A Special Joint Work Session of the Danville City Council and the Danville School Board convened on March 21, 2018 at 6:00 p.m. at Galileo High School, 230 South Ridge Street, Danville, Virginia. Council Members present were: James B. Buckner, L. G. "Larry" Campbell Jr., Mayor John B. Gilstrap, Vice Mayor Alonzo L. Jones, Dr. Gary P. Miller, Sherman M. Saunders, Fred O. Shanks, III, J. Lee Vogler and Madison J.R. Whittle (9). School Board Members present were Sharon Dones, Steven Gould, Terry Hall, Jeffrey Hubbard, Renee Hughes, Dr. Ed Polhamus and Dr. Philip Campbell.

Staff Members present were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, City Attorney W. Clarke Whitfield Jr., Assistant City Attorney Alan Spencer, Director of Finance Michael Adkins, Budget Director Cynthia Thomasson, Assistant to the City Manager Amanda Paez, Public Information Officer Arnold Hendrix and City Clerk Susan DeMasi. DPS Staff present were: Dr. Stan Jones, Allison Petty, Kathy Osborne, Lori Cassada, Juliet Jennings.

Mayor Gilstrap called the meeting to order.

PRESENTATION OF THE PRELIMINARY BUDGET DRAFT

Dr. Stan Jones reviewed his power point presentation, *Transforming Public Education Through Strategic Investments,* (a copy of which has been retained in Laserfiche in the City Clerk's folder, *Presentations to Council)* beginning with City Council's focus areas of reducing crime, strengthening School Board and City Council relationships and Growing Danville. The School board and City Council engaged in a joint retreat on February 14, 2017 and identified some additional goals: preparing students to succeed in a knowledge based economy, making Danville a great place to raise a family, and ensuring that schools and businesses work together to guarantee that students are career and workforce ready to serve Danville and the region. The School Board and Council Target areas from the joint retreat include: strong board/council relationship, academic performance and programs, facilities, funding, human capital and engagement, positive perception of public education system and optimal student development.

Dr. Jones explained Council has heard him state what a student experiences in a science class in one school should be similar to what a student experiences in another school. There are four content specialists that were approved last year: Dan Newell is the Science content specialist, Andre Emerson is the Social Studies content specialist, Tara McCready is the Math content specialist and there are two vacancies for English and Language Arts. Dr. Jones thanked Council for making that investment. Dr. Jones introduced Anne Moore Sparks, who is the Community Engagement Business Partnership Specialist. She will run the Danville Education Foundation, creating a revenue stream for the Schools, and help with marketing.

Dr. Jones reviewed the Expenditure Mandates for FY18-19 in the proposed budget; they are anticipating an increase in utility costs of $183,204 and a 7% health insurance increase of $338,000, totaling $521,204. New Initiatives in Instruction are not new, many were in their budget prior to the recession and include restoring the Director of Elementary Education position, four reading and math specialists, VDOE Curriculum alignment and corrective action plan compliance, and convert six elementary artists in residence positions to six teachers, which totals $459,440 in total new instruction initiatives. New Initiatives in Operations include restoring the Assistant Director of Transportation to ensure continuity of operations and succession planning, and restore in Technology Services a Network Technician for infrastructure and network sustainability with a total cost for operational initiatives of $131,093.

Dr. Jones noted the most significant part of this proposed budget is the implementation of the salary recommendations for teachers, administrative and classified staff. Dr. Jones explained prior to the recession, they had a teacher salary scale that looked at years of experience and equal implements of pay based on that. Once the recession hit, that salary structure went away. From an equity prospective they are also proposing a four percent increase in the administrative and classified staff with the total human resource initiative at $3,210,324. The salary scale recommendation is about implementing a scale that will place the schools in a positive recruitment position relative to peer school divisions. The teachers provided input and what they expressed was for a clear, simple, structured salary scale that is competitive but sustainable. Dr. Jones explained that minimally, they are looking at a five percent increase across the board for teachers; this will have an impact on their retirement and on recruitment.

Dr. Jones noted there is a harsh fact about Danville that makes it different from any other school division in the state and that is poverty and the effects of poverty on education; Danville has ten schools and all are high poverty. Fifty one percent of the children across the country now live in poverty, schools in low socioeconomic areas are underfunded when compared to higher socioeconomic areas. That is a state funding problem, the state treats all the schools the same. Only 33% of high poverty schools in Virginia are fully accredited compared to 99% of low poverty schools. Sixteen percent of the teachers in high poverty schools are in their first or second year of teaching compared to only eight percent in low poverty schools; that means inexperienced teachers in challenging circumstances. Eighteen percent of the teachers in Danville are in their first or second year. In 2013-14, the average salary for a teacher in a low poverty school system was $57,383 compared to $46,032 in a high poverty school system and average DPS salary in 2013 was $47,894. This proposed budget tries to address some of the inequity.

Dr. Jones noted the operating budget is $62,532,360, with $521,204 in mandates, and new initiatives (most are salary) of $3,801,667, which totals $66,855,231. Under cost savings, the school moved to the Local Choice Health Plan with a savings of $653,541 and there was a reduction in the VRS rates of $201,591, $102,000 savings from increased employee contribution to health insurance, $210,472 in position reductions, and a $92,830 savings in existing net line item additions and actual position costs; this is a total savings of $1,260,434. Dr. Jones noted there is a $3,062,437 or 4.9% increase in the proposed budget and reminded Council they do not yet have a budget from the State. Dr. Jones stated they are proposing using $2,000,000 of unexpended funds from 2018, and their request is for $360,971 of additional funding to balance the budget.

Mayor Gilstrap questioned a first year teacher salary of $39,000, and Dr. Jones noted they are proposing that DPS start their scale at $42,000. Mayor Gilstrap noted his concern that a 29th year teacher is getting a 10 or 12% increase and Dr. Jones explained when they prepared their scale for salaries they also compared it to competing school divisions. At the end of their career is when they would make their highest salary. Ms. Cassada explained DPS employed a firm to do a salary study and part of their work was to compare Danville to their peer school divisions with like demographics. Typically, a teacher salary scale should go from 1-30, that is considered a career span; they were trying to get Danville's scale back in line where it should be. Dr. Miller questioned if there were incentives for math and science teachers and Dr. Jones explained there is some state money for critical shortage areas, those supplements are on top of the salary scale and DPS's are $1,000 to $1,500. Dr. Miller questioned why there was not a continued increase for teachers over thirty years and Dr. Jones noted that is still being discussed.

Mr. Shanks noted on the discussion on utilities and LED lighting, have the schools gone to programmable thermostats and Dr. Osborne explained that is part of the performance contracting that is going on now. Mr. Shanks noted he would applaud them on the proposed salary scale, thinks it is past due and asked what the total amount would be with regard to new initiatives, the salary adjustment, and Dr. Jones noted it was $2.6M and $579,661 for administration.

Mr. Vogler questioned if the school system would be doing a multi year financial forecast and City Manager Ken Larking stated he did get a proposal from the National Resource Network that is doing the City's, to add the Schools. They are currently seeking outside funding sources to cover a good portion of that and should receive an update in the next few days. Mr. Vogler questioned plans for the Woodrow Wilson school and bringing that back for fourth and fifth grade, was there any update on that. Dr. Jones explained there is nothing definitive, they have been involved in a facilities study and are continuing to have discussions. They presented some ideas to the School Board at the last meeting and staff was asked to come back and give them more information. Mr. Buckner questioned converting six artist in residence positions to six teachers at a cost of $42,049, and Dr. Jones noted this would convert those positions to teaching positions for that cost.

Dr. Miller questioned the reappropriation of unexpended funds for $2M, there is a limit the school board can carry over, they are proposing to carry over $2M this year, how will they pay for it next year. Dr. Jones explained that is why they are involved in the multi year financial planning; they want to avoid this kind of issue going forward and can plan for it. Mr. Vogler asked when a school teacher leaves the school system is there some type of exit interview so they know why they decided to leave and Dr. Jennings noted DPS does an exit interview with every person and most often it is not money, most often it is relocation due to family or someone who wants to receive further education, or a change in circumstance due to health.

Mr. Saunders asked how many teachers were there in DPS and Dr. Jennings noted 460, all licensed except those who just started in January, those have applied for their licenses. There are currently thirty seven teacher vacancies. In response to Mayor Gilstrap, Ms. Cassada noted they have the Governor's Budget which was submitted in December, but they do not have the General Assembly's Conference Budget yet. The House version and the Senate version were both slightly more for DPS than the Governor's Budget, there may be some more money, but don't know the final results. Mr. Campbell asked if there was still a decrease in student population and Ms. Cassada noted the budget they are proposing is based on 149 less students than the current year.

Mr. Saunders followed up on Mr. Vogler's question and asked if Dr. Jones could say more about the future plans for Woodrow Wilson and an update on the Taylor School situation. Dr. Jones noted there is nothing definitive, they have had a number of conversations over the past few years about Woodrow Wilson. At one point they talked about reducing the two most overcrowded elementary schools, Woodberry and Johnson, and making those schools K-3 and making Wilson a 4-5 school; no decisions have been made. As far as Taylor, they know that Carlisle is vacating the building at the end of this year and that is part of their consideration if they decide to use a 4-5 model, it could fall into that space. Mr. Saunders questioned what are the plans on using more of the Langston campus and Dr. Jones stated they discussed the possibility at one point of moving Galileo campus to Langston, but there are no definitive plans on how they will use those spaces. Mr. Vogler questioned if there any plans to move the School Board offices to Langston and Dr. Jones noted when they did their facility study, it was not feasible to move the school board office to Langston; it is very feasible to move Galileo to

Langston. Mr. Vogler questioned if Taylor was not used for the 4-5 grade would it be turned over to the City and Dr. Jones stated he was not in a position to answer that.

Mayor Gilstrap noted the question the School Board needs an answer to, is Council willing to allow them to carry their funds over, and seven council members noted their support of the School Board's request. Mr. Shanks questioned if the Department of Education will include that as part of the City's annual contribution for this coming year and Ms. Cassada noted they would; if DPS spends the City's money, no matter where it came from, they still get credit for it as going toward education.

Mayor Gilstrap stated for clarification that $2M carryover is to supplement teacher's salaries; any other carryovers they would also be allowed to keep will apply toward an emergency fund. Mr. Larking noted it would be set aside in the Capital Reserve Fund, and would be earmarked only for capital needs.

Council Members thanked the School Board and the staff for their hard work, for a good presentation and a good way to balance the budget for another year. School Board members thanked City Council for their support.

MEETING ADJOURNED AT 7:49 P.M.

APPROVED:

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MAYOR

ATTEST:

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CITY CLERK