

**SCOTT COUNTY SCHOOL BOARD
MINUTES OF ORGANIZATIONAL MEETING
TUESDAY, JANUARY 6, 2009**

The Scott County School Board met in regular session on Tuesday, January 6, 2009, in the Scott County School Board Office Conference Room in Gate City, Virginia.

Present: Gloria E. "Beth" Blair
Lowell S. Campbell
James Kay Jessee
Katherine J. McClelland
Joe D. Meade
Dennis C. Templeton

Absent: None

Others Present: James B. Scott, Superintendent; John Sigmond, School Board Attorney; Loretta Q. Page, School Board Clerk; K.C. Linkous, School Board Deputy Clerk; Justin Forrester, SCEA President; Wes Bunch, Kingsport Times-News Reporter; Gerald Miller, Mayor of Duffield; Nancy Godsey, Gate City Community Member; John Hamilton, Hilton Community Member; Nancy Hamilton, Hilton Community Member; Suzanne Goins, Virginia Professional Educators Association; Patricia Currier, Rye Cove Intermediate School Teacher/Virginia Professional Educators Association; Jane Laoo, and Susan Phillips, University of Virginia Masters Degree Program Students.

CALL TO ORDER: Mr. Joe Meade, serving as temporary Chairman, called the meeting to order at 6 p.m.

APPROVAL OF AGENDA: On a motion by Mr. Campbell, seconded by Mr. Templeton, all members voting aye, the board approved the agenda as submitted and discussed that "superintendent contract" would be presented during "personnel items" on the agenda.

ELECTION OF CHAIRMAN: Superintendent Scott, serving as temporary Chairman, asked for nominations for Chairman. Mr. Dennis Templeton nominated Mr. James Kay Jessee to serve as Chairman. There being no other nominations, Mrs. Beth Blair made a motion that nominations cease, all members voting aye, Mr. James Kay Jessee was elected by acclamation to serve as Chairman. Mr. Jessee expressed appreciation to fellow members for their confidence in electing him to serve as Chairman.

ELECTION OF VICE CHAIRMAN: Chairman Jessee asked for nominations for Vice Chairman. Mrs. Blair nominated Mr. Lowell Campbell. Mr. Templeton nominated Mrs. Katherine McClelland. There being no other nominations, Mr. Meade made a motion that nominations cease, seconded by Mr. Templeton.

Chairman Jessee asked for a vote for Mr. Campbell as Vice Chairman:

VOTE - Ayes: Mr. Campbell, Mrs. Blair, Mr. Meade
Nays: Mrs. McClelland, Mr. Templeton
Abstain: Mr. Kay Jessee

Chairman Jessee asked for a vote for Mrs. McClelland as Vice Chairman:

VOTE - Ayes: Mrs. McClelland, Mr. Templeton
Nays: Mr. Campbell, Mrs. Blair, Mr. Meade
Abstain: Mr. Kay Jessee

Mr. Lowell S. Campbell was elected to serve as Vice Chairman.

RECOMMENDATION AND APPOINTMENT OF CLERK AND DEPUTY CLERK:

On a recommendation of Superintendent Scott and on a motion by Mr. Campbell, seconded by Mrs. McClelland, all members voting aye, the board appointed Mrs. Loretta Q. Page as Clerk of the Board and Mrs. Karen "K.C." Quillen Linkous as Deputy Clerk of the Board.

PUBLIC COMMENTS: Chairman Jessee reiterated comments made by outgoing Chairman Meade at the last school board meeting and that personnel have been lambasted. He stated that the Board welcome's new and relevant information on issues but that there is no need to be "dredging up" items discussed before and no need to "beat a dead horse."

Mrs. Nancy Godsey, Gate City Community Member, presented comments about a letter received by the Board in November and expressed that the letter was not from her or a member of her household. She further expressed that she would continue to bring up matters that she felt were not above board and that she feels the taxpayers and citizens need to hear and commented about spending time at the County Administrator's Office doing reading and research to see how hard earned tax money is being spent and by whom.

Board members expressed thanks to Mrs. Godsey for her comments.

APPROVAL OF MINUTES: On a motion by Mrs. McClelland, seconded by Mr. Meade, all members voting aye, the board approved the minutes of the Regular Meeting held on Tuesday, December 2, 2008 as submitted.

APPROVAL OF CLAIMS: On a motion by Mr. Campbell, seconded by Mrs. Blair, all members voting aye, the board approved payroll and claims as follows:

School Operating Fund invoices and payroll in the amount of \$1,431,221.02 as shown by warrants #8089229-8089617.

Cafeteria Auxiliary Fund invoices and payroll in the amount of \$147,851.93 as shown by warrants #1011493-1011593 (#1011494 voided).

Scott County Public School Head Start invoices and payroll in the amount of \$55,074.46 as shown by warrants #7555-7645 (voided #7623, 7624 & 7625).

DISCUSSION CONCERNING SCHEDULING BOARD MEETING DATES INCLUDING A JOINT MEETING WITH BOARD OF SUPERVISORS: Board members discussed meeting dates and decided to meet on the dates, locations, and times submitted and decided to meet on Thursday, March 26, 2009 due to the spring break being during the first week of April. The Board discussed and agreed to hold a joint meeting with the Board of Supervisors, should they wish to do so, and set a tentative date of February 19 with the date being subject to change should it not be convenient for the Board of Supervisors. Superintendent Scott will check with Mr. Rufus Hood, County Administrator, to determine whether the Board of Supervisors wishes to have a joint meeting and if this date is feasible. He expressed that meetings held prior to last year had been very productive between the two boards. He stated he hopes that should a joint meeting be held this year that it be more productive than last year. He explained the need to discuss funding and things that the Boards need to work on.

APPROVAL OF SCHOOL BOARD MEETING DATES: On a motion by Mr. Campbell, seconded by Mr. Templeton, all members voting aye, the board approved school board meeting dates as follows:

<u>Date</u>	<u>Location</u>	<u>Time</u>
February 3, 2009 (Tues.)	Scott Co. Career & Technical Center (Public Hearing: 2009-10 Proposed School Budget) 5:45 p.m. (Regular Meeting)	6:00 p.m.
February 19, 2009 (Thurs.)	Scott Co. Career & Technical Center (<u>"Tentative"</u> Joint Meeting with Board of Supervisors)	6:00 p.m.
March 3, 2009 (Tues.)	School Board Office (Regular Meeting & Budget Work Session To Follow)	6:00 p.m.
March 26, 2009 (Thurs.)	School Board Office (Final Budget Work Session & Approval of Proposed 2009-10 School Budget)	6:00 p.m.
May 5, 2009 (Tues.)	Scott Co. Career & Technical Center	6:00 p.m.
June 2, 2009 (Tues.)	School Board Office	6:00 p.m.
June 29, 2009 (Mon.)	School Board Office (2008-09 School Budget Close-Out Meeting)	6:00 p.m.
July 7, 2009 (Tues.)	School Board Office	6:00 p.m.
August 4, 2009 (Tues.)	School Board Office	6:00 p.m.
September 1, 2009 (Tues.)	School Board Office	6:00 p.m.
October 6, 2009 (Tues.)	School Board Office	6:00 p.m.
November 4, 2009 (Wed.)	Scott Co. Career & Technical Center	6:00 p.m.
December 1, 2009 (Tues.)	School Board Office	6:00 p.m.
January 5, 2010 (Tues.)	School Board Office	6:00 p.m.

SCHOOL BOARD APPRECIATION MONTH IN VIRGINIA-FEBRUARY:

Superintendent Scott informed school board members that in recognition of February being School Board Appreciation Month in Virginia, the central office staff wishes to provide a dinner to be held sometime between 4:30 to 5:00 p.m. prior to the Public Hearing and Regular Meeting at the Scott County Career & Technical Center on February 3.

APPROVAL OF LEASE AGREEMENT WITH GATE CITY FIRE DEPARTMENT:

Superintendent Scott explained that the current ten-year lease agreement with the Gate City Fire Department is expiring soon and recommended approval of renewing the lease agreement with the only change being that the agreement would be for a period of twenty years instead of the previous ten years. He explained that the lease is automatically renewed at the end of each one year period unless either party notifies the other within the timeframe specified in the lease agreement. He further explained that the fire department uses the property for the purpose of placing a fire-fighting training facility and parking of fire-fighting vehicles. On a motion by Mr. Meade, seconded by Mr. Templeton, all members voting aye, the board approved renewing the lease agreement with the Gate City Fire Department as submitted by Superintendent Scott (**Appendix E**)

ERIP PROPOSAL FOR CLASSIFIED AND NON-CLASSIFIED PERSONNEL:

Superintendent Scott reported that due to the economy and state cuts to the school revenue there is a need to find ways to absorb the losses and to be prepared. He stated that if there are employees interested in retiring and these plans are offered to them, then maybe the school system may not have to cut personnel and eliminate positions when the state makes the proposed cuts to the state funding. He explained that this is a win-win situation for the employees interested in retiring and for the School Board. He expressed that the last thing that the school system wants to do is let employees go. He stated that because of the situation with the insurance and the coming years of projected state revenue cuts, this might very well be the last year the Board can offer this plan. He further stated that he just didn't see how the Board could continue to offer the plan and he stated from the comments he has received from some members this would not have been offered this year had it not been for the budget situation.

Mr. Meade pointed out for the public's information, the figures presented show that this will be a cost savings for the Board. Superintendent Scott also stated that for some of the positions in which he has already been informed will have retirees, it will be a cost savings since the retirees will not be replaced. He did point out that cuts in personnel could not be made where it would "hurt" the classroom.

Superintendent Scott and Board members discussed that some of the state revenue cuts are permanent and that they felt this was the best retirement incentive plan that has been offered for the employee that is in a situation to take advantage of the plan; but, the Board is not trying to push anyone out the door and this plan is for any employee that feels it is the right time in their life to retire.

Superintendent Scott and Board members discussed that some employees may feel that a better retirement incentive plan might be offered next year. However, Board members and Superintendent Scott both commented that they don't see it happening and that even more cuts might have to be made next year. Superintendent Scott pointed out that when you offer a plan each year then it is no longer a retirement incentive, it is more of a fringe benefit.

Superintendent Scott asked Board members to vote on the Early Retirement Incentive Plans for both classified and non-classified since he would need to go out to the schools and explain the plan to school personnel and get the employees notifications in time to include funding in next year's budget for the plan. Superintendent Scott and Board members discussed that special situations between June 30 and December 31, 2009, such as an employee lacking a couple of months to complete their "30" years of service with the Virginia Retirement System will be considered.

On the recommendation of Superintendent Scott and on a motion by Mr. Templeton, seconded by Mrs. McClelland, all members voting aye, the Board approved the ERIP Proposals for Classified and Non-Classified personnel as follows:

SCOTT COUNTY SCHOOLS ERIP PROPOSAL FOR CLASSIFIED PERSONNEL ELIGIBILITY:

Participation in the ERIP is subject to the approval of the School board, based on the following factors:

Retiree must be eligible to file a Retirement Option;

Retiree must be at least 51 years of age and at least 30 years of service with the last ten years of employment being with SCOTT COUNTY SCHOOLS, or an accumulated 83 points (determined by adding age and service).

Retiree must be currently employed and in good standing with the Scott County School Board; and

Retiree must notify the SUPERINTENDENT OF SCOTT COUNTY SCHOOLS in writing, by March 7, 2009 (special situations between June 30 and December 31, 2009, will be considered) when meeting all of the previous factors and choosing to apply for the ERIP. Retirees under this plan are not required to work any workdays.

OPTION I

Retiree will have VRS benefits supplemented in an amount equal to 10% of final contract salary. The supplement will be paid in equal monthly installments and will continue for 14 years or until the employee is Medicare eligible. Upon reaching Medicare eligible age the monthly supplement will cease. In the event of the retiree's death, the balance of the ERIP owed will be paid to the retiree's estate.

Employer will pay the full cost of an employer and employee's share of the current Individual Health Insurance Premium in the Employer's Health Benefit Plan. The Premium will be paid for 14 years or until the employee is Medicare eligible. Upon reaching Medicare eligible age the employee benefit is terminated.

OPTION II

Retiree will be paid a stipend of \$2,000 per year for each year over 30 years of service. This stipend will be paid in a lump sum on the last working day of the month following the last contract payday.

Employer will pay the full cost of an employer and employee's share of the current Individual Health Insurance Premium in the Employer's Health Benefit Plan. The Premium will be paid for 14 years or until the employee is Medicare eligible. Upon reaching Medicare eligible age the employee benefit is terminated.

NOTE: The insurance premium payment will begin as follows:

10 month employee – October 2009

11 month employee – September 2009

12 month employee – August 2009

The Retiree can transfer/enroll to the Employer's health benefits plan, but only during the June 2009 enrollment period if he/she is not presently enrolled.

REVOCATION:

Participants in the ERIP may withdraw from the program but may not resume full-time employment with the School Board.

TAXES:

Federal, State, FICA, and Medicare taxes will be deducted from the ERIP Supplement.

PAYROLL DEDUCTIONS:

Current payroll deductions may continue to be deducted from the ERIP supplement.

Please select which option you wish to choose:

OPTION I _____ **Monthly supplement:** **Health Insurance Premiums:**
Start Date: _____ **Start Date:** _____
End Date: _____ **End Date:** _____

OPTION II _____ **Lump Sum Payment:** **Health Insurance Premiums:**
Date: _____ **Start Date:** _____
End Date: _____

Employee Signature **Date:** _____

EMPLOYER: SCOTT COUNTY SCHOOL BOARD

BY: _____ **Date:** _____

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SCOTT COUNTY SCHOOLS ERIP PROPOSAL
FOR NON-CLASSIFIED PERSONNEL

ELIGIBILITY:

Participation in the ERIP is subject to the approval of the School board, based on the following factors:

Retiree must be at least 52 years of age and at least 20 years of service.

Retiree must be currently employed and in good standing with the Scott County School Board;
and

Retiree must notify the SUPERINTENDENT OF SCOTT COUNTY SCHOOLS in writing, by March 7, 2009 (special situations between June 30 and December 31, 2009, will be considered) when meeting all of the previous factors and choosing to apply for the ERIP. Retirees under this plan are not required to work any workdays.

OPTION I

Retiree will have VRS benefits supplemented in an amount equal to 10% of final contract salary. The supplement will be paid in equal monthly installments and will continue for 14 years or until the employee is Medicare eligible. Upon reaching Medicare eligible age the monthly supplement will cease. In the event of the retiree's death, the balance of the ERIP owed will be paid to the retiree's estate.

Employer will pay the full cost of an employer and employee's share of the current Individual Health Insurance Premium in the Employer's Health Benefit Plan. The Premium will be paid for 14 years or until the employee is Medicare eligible. Upon reaching Medicare eligible age the employee benefit is terminated.

OPTION II

Retiree will be paid a stipend of \$1,000 per year for each year over 20 years of service. This stipend will be paid in a lump sum on the last working day of the month following the last contract payday.

Employer will pay the full cost of an employer and employee's share of the current Individual Health Insurance Premium in the Employer's Health Benefit Plan. The Premium will be paid for 14 years or until the employee is Medicare eligible. Upon reaching Medicare eligible age the employee benefit is terminated.

NOTE: The insurance premium payment will begin as follows:

10 month employee – October 2009
11 month employee – September 2009
12 month employee – August 2009

The Retiree can transfer/enroll to the Employer's health benefits plan, but only during the June 2009 enrollment period if he/she is not presently enrolled.

REVOCATION:

Participants in the ERIP may withdraw from the program but may not resume full-time employment with the School Board.

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Federal, State, FICA, and Medicare taxes will be deducted from the ERIP Supplement.

PAYROLL DEDUCTIONS:

Current payroll deductions may continue to be deducted from the ERIP supplement.

Please select which option you wish to choose:

OPTION I _____ **Monthly supplement:** _____ **Health Insurance Premiums:**
Start Date: _____ **Start Date:** _____
End Date: _____ **End Date:** _____

OPTION II _____ **Lump Sum Payment:** _____ **Health Insurance Premiums:**
Date: _____ **Start Date:** _____
End Date: _____

Employee Signature

Date: _____

EMPLOYER: SCOTT COUNTY SCHOOL BOARD

BY: _____ **Date:** _____

HEALTH INSURANCE FUND UPDATE: Superintendent Scott reported that the Health Insurance Fund continues to have funding problems due to the ongoing level of high claims paid for long term illness, high usage and increased benefit costs. He reported that the school board has put in extra funds this school year (over \$300,000) besides the employer share of premiums. He explained that due to the fund situation premium rates for next school year will have to increase. He cited examples of this just

not being the school system's problem but that employers everywhere are making changes to their plans. He stated that the plan will be reviewed to determine what can be done to help the fund but to try to keep premiums down as much as possible. He proposed that in order to help the employees, the school board can try to pick up most of the premium increase; but, he also pointed out that this will be more difficult with the proposed state revenue cuts the board is facing for next year. He invited Board members to attend the health insurance committee meeting to be held next week (January 14) to see what can be done to make it a better situation for next year. Superintendent Scott provided an opportunity for Board members to ask any questions that they might have with regard to the health fund.

STATE FUNDING UPDATE: Superintendent Scott reported that with the Governor's proposed budget for this fiscal year in comparing last spring's figures with the December figures, the school system will receive approximately \$262,310 cut this year. He also estimated that the school system is expected to receive approximately \$2,148,718.00 less state revenue for the 2009-10 school year. He pointed out when the state reduces their funding to the school system, then the locality's required local matching effort is reduced. Therefore, he explained that the school system could possibly be expected to receive less funding from the county next year. He also stated that although the county may also be facing cuts, he hopes the school system can convince them to consider giving the school system at least a portion of these funds. He also pointed out that for next year the school board is going to have to put in (approximately \$600,000) in premiums for the Health Insurance Fund. With these figures, he stated that the school system needs to come up with approximately \$3,300,000 for next year. He expressed that because of this situation, it is important to get word out to those employees who wish to retire in order to try not to have to let any employees go. He expressed that he felt everyone present would rather someone retire on their own because they want to rather than tell someone else that they don't have a job.

In response to a board member question about state revenue for salaries, Superintendent Scott reported that the raise was the first item the state removed from the proposed revenue. He also expressed that he could not, in good conscience, recommend a salary increase for next year and then turn around and let employees go. He stated that he could safely say that he could not recommend a salary increase for next year. Board members and Superintendent Scott discussed the importance of trying to provide the step increase for next year. He informed board members that he would prepare one budget with the step increase (for those employees not yet at the top of the salary scale) and one budget without the step increase. He stated that if you don't give the step increase, you no longer have a salary scale and explained the difficulty if you attempt to try to catch up the steps in another budget year.

Superintendent Scott explained that travel and field trips have really been cut back this year and he is working to save as much revenue possible between now and the end of the year. He expressed he hopes the state does not make more budget cuts than they have already proposed. He informed board members that he would travel to the schools to get the word out and expressed that members could see how there is a need for a commitment from the employees. Board members and Superintendent Scott discussed that the situation could even be worse than has been discussed should the state make additional revenue cuts.

Superintendent Scott reported that one neighboring county had to let several employees go. He informed board members that they may expect to receive calls that he has not approved something. Board members commended Superintendent Scott for his expertise with finances and management of resources.

CLOSED MEETING: There was no motion to enter into a closed meeting.

RESIGNATION: On the recommendation of Superintendent Scott and on a motion by Mr. Campbell, seconded by Mr. Meade, all members voting aye, the board accepted the resignation request of Mr. Greg Adams as Rye Cove High School Junior Varsity Baseball Coach effective December 10, 2008.

EMPLOYMENT: On the recommendation of Superintendent Scott and on a motion by Mrs. Blair, seconded by Mr. Campbell, all members voting aye, the board approved the employment Mr. Cheyenne Osborne as Rye Cove High School Junior Varsity Baseball Coach effective for the 2008-09 school year.

LEGISLATIVE CONFERENCE: Superintendent Scott reported that the Virginia School Boards Association Legislative Conference is to be held in February and stated that any members planning to attend need to notify Mrs. Page tonight so that reservations and registrations can be completed. He urged Board members to attend explaining that with the funding issues and proposed state budget cuts to K-12 education, it is very important, maybe more than it ever has been, for school board members to attend the conference to communicate with the legislators. He also expressed that he didn't want the legislators to say that the school system didn't care enough to attend.

SUPERINTENDENT EMPLOYMENT AGREEMENT: On a motion by Mr. Meade, seconded by Mr. Campbell, the Board, with Superintendent Scott's concurrence, voted to terminate the superintendent's contract or appointment ending June 30, 2009 and appoint him as superintendent to a term of two and one half years beginning January 6, 2009 and ending on June 30, 2011.

VOTE

AYES: Gloria E. "Beth" Blair, Lowell S. Campbell, Joe D. Meade

NAYS: Katherine "Kathy" McClelland, Dennis C. Templeton

ABSTAIN: James Kay Jessee

Mrs. McClelland asked that the following statement be entered into the minutes of the meeting: "The "no" vote that I casted for the Superintendent's contract extension is due to the length of the contract. In June 2011, the sitting board will only have 6 months left. Most likely in January 2012 the board will change and could have 6 totally new members. The employment of an extremely qualified superintendent to follow Mr. Scott is of upmost interest to the future of the Scott County School System. I am concerned that this timing would not be in the best interest of the system."

GATE CITY AREA PROPERTY UPDATE: Superintendent Scott reported that he has been informed that it should be possible to put in all three fields on the property with the least amount of fill dirt. He stated that he plans to seek outside funding for the project. He also reported that since a school bus has traveled the road in prior years there should be no problem with school buses getting to and from the property.

Mrs. Blair asked about using the football field at Gate City High School for soccer. Superintendent will check on this matter and report back to the Board.

ITEMS BY BOARD MEMBERS: Mr. Templeton asked Superintendent Scott about his plans in regard to budget cuts from the state. Superintendent Scott reported that he will continue to work with the schools and school board to review and cut unnecessary purchases. He explained that there will be no textbook adoption for the coming year. He also reported that he will continue to cut back on travel and trips. He

stated that he will try to prepay as many items as possible for the coming year as has been done in past years. He pointed out that an important item is offering the retirement incentive plans this year and to look closely at all positions and review hiring carefully. He expressed that the school system has a good start toward next year and just needs to keep going in that direction.

Mr. Meade suggested that the Chairman may want to consider appointing a committee to review the transportation. Superintendent Scott stated that all bus routes will be reviewed as well as the maintenance. He reported that Nickelsville Elementary School needs a roof.

He reported that expenditures have been held down and that approximately \$170,000 of the current expenditures is for payment of dual enrollment classes and that 80% is reimbursed from MECC, students pay 10%; therefore, these courses only cost the Board 10%.

Superintendent Scott and Board members discussed that if there are "provisional licensure" teachers lacking course work in meeting the requirements of highly qualified, these employees need to be doing whatever is necessary to get this work done as soon as possible although it was discussed their provisional license is for a three year period. Superintendent Scott reported that this is the first time in recent years that letters have not had to be sent out as these teachers are working hard on completing their course work. He cited an example of one teacher that has two years remaining on the provisional license but is completing all work this year. In response to an inquiry about teachers that were let go last year, Superintendent Scott did report that there were three teachers who did not complete what was necessary and were not rehired.

ADJOURN: There being no further business to discuss, Mr. Meade made a motion to adjourn at 7:07 p.m., motion was seconded by Mr. Campbell, all members voting aye.

James Kay Jessee, Chairman

Loretta Q. Page, Clerk