming in May and again in January 2022 during FY2022 which will impact some of the school salary scales. He said that the proposed budget assumes a 2% increase in health insurance, but it could be a little less. He said that school pay scales are based on years of experience. The proposed budget assumes that employees would move up their sequential step and he has modeled a 2% increase in salary. The Governor has proposed in his budget to give state funds to support a 2% increase for teachers. The 2% plus the step advancement equals approximately 3%. He said that the proposed budget assumes an average daily membership (ADM) of 1,080 students, which is a decrease of 50 students from what was modeled last year. The decrease in enrollment is being felt all across the state due to the pandemic. This budget begins with a deficit in state funding from this current year's budget. He said that the Standards of Quality (SOQ) mandates that the School Board supports certain positions and mandates the ratios of students to teachers, and the General Assembly has put caps on the funding for those mandated positions. The Governor has increased the amount of the support for mandated positions in his proposal. Dr. Gretz said that it is a misperception that the state gives out enough money to cover the Governor's proposed 2% salary increase for all teachers, when in fact, it only covers the teachers that are covered by the SOQ, which only covers about 40% of the school's teachers. Then, an additional local composite wealth index filter is added, which is .6, which means that Middlesex has to come up with 60 cents on the dollar and the state gives 40 cents on the dollar in support of the 2% increase. In order to give that 2% salary increase across the board to all employees, the state would provide about \$48,000 and Middlesex would provide approximately \$250,000. Dr. Gretz said he was expecting a little less in federal aid based on the ADM. He said that the bulk of the proposed budget is tied to instruction, with the remaining parts tied to administration, transportation, maintenance and operations, technology, and debt service.

Dr. Gretz said that two electric buses have been brought on and according to Dominion, upwards of \$50,000 may be saved in fuel costs. However, since the price of

gas continues to go up, the budgeted amount remains the same, but some savings could be realized. He said the budget increase did include a vehicle that is usually purchased annually, although one was not purchased in this fiscal year due to the pandemic. He said the increase in minimum wage is reflected in the proposed budget for transportation.

Dr. Gretz reviewed numerous charts demonstrating various pay scale scenarios with data gathered from the Springstead salary study and MIT. He reviewed their calculations of what is required for annual income after taxes to support a living wage and compared it to the salaries of teachers and staff. He pointed out the shortfalls, saying that many teachers are barely scratching the living wage and he stated that many hourly employees are far below the living wage recommendations. The proposed budget this year is what is being considered to address the original recommendation from the salary study. In the case of the bus mechanic position, the average starting point locally is between \$34,000 and \$38,000, and Middlesex is offering \$22,000, and the position has been open all year because they have been unable to fill it at that salary. The proposed budget moves that position from Support Staff II to Support Staff VI on the scale. The same thing exists for the school Psychologist position; what is being offered is not comparable to what other local divisions are offering and that position has been open for four and a half years. He would like to move that position from a Specialist III to Specialist IV to make the position more attractive and try to get someone hired. Dr. Gretz stated that the Early Childhood Intervention Programs were increased dramatically by leveraging grant monies, but that caused a tremendous amount of administrative work to support and sustain those programs and oversee the grant. Right now, all of that work falls on the elementary school Principal, and the grant work is overwhelming along with her regular daily job. The School Board would like to hire a part-time coordinator to take on all of the grant duties, along with the oversight of the IEP Special Education program. In summary, Dr. Gretz stated that he considered two categories mandatory, the increase in minimum wage and the increase in health insurance. The minimum wage increase is going to cost \$9,400. He said that although it is not mandatory for the county to absorb the increase in healthcare costs, he feels like it is necessary since employees are already paying an astronomical price for their coverage. Other funding priorities include moving the bus mechanic position, which would be an increase of \$17,000. The step advancement for all employees would cost \$147,000 and the 2% salary increase would cost \$216,000. The part-time Early Childhood Coordinator would cost \$37,400. He said he would like to expand the contract of one of the IT support positions for an additional 20 days so that they could work through the summer due to all of the technology demands of connecting with students and families. He believes it will be critical to offer learning opportunities this summer for students, and that contract expansion would cost \$3,500. Moving the Psychologist position would cost around \$18,000. The cost of purchasing an additional transport vehicle would cost approximately \$20,000. He stated that in the proposed budget, priority one is supporting and developing staff, priority two is equitable programming, and priority three is stewardship and safety. No one priority is more important than the other; they

are all budget priorities. Priority one, staff, will cost approximately \$414,000; priority two, equitable programming, will cost approximately \$59,000; priority three will cost about \$20,000, resulting in a total expenditure summary of \$493,812. He said that the proposed budget anticipates a decrease in state and federal funds and includes some tuition revenue. The total ask for this budget is \$566,802.

Supervisor Kimbrough asked Dr. Gretz if any insurance opportunities had been examined to pool with larger groups. Dr. Gretz replied that insurance was put out for bid last year, and the Local Choice offers the largest available pool, but they still factor in experience. The pool experience and the school experience are both factored in. The school experience for four years in a row was terrible and so much had to be written off. For the last two years, the school experience had been very good until the most recent quarter.

Jim Goforth said that the school had been furnishing meals all summer, for the most part, and throughout the year, paid for by the cafeteria funds, and they are not reflected in the budget. Karen Murray stated that the school was able to utilize CARES Act funds to continue the food program. Mr. Goforth also mentioned the Community Eligibility Provision. Dr. Gretz explained that the Community Eligibility Provision program is based on the Poverty Index, not the Free or Reduced Lunch calculation. The county was found to be eligible, so they were able to break even in terms of the meals that were served through federal reimbursement. So, meals were provided at no cost to the county.

Dr. Gretz discussed capital improvements and reviewed some of the items on the list. The first three items on his list were approved in the most recent CIP. First, the paving is set to happen at the middle school; it will include paving the portion where the electric buses and charging station will be, as well as sealing the existing paving at the middle and elementary schools. Second, the LED lighting project was recommended in terms of long-term efficiency and the architecture services is an estimation of what it would cost to procure an architect to begin to work with the task force to create a vision for how that renovation could start to materialize. Third, the HVAC units need to be replaced at the school because they are leaking. They will be more expensive to replace because they are proprietary and not traditional, installed when the school was built, so the price tag for replacing them is a bit more than for replacing standard units. The vendor, Honeywell, made a presentation to the Budget Finance subcommittee, but the project was put on hold until a second opinion was obtained from Bay Design Group. Bay Design provided a second opinion proposal, so the school is now ready to go out to procure a solution. The units were at their end of life three years ago and they continue to leak. The School Board voted to use an existing cooperative agreement at the federal level, the General Services Agreement (GSA), that vets national firms to provide entities like schools with the ability to procure certain services. Honeywell is on that list and the school already has a long-term relationship with them and has an existing performance contract with them that has several years left on it. Dr. Gretz said they would like to do a design build solution, a traditional bid spec build, where firms bid on a bid document. With a design build, a

company makes a firm bid and anything that changes during the course of the project comes out of the firm's pocket. Bay Design agrees with this solution. If this solution is moved on quickly, he believes the work could be done this summer. Dr. Gretz said that the county could possibly repurpose the existing funds that had been approved for Bay Design to provide consulting on the project; there is \$8,100 left on that contract that could be repurposed. Chairman Jessie asked if the contract with Honeywell had been worth it, and Dr. Gretz replied that the contract works well, and the school has had great experiences with them. In terms of the maintenance contract, he believes they do great work, they are trustworthy, and they know the school facilities. He believes working with them is a win-win in terms of efficiency and finances.

Supervisor Kimbrough asked about the status of the HVAC project, questioning if it was waiting on design build or approval of the Board of Supervisors. Mr. Walker said that the Board of Supervisors was waiting for a final price to give a go-ahead on the project. Dr. Gretz said that a firm design build price had been gotten from Bay Design as well as from Honeywell. Honeywell's firm price is not to exceed \$1.7 million, so they could move ahead with that using the GSA contract.

### **ADJOURN**

A motion to adjourn until the budget work session scheduled for Tuesday, March 2, 2021 at 9:30 a.m. was made by Supervisor Koontz, seconded by Supervisor Williams, and carried by the following roll call: Supervisor Koontz – Aye; Supervisor Mansfield – Aye; Supervisor Williams – Aye; Supervisor Kimbrough – Aye; and Chairman Jessie – Aye.

---

Wayne H. Jessie, Sr., Chairman  
Board of Supervisors