

Northumberland County
Joint Finance Committee Meeting
Thursday, January 25, 2024- 6:00 p.m.
General District Courtroom- 220 Judicial Pl., Heathsville

I. Call To Order

Dr. Linwood Blizzard called the Joint Finance Committee meeting to order and explained that tonight's meeting has been changed from a standard meeting to more of a working group due to health issues and a family emergency. Dr. Pica stated that they'd like to postpone most of the agenda as those items do require the expertise of the finance director. Instead, Dr. Pica and Dr. Blizzard asked if they could reschedule those items for another committee meeting and tonight focus on the last section for planning the budget approval. The aim is to get from the submitted budget by the school to final consensus in the April 11th time frame that's been discussed.

Dr. Pica submitted a list of initial questions to Dr. Wargo and Mrs. Booth on Tuesday, January 23, 2024. Those questions can be found at the end of this minute set.

II. Plan for Budget Approval

a. Process and Initial questions

Mr. Brann stated that the process for the Board of Supervisors is to review the School Board budget and then gather questions to submit to the School Board ahead of time based on that review.

Dr. Pica recognized that the School Board committed to having their budget approved at the January 8, 2024 meeting, however it may not be final yet as there are a few variations they are working on. She stated that the School Board also committed and honored to keeping their budget at level funding this year. Dr. Pica asked Mr. Brann to elaborate on his statement regarding when the Board needs the questions, when they are looking to hold the public hearings, and how long the School Board has to answer the questions.

Mr. Brann asked County Administrator Tadlock when the Board typically starts having budget work sessions with the school.

County Administrator Tadlock explained that in the past the School Board would present their budget to the Board of Supervisors towards the end of March and then work sessions with the School Division begin soon after that.

Mr. Brann stated that the Board agreed to help speed up the budget process a little this year and the Board now has a version of the school budget the way they had asked it to be presented.

Mr. Haynie asked if it was their final budget.

Dr. Pica noted that question to provide to the School Board.

Dr. Blizzard asked Mr. Tadlock to clarify the timeline of the work sessions and public hearings based on when the budget is submitted to the Board.

Mr. Tadlock stated that historically the budget has been submitted in March and that is when the Board would start reviewing and scheduling work sessions with the school. The public hearing occurs after a certain number of work sessions which varied depending on the year. The school budget hearing could either be held separately or in conjunction with the County budget which has been done both ways in the past.

Dr. Blizzard asked Mr. Tadlock to brief a timeline backwards from a budget adoption date of April 11, 2024.

Mr. Tadlock stated that the hearing would need to be at least a week before that date, but he would suggest allowing two weeks because the Board typically holds work sessions after the public hearings.

Mr. Brann stated that they need to find out if the budget submitted to the Board is the school's final budget. Mr. Brann stated that he's going to review the budget and write down any questions he has, and instead of waiting for the first meeting with the School Board, he'd like to get those questions to the County Administrator for him to provide them to the Superintendent ahead of time so the school can provide answers at the first meeting. He reiterated that they need to find out whether this is the school's final budget before they dive too deep into their review.

Dr. Blizzard asked how much time the Board needs to generate questions to provide to the Superintendent.

Mr. Haynie stated that typically the Board holds an initial work session that generates questions. After that there's additional work sessions that follow for further discussion and other questions to be answered.

County Administrator Tadlock asked if the Board wants the School Board to present their budget to them.

Mr. Haynie stated that the School Board typically does present their budget to the Board.

County Administrator Tadlock further explained that their budget presentation is typically what generates the school budget questions and work sessions.

Dr. Blizzard asked if the School Board has to present the budget to the Board or if it's considered the presentation once they receive the budget.

Mr. Brann stated that he'd rather see it presented, and Mr. Haynie agreed, stating that's the way it's always been done.

Dr. Blizzard asked if the presentation was typically done during a joint board meeting or during the Board of Supervisors meeting.

County Administrator Tadlock stated that the Board has held the presentation during a joint board meeting.

Dr. Blizzard asked if it would be acceptable to have the presentation during a Board of Supervisors meeting.

Mr. Haynie stated that it would depend on how much time the presentation would take because the Board has a tight agenda.

Dr. Blizzard asked what the intent of the presentation is that the Board is looking for.

Mr. Haynie stated that the presentation consists of going through all seven categories and giving the Board a general idea of what the expenses are as well as any additions/deletions. He stated that the Board would look at the budget and ask questions during the presentation as well.

Dr. Blizzard understood the presentation serves as a verbal conversation rather than looking at numbers on a page. Dr. Blizzard and Dr. Pica asked if the reviewing process of the budget could begin right now so questions can begin to be generated ahead of time.

Mr. Haynie stated that the Board could call a special meeting.

Dr. Blizzard paraphrased Mr. Haynie's comments and stated that the Board can call a special meeting aside from the regular meeting to have the presentation, but the Board can still review the budget individually and generate questions immediately.

Mr. Haynie agreed.

Dr. Pica and Dr. Blizzard started discussion on a timeline for when the questions need to be provided and when the Board expects them to be answered. Dr. Blizzard asked how long the Board would need for their initial review of the school budget.

Mr. Brann stated that he believes that it'd be best for Mr. Tadlock to send the Board an email with a deadline for when the questions need to be sent over to him.

Dr. Pica asked if there was a way to make the questions and answers transparent to the public.

Mr. Tadlock explained that they could be posted publicly on board docs if it's tied to a Board of Supervisors meeting. If it's tied to a Joint Finance Committee meeting, we'll have to consider other options to make those public.

Dr. Pica and Dr. Blizzard asked the Boards definition of what it means for the questions to be answered.

Mr. Brann stated that it'd be best if the answers were completed publicly.

Dr. Pica asked if he was referring to written responses made public, or answers presented in a public meeting.

Mr. Brann stated that he'd prefer to see the answers presented in a public meeting.

After further discussion, the committee discussed some possible timelines in order to get the school board budget approved by April 11, 2024. The draft timeline is as follows:

February 8, 2024	Initial Questions Provided to School Board
February 29, 2024	School Budget Presentation
March 14, 2024	Advertise Notice of Public Hearing
March 20, 2024	School Budget Public Hearing
April 4, 2024	Budget Work Session
April 11, 2024	Proposed School Budget Adoption

Dr. Pica and Dr. Blizzard asked if everyone agreed with the tentative dates discussed and clarified that everyone is working based on the budget that has already been emailed to them.

Mr. Tadlock asked if there is a way to get the revenue side of their budget because that will show the federal, state, and local contributions to the School Division. The emailed budget only shows the expenditure side of their budget.

Mr. Tadlock stated that he'd send that version to the Board once it's sent to him.

III. Wrap and Next Step

Dr. Pica summarized the timeline by stating that they have a budget from which everyone is starting to generate questions, Mr. Tadlock will send an email out to the Board members stating that the initial set of questions are due back to him on February 8, 2024, the School Board can answer some of those questions during their presentation of the budget on February 29, 2024. There will be another set of questions generated from their budget presentation and there will be at least

one work session sometime in the first two weeks of March. On March 20, 2024 the public hearing on the school budget will be held and there is a potential for more work sessions to follow. Then on April 11, 2024, is when the planned final concurrence vote will occur.

Dr. Pica stated there may be some flexibility in those dates, but at least there is an action plan.

Dr. Blizzard asked if there needs to be a Joint Finance Committee meeting scheduled in the meantime over the next 8-10 weeks.

The Committee agreed that they don't need to pile up any more meetings until they complete the budget process.

Dr. Pica asked if anyone in the public had any questions or concerns.

Mrs. Shelby Brooks asked that the Board pay close attention to what the school is cutting when they go through the budget request. She shared several of her concerns in relation to the budget request submitted by the School Board.

Chairman Haynie asked if Mrs. Brooks could provide the Board of Supervisors with the list of cuts and why they chose to cut those items.

Mrs. Brooks stated that the information should be included in their budget request.

Dr. Pica paraphrased Mrs. Brooks's statements and asked if Mrs. Brooks questioned whether the request was in the best interest of the students.

Mrs. Brooks agreed, stating that she is worried about the students, and she is there tonight to make sure that the Board of Supervisors looks at the numbers in great detail before considering its approval.

Mr. Brann asked what incentives are available to retain and recruit the teachers. Additionally, what resources do they have and what resources are lacking?

Dr. Pica stated there is a line item in the budget for incentives, however she can't speak to incentives within the school system such as days off, awards, etc.

Mrs. Latasha Lee stated that she doesn't believe this should be discussed without the School Board present and able to provide feedback on that.

Mrs. Brooks explained that she has always felt that the School Board supports the teachers, but she doesn't think that cutting teacher positions is the best approach. She hopes that the Joint Finance Committee or the Board could suggest other alternatives to cut.

Dr. Blizzard adjourned the meeting at 7:09 p.m.

Initial questions sent to Dr. Wargo and Mrs. Booth on January 23, 2024:

1. Can you please provide a short explanation or point to where information can be found on how the retirement system and other hybrid payments work? There is one retirement account for which there are no appropriations but a lot of expenditures. There is another account for which there are a lot of appropriations but few expenditures. Disability hybrid is less in dollars but same question.
2. The revenue/expenditure reports show expenditures are made out of areas that did not get appropriations. How does this work?
3. What is the dollar amount in fixed expenses for the next 10 years? For example, what are the financial obligations for software, contracts, benefits, retirement, etc for the next 5 to 10 years so we know how much is required for planning for the next 5 years?
4. What are supplemental salaries? How are they used? How are they planned for and budgeted? This type of salary payment significantly exceeded the appropriation in 2022/2023 and is already overbudget for 2024 with six months still to go in the school year so how will this expense be managed?
5. Can you share any information on how reducing contractor services for custodial activities by \$460K dollars resulted in a 6.4% increase in that category? What analysis was used to determine shifting from contract services to employee services would save money and how did we not get any savings from this change?
6. Health insurance increases seem to vary dramatically with some areas increasing by 180% (for example NES) and others decreasing by 40% (for example guidance) with no corresponding changes in salaries that would indicate a reduction in employees. To what do you attribute this?
7. Purchased services are a variable expense and seem difficult to keep to budget. What process is in place to avoid overspending in this area since there are items over budget already in 2024/2025 with six months left and there was overspending in 2022/2023 as well.
8. Where can we find the annual revenues each year for students coming from outside Northumberland County?