

THE FRANKLIN COUNTY BOARD OF SUPERVISORS HELD BUDGET WORKSESSION ON WEDNESDAY, MARCH 3, 2010, AT 4:00 P.M., IN THE BOARD OF SUPERVISORS MEETING ROOM IN THE COUNTY COURTHOUSE.

THERE WERE PRESENT: Charles Wagner, Chairman  
Wayne Angell, Vice-Chairman  
Leland Mitchell  
Ronnie Thompson  
David Cundiff  
Russ Johnson  
Bobby Thompson

OTHERS PRESENT: Richard E. Huff, II, County Administrator  
Christopher L. Whitlow, Asst. County Administrator  
Larry V. Moore, Asst. County Administrator  
Sharon K. Tudor, MMC, Clerk

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Chairman Charles Wagner called the meeting to order.

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**FY' 2010-2011 BUDGET WORK SESSION**

Richard E. Huff, II, County Administrator, presented a handout regarding Potential Budget Balancing Strategies as follows:

**POTENTIAL BUDGET BALANCING STRATEGIES**

3/2/2010

User Fees	Description	Amount	Comments
	Recreation/Park Fees/Late Fees/Youth Athletic Fees	\$80,000.00	4000 participants at \$20.00 each
	Possible Solid Waste Increase Tip Fees		Tab 2 --- See attached Memorandum
	Public Safety increase false alarm response fee	\$3,500.00	Tab 3 --- See attached Memorandum
	"Hard bill" out of county residents	\$8,000.00	per DAB
	"Hard bill" all calls	\$50,000.00	per DAB
	Implement billing for woodland fire responses	\$18,000.00	estimate
	Fireworks & Explosive Permits	\$2,000.00	Increase fee from \$250 to \$500
	Bill for Fire/EMS responses to DUI related accidents	\$40,000.00	Admin. cost to be determined
	Library Fees (i.e. Late fees, DVD/tapes fees)	\$12,000.00	Tab 4 --- See attached Memorandum \$0.05 to 0.10 increase - DVD max from \$3 to \$6
	Library Room Rental fees	\$ 5,000.00	Keep all meeting rooms fees consistent throughout the County \$25/\$50 and \$50/\$100
	Franklin Center Fees (meeting rooms, partners, misc. , etc.)	\$ 7,000.00	Tab 5 --- See attached Memorandum
	Court fees – Local surcharges		
	Dog Tags	\$29,000.00	\$10 for all dog tags less 10% Tab 24
	Adoption Fees at Animal Shelter	\$7,403.00	\$10 to \$25 increase Tab 22
	Special Occasion/Event Fees/Application Fees	\$1,800.00	Keep all meeting rooms fees consistent throughout the County Tab 23
	Administrative Fees for Fuel Services (0.10 charge per gallon)	\$3,500.00	Currently bill to - Ferrum Water & Sewer/VA State Police/ Game Warden/Piedmont Community Services
	IDA Application Fees		\$250 to \$2,000 per application (cost County approximately \$500 per meeting)
	<b>Total</b>	<b>\$267,203.00</b>	
Taxes	Description	Amount	Comments
	Real Estate	\$718,000.00	1 Penny at a 95% collection rate

Eliminate Amnesty on RE interest	\$ 67,000.00	
Personal Property	\$42,571.00	1 Penny at a 95% collection rate
Machinery & Tools	\$ 40,000.00	Tab 13 --- See attached Memorandum .05 = 40,000 / 2009 Levy = \$500,219
Increase Vehicle Decal fees	\$ 200,000.00	\$5.00 increase
<b>Total</b>	<b>\$1,067,571.00</b>	

Service Reductions	Description	Amount	Comments
	Reduce Library hours at Central	\$ 26,298.89	5% -closing Friday plus one evening (part time salary savings)
	Reduce Library hours at Central	\$46,860.00	10% - laying off or retirement of 1 full time person
	Reduce Library hours at Central	\$13,149.44	15% - loss of another 22 work hours per week (part time salary saving)
	Reduce Library hours at Westlake branch	\$6,507.44	5% -closing 6 hours a week (already closed on Mondays)
	Reduce Library hours at Westlake branch	\$3,254.25	Closing an additional 2 hours a week (part time salary)
	Reduce Bookmobile hours	\$3,240.00	annual savings - cutting hours by 1/2
	Eliminate paid crew at Public Safety Station	\$150,000.00	Currently staffing 4 stations
	Eliminate Number of Recreation Programs and / or Events	\$10,000.00	Tab 14 & Tab 15 --- See attached Memorandum
	Eliminate EMT program at High School	\$50,000.00	
	Eliminate 1 semester high school EMT program	\$12,600.00	decreased volunteer recruitment
	Sheriff – Eliminate DARE program	\$50,000.00	
	-Eliminate County Share of School Resource Officer	\$50,000.00	
	<b>Total</b>	<b>\$421,910.02</b>	

Support Reductions	Description	Amount	Comments
	VPI Extension – staffing		Tab 25 --- See attached Memorandum
	* Utilities are estimated at \$820 per month - no rent		
	Department of Forestry		
	* Utilities are estimated at \$290 per month - no rent		
	Charge for solid waste pickup – 4H, Ferrum College	\$48,750.00	Tab 16 --- See attached Memorandum \$25 per box per Month
	Charge for solid waste pickup - Schools	\$136,500.00	
	West Piedmont Plan Dist Commission - Membership	\$20,089.00	Tab 17 --- See attached Memorandum
	Roanoke Valley Alleghany Regional Commission - Membership	\$29,725.00	Tab 17 --- See attached Memorandum
	Stipends for BZA & PC & IDA		Planning Commission is \$50 per meeting plus mileage / BZA is \$50 per month / IDA is \$50 per meeting
	Further Staff - Personnel Reductions (RIF)		Tab 18 --- See attached Memorandum
	Unpaid Furlough Days – cost each	\$40,124.70	Tab 19 --- See attached Memorandum
	Reduce Salaries - Full Time & Part Time	\$108,292.00	1% is equal to 2.6 furlough days (Does not include salaries set by State Appropriation Act)
	VRS passed to employees (ability to do so is still in question)	\$115,500.00	per 1%
	Restructure County/School Debt Services		

Other	Description	Total	TBD Amount	Comments
	Twice Year Tax Collections		\$16,931,097.00	one-time windfall

General discussion ensued.

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Chairman Charles Wagner recessed the meeting.

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Chairman Charles Wagner turned the budget work session over to the Dr. Charles Lackey, Superintendent of Franklin County Public Schools and the Franklin County School Board.

Dr. Lackey, Superintendent of FCPS, presented the following school budget handouts:

**FCPS RE-DEFINED BUDGET FUNDING SHORTFALL PROBLEM FOR 2010-11  
REVISED 2/20/10**

1.	Electrical Services – 17.5% Estimated Increase	(\$199,874)
2.	Increase in Group Health Insurance Participation (109 employees x \$5,000 = \$545,000 less \$135,000 covered by grant funds = \$410,000)	(410,000)
3.	Projected Increase in Diesel, Gasoline and Heating Fuels by \$0.50 per gallon from \$2.00 to \$2.50	(318,191)
4.	Estimated Reduction of State Fiscal Stabilization Funds to FCPS in 2010-11 (This may increase in December.)	(444,355) *
5.	Estimated Reduction of State Revenues due to the Increase in the Local Composite Index from 0.3885 to 0.4012 (NOTE – We are now in the 4% interest category for Literary Fund loans instead of 3% where we have been for more than 19 years.)	<u>(589,890) **</u>
	Original Defined Budget Shortfall Problem for 2010-11 (December 1, 2009)	(\$1,962,310)
	Plus (Minus) Other Changes:	
1.	Drug-free Grant expires	(28,271)
2.	Delay implementing the Composite Index change for one year	589,890 **
3.	Revised reduction in projected state revenues (Governor McDonnell will not approve former Governor Kaine's proposed 1-year delay in implementing the revised composite index.)	(2,227,031)
	Additional reduction in projected State revenues proposed by Governor McDonnell on 2/17/10	(2,391,406)
4.	Required to spend more on At-Risk Programs (perhaps this could be used to establish the proposed new FCHS Alternative Ed Three-year Graduation Program)	(241,465)
5.	Required to spend more on the Virginia Preschool Initiative	(122,545)
6.	Can spend less on the Early Reading Intervention Program	16,971
7.	Required to spend more on the Algebra Readiness Program	(8,724)
8.	Loss of 100% of SFSF Grant for 2010-11	(2,303,847)
9.	Less original \$444,355 SFSF loss included in the \$1,962,310 above	444,355 *
10.	Increase in VRS rates for Retirement, GLI and RHCC as originally proposed	(808,922)
11.	Required to spend more on Prevention, Intervention and Remediation Program	(13,173)
12.	Governor McDonnell's proposed changes to VRS rates:	
	(a) No increase in VRS rates as was proposed by Governor Kaine	808,922
	(b) Savings from recommended decrease in VRS rates	<u>1,763,031</u>
	TOTAL ESTIMATED BUDGET PROBLEM FOR 2010-11	<u><u>(\$6,484,525)</u></u>

**NOTE:** The County Administrator has estimated that, in the absence of new local revenues being available, the schools may receive from local sources somewhere between level funding and \$330,000 to \$594,000 less than level funding depending upon estimated local revenue availability.

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Dr. Lackey presented the following information for the Board's review and consideration:

**Franklin County Public Schools  
Solving the Budget Problem for 2010-11  
2/25/10**

Estimated Budget Problem for 2010-11 as of 2/20/10	<u>\$6,484,525</u>			
Solving the Budget Problem for 2010-11:	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>
1. Additional County Funds for Operations (If Level-Funding is Maintained) **	\$3,275,000	\$2,550,000	\$1,825,000	\$1,100,000
2. School Capital Funds to Operations (\$1,100,000)	?	?	?	?
3. Reserve for Future School Capital Projects to Operations	615,076	615,076	615,076	615,076
4. Energy Fund Carryover to Operation for Electricity	199,874	199,874	199,874	199,874
5. Reductions to School Board Budget	<u>2,394,575</u>	<u>3,119,575</u>	<u>3,844,575</u>	<u>4,569,575</u>
Total	<u>\$6,484,525</u>	<u>\$6,484,525</u>	<u>\$6,484,525</u>	<u>\$6,484,525</u>

\*\*Notes:

1. If level funding is not maintained then this request will have to be adjusted in a range from \$330,000 (\$500,000 x 66% = \$330,000) up to \$594,000 (\$900,000 x 66% = \$594,000) for each of the 3 Options listed above.

2. Number 1 above could be reduced by \$1,100,000 for each option if the \$1,100,000 for School Capital Projects could be used for School Operations for at least 1 year.

**Franklin County Public Schools  
Potential Cuts for 2010-11**

**Rank**

- 1 • All capital funds to operations - \$1,100,000
- 2 • Reduce school and district administrators - \$500,000
- 3 • Cut librarians, nurses and counselors to minimum required numbers - \$180,000-\$240,000
- 4 • Technology Services – (technology staff, equipment replacement \$500,000)
- 5 • Reduce school budgets by 10-15% - \$200,000-\$250,000 (offered by many schools)
- 6 • English as a Second Language - \$320,700 less state funding of \$62,891 = \$257,809 net costs
- 7 • Reduce maintenance personnel - \$101,218
- 8 • Secondary PE programs (3 middle school) - \$180,000
- 9 • Athletics (total middle program and possible high school programs revisions and

} Approximately  
\$250,000-\$350,000

reductions)

BFMS  
Subsidy  
Supplements  
Travel

**10** • Governor's School - \$190,237 (save by cutting out Governor School and Vocational travel - \$33,090)

**11** • Career and Technical Program (vocational classes) – reduce by ½ - approximately \$350,000 of the most expensive and smallest class sizes

**12** • Increase class size by reducing 10 teachers - \$500,000; 20 teachers - \$1,000,000; 30 teachers - \$1,500,000; 40 teachers - \$2,000,000

**13** • Band (middle school) - \$120,000

**14** • Elementary Art / Music / PE  
 2 Art  
 2 Music  
 4 PE

} Approximately  
424,000

**15** • Across the board staff cuts (TBD) - estimated additional \$1,500,000-\$2,500,000

**16** • Gereau Center - \$1.2 million (keep open as 8<sup>th</sup> grade house)

**Serious Concern:** Once a program is cut – ever getting it back is unlikely

**Instruction** 8VAC 20-131-70 Code of Virginia



Each school shall provide a program of instruction that promotes individual academic achievement in the essential academic disciplines and shall provide additional instructional opportunities that meet the abilities, interests and educational needs of students.

Instruction shall be designed to accommodate all students, including those with disabilities, those identified gifted/talented, and those who have limited English proficiency.



We are committed to providing what is educationally best for the children of Franklin County, with instruction of the core curriculum as our top priority.

Furthermore, we are committed to preserving jobs that directly impact student achievement.

## Option 1



Even while protecting class size in the core curriculum...instruction will still be greatly impacted



- ☞ Support positions providing direct services for students
  - ☞ Remedial
  - ☞ Gifted
  - ☞ Special Education Assistant

## Even while protecting class size in the core curriculum...instruction will still be greatly impacted



Support positions providing indirect services for students and direct services for teachers

- ☞ Clerical (Division) – Payroll, Accounts Payable, HR, Instruction
- ☞ Division Professional
- ☞ Technology – Staff Training, IT Support
- ☞ Teacher Training (Division) – Curriculum, Assessment, Instructional Strategies

## Programs



- ☞ Eliminate rental of YMCA (8<sup>th</sup> grade PE)
- ☞ Science Museum Fees
- ☞ Eliminate Strings (Instruments) Program
- ☞ Reducing MS/HS Band Courses and After-School Opportunities
- ☞ Reduce After-School Sports Opportunities at MS/HS
- ☞ Governor's School


## Budget Reality Reactive vs. Proactive



- ☞ Maintenance
  - ☞ Vehicles
  - ☞ Buildings and Grounds
- ☞ Security
  - ☞ Camera/Locking systems
  - ☞ Technological – (ie: malicious coding, filters, virus, etc)

Instruction and Safety will always be a priority –but they will both be compromised

# Option One: Personnel Cuts 42 positions

Request from BOS		School Division Implications
Addl. County Funds (over level funding)		Reduction to School Budget
	3,275,000	2,394,575
CIP to Operations		RIF:
	1,100,000	7 Admin and/or professional staff
Reserve for Future Capital Projects for Operations		23.5 Teachers
	615,076	6 secretarial/clerical
Energy Funds Carry-over		5.5 Maintenance, Transportation and Purchasing
	199,874	

## Option 1



Impact:  
 Increase in Spec Ed identification, Lower Pass Rate on SOL tests, Increase At-Risk Population (drop-out, discipline referrals, family crisis), Teaching to the Middle

## Option 2



Even while protecting class size in the core curriculum...instruction will still be greatly impacted

- ☞ Support positions providing direct services for students
  - ☞ Remedial
  - ☞ Gifted
  - ☞ Special Education Assistants
  - ☞ **School Social Workers**
  - ☞ **ESL (English as a Second Language)**

Even while protecting class size in the core curriculum...instruction will still be greatly impacted

- Support positions providing indirect services for students and direct services for teachers
- ☞ Clerical (Division) –Payroll, Accounts Payable, HR, Instruction
  - ☞ Division Professional
  - ☞ Technology – Staff Training, IT Support
  - ☞ Teacher Training (Division) – Curriculum, Assessment, Instructional Strategies
  - ☞ **Additional Classified (Maintenance, Transportation and Purchasing) Positions**
  - ☞ **Additional Teaching Positions**

## Programs

- ☞ Eliminate rental of YMCA (8<sup>th</sup> grade PE)
- ☞ Science Museum Fee
- ☞ Eliminate Strings (Instruments) Program
- ☞ Reducing MS/HS Band Courses and After-School Opportunities – **Eliminate Middle School Entirely**
- ☞ Reduce After-School Sports Opportunities at MS/HS– **Eliminate Middle School Entirely**
- ☞ Governor’s School

# Budget Reality Reactive vs. Proactive



- ☞ Maintenance
    - ☞ Vehicles
    - ☞ Bldg and Grounds
  - ☞ Security
    - ☞ Camera/Locking systems
    - ☞ Technological – (ie: malicious coding, filters, virus, etc)
- Further reduction in staff will result in “back-log” in work orders  
 Instruction and Safety will always be a priority –but they will both be compromised

## Option Two: 48.5 Positions and 1% pay cut

Request from BOS			School Division Implications
Addl. County Funds (over level funding)	2,550,000		Reduction to School Budget 3,119,575
CIP to Operations	1,100,000		RIF:
			10 Admin and/or professional staff
Reserve for Future Capital Projects for Operations	615,076		25 Teachers
			7 secretarial/clerical
Energy Funds Carry-over	199,874		6.5 Maintenance, Transportation, Purchasing
			One Percent Reduction in pay – all employees (or addl. 10 teachers)

## Option 2



Impact:  
 Increase in Spec Ed identification, Lower Pass Rate on SOL tests, Increase At-Risk Population (drop-out, discipline referrals, family crisis), teaching to the middle, Lower Graduation Rate, Increase Truancy, Increase FAPT referrals, reactive instead of proactive responses - decrease in building cleanliness, longer waits for technology repair

## Option 3



Even while protecting class size in the core curriculum...instruction will still be greatly impacted



- ☞ Support positions providing direct services for students
  - ☞ Remedial
  - ☞ Gifted
  - ☞ Special Education Assistants
  - ☞ **School Social Workers**
  - ☞ **ESL (English as a Second Language)**
  - ☞ **Librarians**
  - ☞ **Reduced Elective Course Offerings at MS and HS**

Even while protecting class size in the core curriculum...instruction will still be greatly impacted



Support positions providing indirect services for students and direct services for teachers

- ☞ Clerical (Division) – Payroll, Accounts Payable, HR, Instruction
- ☞ Technology – Staff Training, IT Support
- ☞ Publicity (Division)
- ☞ Teacher Training (Division) – Curriculum, Assessment, Instructional Strategies
- ☞ **Additional Classified Positions**
- ☞ **Additional Division Office cuts**

# Programs



- ☞ Eliminate rental of YMCA (8<sup>th</sup> grade PE)
- ☞ Science Museum Fee
- ☞ Eliminate Strings (Instruments) Program
- ☞ Reducing HS/MS Band Courses and After-School Opportunities – **Eliminate Middle School Entirely**
- ☞ Reduce After-School Sports Opportunities at Ms and HS– **Eliminate Middle School Entirely**
- ☞ Governor’s School
- ☞ **Reduction of Gereau course offerings**

## Option Three: 56.5 positions and 2% pay cut



Request from BOS		School Division Implications
Addl. County Funds (over level funding)	1,825,000	Reduction to School Budget
		3,844,575
		RIF:
CIP to Operations	1,100,000	11 Admin and/or professional staff
		30 Teachers
Reserve for Future Capital Projects for Operations	615,076	7 secretarial/clerical
		7.5 FT Maintenance, Transportation and Purchasing
Energy Funds Carry-over		Two Percent Reduction in pay – all employees (or 20 addl. Teachers)
	199,874	

# Budget Reality Reactive vs. Proactive



- ☞ Maintenance
    - ☞ Vehicles
    - ☞ Bldg and Grounds
  - ☞ Security
    - ☞ Camera/Locking systems
    - ☞ Technological – (ie: malicious coding, filters, virus, etc)
- Further reduction in staff will result in “back-log” in work orders**  
 Instruction and Safety will always be a priority –but they will both be compromised

## Option 3



### Impact:

Increase in Spec Ed identification, Lower Pass Rate on SOL tests, Increase At-Risk Population (drop-out, discipline referrals, family crisis), Teaching to the middle, Lower Graduation Rate, Increase Truancy, Increase FAPT referrals, Reactive instead of proactive responses - decrease in building cleanliness, longer waits for technology repair, Limitations for research support and materials, Larger class sizes, Compromising equity of instruction

## Option 4



Even while protecting class size in the core curriculum...instruction will still be greatly impacted



- ☞ Support positions providing direct services for students
  - ☞ Remedial
  - ☞ Gifted
  - ☞ Special Education Assistants
  - ☞ School Social Workers
  - ☞ ESL (English as a Second Language)
  - ☞ Librarians
  - ☞ Reduced Elective Course Offerings at MS and HS
  - ☞ Dissolve current Gereau Model and restructure into an 8<sup>th</sup> grade house

## Even while protecting class size in the core curriculum...instruction will still be greatly impacted

Support positions providing indirect services for students and direct services for teachers

- ☞ Clerical (Division) – Payroll, Accounts Payable, HR, Instruction
- ☞ Technology – Staff Training, IT Support
- ☞ Publicity (Division)
- ☞ Teacher Training (Division) – Curriculum, Assessment, Instructional Strategies
- ☞ **Additional Classified Positions**
- ☞ **Additional Division Office cuts**
- ☞ **Additional Teacher Cuts**


## Programs

- ☞ Eliminate rental of YMCA (8<sup>th</sup> grade PE)
- ☞ Science Museum
- ☞ Eliminate Strings (Instruments) Program
- ☞ Reducing HS/MS Band Courses and After-School Opportunities – **Eliminate Middle School Entirely**
- ☞ Reduce After-School Sports Opportunities at Ms and HS – **Eliminate Middle School Entirely**
- ☞ Governor's School
- ☞ **Dissolve Gereau course offerings**

## Budget Reality Reactive vs. Proactive

- ☞ Maintenance
    - ☞ Vehicles
    - ☞ Bldg and Grounds
  - ☞ Security
    - ☞ Camera/Locking systems
    - ☞ Technological – (ie: malicious coding, filters, virus, etc)
- Further reduction in staff will results in “back-log” of work-orders**  
 Instruction and Safety will always be a priority –but they will both be compromised

### Option Four: 79.5 positions and 2% pay cut

		
Request from BOS		School Division Implications
Addl. County Funds (over level funding)		Reduction to School Budget
	1,100,000	4,569,575
CIP to Operations		RIF:
	1,100,000	13 Admin and/or Professional staff
Reserve for Future Capital Projects		40 Teachers
for Operations	615,076	12 Teacher Assistants
		7 secretarial/clerical
Energy Funds Carry-over	199,874	7.5 FT Maintenance, Transportation and Purchasing
		Two Percent Reduction in pay – all employee (or 20 addl. Teachers)

## Option 4



Impact: Increase in Spec Ed identification, Lower Pass Rate on SOL tests, Increase At-Risk Population (drop-out, discipline referrals, family crisis), Teaching to the middle, Lower Graduation Rate, Increase Truancy, Increase FAPT referrals, Reactive instead of proactive responses - decrease in building cleanliness, longer waits for technology repair, Limitations for research support and materials, Larger class sizes, Compromising equity of instruction, Skeletal Curriculum, Overworked Personnel, Life-Lessons Learned through Extra-Curricula – GONE!

General discussion ensued.

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The Board discussed the update on the current budget calendar.

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Chairman Wagner adjourned the meeting.

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CHARLES WAGNER  
CHAIRMAN

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RICHARD E. HUFF, II  
COUNTY ADMINISTRATOR