A Joint Meeting of the Chesapeake City Council and the Chesapeake School Board was held April 8, 2013 at 6:30 p.m., in the 4th floor Training Room, City Hall Building, 306 Cedar Road.

Present: Council Member Lonnie E. Craig
Vice Mayor John de Triquet
Council Member Robert C. Ike, Jr.
Mayor Alan P. Krasnoff
Council Member Scott W. Matheson
Council Member S. Z. “Debbie” Ritter
Council Member Ella P. Ward
Council Member Richard “Rick” West

Absent: Council Member Suzy H. Kelly (excused)

Present from Administration: City Manager James Baker, City Attorney Ronald Hallman, Deputy City Manager Amar Dwarkanath, Deputy City Manager Wanda Barnard-Bailey, City Clerk Dolores Moore, Budget Director Steven Jenkins, Finance Director Nancy Tracy, Planning Director Jaleh Shea, Assistant to the City Manager Anna D’Antonio and other staff members.

Present from School Board: Chairman James A. “Jay” Leftwich, Jr., School Board Members Samuel L. Boone, C. Jeff Bunn, Bonita B. Harris, Thomas L. Mercer, Sr., Harry A. Murphy, Victoria Proffitt, and Michael J. Woods. Chesapeake Public Schools Superintendent Dr. James Roberts, Assistant Superintendent/Budget & Finance Victoria Lucente, Assistant Superintendent for Curriculum and Instruction Dr. Anita B. James, Clerk of the Board Dr. Jean A. Infantino, Director of New Construction & Planning J. Paige Stutz, and other Schools staff members.

Also Present: Planning Commission Chairman Stephens Johnson and Planning Commission Member George Van Laethem.

Mayor Krasnoff called the Meeting to order and welcomed everyone prior to providing introductory comments. He called on School Board Chairman Jay Leftwich for comments.

Chairman Leftwich thanked the Mayor and Council for holding the meeting and recognized Boy Scout Jeffrey Haber in attendance at the meeting before calling on Schools Superintendent James Roberts for comment.
Dr. Roberts thanked the City Council for inviting the Board to the meeting and advised that staff would review a presentation with Council that had previously been presented to the School Board Members. He called on Assistant Superintendent for Curriculum and Instruction Dr. Anita Baker to make the presentation.

Dr. Baker, along with the assistance of Director of New Construction & Planning Paige Stutz, reviewed a presentation on Middle School Instructional Spaces. Dr. Baker and Ms. Stutz noted that the information would help explain how the Schools were using the instructional spaces and building capacity in the Middle Schools throughout the City. Information provided included Meeting Higher Expectations by Schools under current requirements; Programs that Employ Effective Instructional Practices, Current Instructional Programs, Specialized Support Spaces, Traditional Classroom Usage, Capacity Calculations from Other Virginia School Districts (2011-12), and Revised Middle School Capacities.

Chairman Leftwich advised that the presentation was a proposal for Schools capacity and the School Board had not yet taken any action on the proposal. He noted that the information was intended as an explanation on why classroom space was changing.

Mayor Krasnoff called on the Council Liaisons to Schools, Dr. Ella Ward and Dr. Richard West, for comment.

Council Member Ward inquired about capacity at Oscar Smith Middle School which had not changed under the revised criteria. Dr. Roberts responded, noting that it was a new school and the capacity numbers were calculated on the numbers presented to Council.

Dr. Ward asked about the capacity of Jolliff Middle School including non-instructional space; Dr. Roberts provided an explanation of the capacity change at the School.

Council Member West stated that programs could affect the capacity of a school, but wanted to know if students could be moved to different rooms to accommodate specific needs. Dr. Roberts advised that it could be done but was not ideal.

School Board Member Mercer spoke to the Individualized Education Program (IEP) noting that different students had different IEPs which sometimes requires them to be pulled out and placed in separate classrooms or non-instructional spaces.

Dr. Ward noted that the revised Middle School capacity would have an impact on planning and other areas and wanted to know if there would also be a need to revise capacity levels at the Elementary/Primary Schools. Superintendent Roberts advised that the studies had been done for the Elementary and High Schools and he did not believe a change of the capacity levels for those schools would be needed.

Council Member Ward asked that City Council be provided the enrollment numbers for Special Education students.
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Mayor Krasnoff inquired about the impact of the capacity numbers change to the Middle Schools. Ms. Stutz provided the information to Council Members and noted that the numbers could also be provided for the Elementary Schools capacity.

Council Member Ritter stated that she believed the concern of City Council was in the technical use of the enrollment/capacity numbers. She indicated that when the Level of Service (LOS) Policy was initially developed it was based on the core facilities of the Schools buildings; Ms. Stutz concurred and added that instructional space was also part of the capacity figures.

Council Member Ritter noted that over the past several years there had been discussions on the capacity of buildings decreasing as Schools enrollment numbers declined. She stated that the enrollment of the Middle Schools had been missing and she would like to have the enrollment numbers for all levels of Schools over the past several years provided to City Council. Mrs. Ritter pointed out that there was a concern as to whether or not Schools could absorb student numbers, and that City Council would need that information, if there were changes to the calculations of capacity. She stated that it may be the time to re-evaluate the entire LOS Policy since City Council and staff used those numbers, particularly if there would be a change in the methodology.

Ms. Stutz advised that with the Middle Schools there had been a change of one student per classroom from 27 to 26 students which was not really a change in methodology. The Elementary and High School numbers had been stable with little change, but the Middle Schools were where the changes were happening.

Council Member Ritter stated that was exactly why it was a perfect time to look at how capacity is being counted and how the numbers were being reached with the goal to have the most workable numbers possible.

Superintendent Roberts indicated that would be a good task for staff to look at and that enrollment numbers were up for the current School Year.

School Board Chairman Leftwich opined that it was clear from everyone involved in establishing the original LOS Policy that the numbers used were generated by capacity of core facilities. It was also clear that now, Schools were generating capacity numbers created from classroom space, leaving a disconnect that created an antiquated policy. Both bodies needed to get on the same page so the numbers could be used effectively as a planning tool.

Planning Commission Chairman Johnson referenced the presentation by Dr. Baker and the chart on Capacity Calculations from Other Virginia School Districts (2011-12); he asked about the use of eight (8) Special Education students per room while other localities used as few as six (6) and as many as (13). Mr. Johnson also inquired about the fact that Chesapeake did not use a Utilization Factor when calculating numbers of students for Core Rooms and Special Education Rooms.

Dr. Roberts explained that using a Utilization Factor would actually lower the building capacity, and the use of eight (8) Special Education students per room followed the Federal Government standards that Schools used in capacity calculations.
School Board Member Mercer asked Ms. Stutz if Core Room numbers were used as part of the Level of Service Policy in the beginning and when that changed. Ms. Stutz stated that Core numbers were used to help determine the process and the percentage number to be used, however putting the actual capacity numbers on paper was based on instructional space.

Mr. Mercer stated that definition was one thing but implementation was another. He pointed out that School Divisions in the presentation, as well as in Southampton Roads, used classroom capacity as the basis for building capacity, and asked if there was a reason for that. Ms. Stutz responded that the methodology produced a better reflection of how the building was being used.

Mayor Krasnoff noted that there were approved development projects in the City that had not progressed in five (5) or more years, but those projects were calculated in the estimated capacity numbers of schools for that part of the City when new developments were proposed. Mayor Krasnoff asked if the previously approved projects’ numbers should be included when looking at Levels of Service for new projects under those circumstances. Planning Director Shea stated that staff tracked those pipeline developments and that some of the projects’ approvals would expire if there was no activity on the project within five (5) years of the approval. She added that staff reviewed approved projects annually but the calculations remained as part of the Levels of Service counts even if no activity had occurred with the project.

Mayor Krasnoff asked about the best way to handle the calculations of non-active or pipeline projects in order to minimize impacts to new projects trying to get approval and to allow Schools to get to the best class sizes. Ms. Shea responded that the calculations were counted because the projects had been approved and could be developed.

Council Member Ritter added that when the LOS Policy was amended to include approved Subdivision Plans which were construction plans, the project expired two (2) years after approval if those plans had not come forward to staff for review; that was State law at that time. Since then, the State Code had been amended and the timeframe for approved construction plans was now five (5) years. Ms. Ritter asked if a project was removed from the calculations if it had not received an approved Subdivision Plan within the five (5) year period. Planning Director Shea confirmed that was correct.

Mayor Krasnoff asked that staff provide City Council with a list of the approved projects that had expired.

Council Member Ward asked that capacity of all the Schools based on the new calculation formula be provided to City Council.

Mayor Krasnoff asked School Board Chairman Leftwich when the School Board would take action on the new capacity formula. Chairman Leftwich responded, noting that the purpose of the joint meeting was to determine whether or not City Council wanted to work with the School System to look at Levels of Service
as a planning tool, and that did appear to be the case. He inquired about the next steps in the process.

Dr. Krasnoff replied that Council would want to utilize the information provided by Schools since the responsibility for best educating the City’s youth belonged to Schools, and the best direction would come from Schools so the City could use those numbers as related to Levels of Service to make decisions.

Chairman Leftwich stated that the Board did not want to adopt the revised capacity numbers, which accurately reflected the needs of the Schools, until Council had determined whether or not to revise Levels of Service to reflect those needs as the new calculations would impact new development in the City.

Mayor Krasnoff advised that Council would deal with the numbers that Schools provide to the City.

Mayor Krasnoff stated that the next topic would be the Schools Budget.

City Manager Baker advised that he had met with Superintendent Roberts to discuss sustainability and expressed concerns with the sustainability of the Schools Budget for Fiscal Year 2015 and going forward due to the use of one time money for recurring expenses. He stated that there was an expectation that the economy would be improving, but there was no indication of new revenue being available. The question was how the gap would be addressed in the following fiscal year.

Superintendent Roberts responded that State funding was a nightmare with the Chesapeake Schools Division experiencing a loss of $40 million in State revenue over the past several years. He noted that one-time money was the only available revenue to utilize at the current time; however, some of the funding was for items that would not be considered one-time expenses such as text books. Vacancies were monitored to save money and would help cover the budget gap for the next year. Dr. Roberts stated that School Administration would monitor the budget as carefully as had been done in the past and would not spend any more money than was appropriated.

Chairman Leftwich inquired about how much the Schools Operating Budget had been reduced over the past few years. Dr. Roberts advised that the reduction totaled approximately $30 million dollars which was very difficult to make up. He pointed out that the reductions were not the result of a City issue.

School Board Member Murphy added that to close the funding gaps would necessitate the elimination of personnel and programs.

Mayor Krasnoff stated that in other states he had seen successful partnerships between developers and Schools where new buildings housed not only students but had capacity for business use.

Council Member Ward asked if there would be staff reductions for the upcoming budget year. Dr. Roberts responded that 30 positions had been saved in the current year by not filling vacancies and holding the line on spending, and Schools would be doing the same thing next year, as needed. He added that 300 plus positions had been lost since 2008.
Dr. Ward commended Schools on the creation of the new pharmacy program to save money on health insurance and care. The pharmacy was for School employees only and had been funded from the Schools Self Insurance Fund.

Additional discussion ensued between School Board Member Mercer, Council Member Ward and Assistant Superintendent/Budget & Finance Lucente on the savings resulting from the creation of the pharmacy program.

Mr. Mercer also commended City Council on the support provided to the Schools and education over the past several years. He advised that the next year would be difficult with the Federal Affordable Care Act coming into play for Schools, and Substitute Teachers having to be included in health care.

Dr. Ward inquired if there were School employees who were currently without health insurance. Ms. Lucente stated that there were employees who choose not to participate in the health care program which was different from those who were not eligible to participate; that would change next year under the Federal Act.

Mayor Krasnoff asked if there was a projected figure available on the funding gap for Schools for Fiscal Year 2015. Ms. Lucente spoke to re-benchmarking of costs and the composite index formula used by the State to identify funding for School Divisions throughout the State.

Mayor Krasnoff asked City Manager Baker to address what the City had done to meet its Other Post Employment Benefits (OPEB) requirements. Mr. Baker advised that the City had been putting aside funding each year in order to meet its requirement to address OPEB.

Mayor Krasnoff inquired as to where the City was percentage wise in the funding required to meet its OPEB liability; Mr. Baker stated that the City was at approximately 90 percent funding of its OPEB obligation.

Mayor Krasnoff noted that the City was required to carry the Schools OPEB liability on its balance sheet which could impact the City’s bond rating. City Manager Baker confirmed that was correct.

Superintendent Roberts stated that the Schools had made some funding adjustments for its OPEB requirements and currently had approximately $8.5 million in the Schools Trust Fund. Additionally, Schools had adjusted eligibility rules and taken other steps to address the matter. Dr. Roberts added that Schools were waiting for the results of an actuarial study done to see if the changes implemented in the current year had significantly reduced the Schools outstanding OPEB liability.

Council Member West inquired whether or not there would be benefits in having shared healthcare between Schools and the City. Superintendent Roberts responded that the main impediment was that Schools were self-insured while the City was fully insured. City Manager Baker added that the City had some current contracts with termination requirements that would have to be looked at. Additionally, the City could choose to be self-insured if it made sense to do so and the City should be talking with Schools about how to approach the issues to see if there were any economies of scale to be gained.
Mayor Krasnoff stated that the final topic for the evening was the Five Year Strategy.

Dr. Roberts stated that the topic was a City Council Member request and had been discussed with City Manager Baker looking out for a year or so in the future. He noted that care should be taken when trying to develop a plan for five years out given how the economy had changed over the past five years, but there were some benefits in looking ahead for some reasonable solutions to revenue issues. City Manager Baker confirmed the Superintendent’s comments and added that he had implemented longer, multi-year budget processes in the other localities where he had worked over the past 20 years. Mr. Baker added that he and Dr. Roberts would be discussing budgeting for the future.

Mayor Krasnoff provided an opportunity for the School Board Members and City Council Members to offer comments.

School Board Member Bonita Harris stated that she had purchased a copy of a 50th Anniversary Cookbook, the proceeds of which were going to the Chesapeake Education Foundation.

School Board Member Mercer thanked City Manager Baker for visiting the Schools with Superintendent Roberts so quickly after coming to the City in January.

School Board Member Proffitt thanked Mr. Baker and the City Council Members for their interest in education and working with the School Board.

Council Member Ward expressed appreciation to the Schools for meeting with City Council and responding to all the questions. She commended the Board and Administration for a great job and expressed hope that the dialog would continue.

Council Member West stated how proud he was of the City’s Schools, noting that there would always be questions about funding. He asked to be included in the upcoming discussions of City and Schools staff on Levels of Service and capacity issues with the School buildings.

Council Member Ward requested to also be included in the discussions.

Council Member Ritter stated that some good points had come out of the meeting and hoped that joint meetings between the two bodies would continue to take place. She stated her support of the multi-year budgeting strategy given the concerns with future Federal funding.

School Board Chairman Leftwich expressed appreciation to everyone for being present and special thanks to Council Members Ward and West as the Council’s Schools Liaisons, and with everyone wanting to continue the dialog on the capacity numbers.

Vice Mayor de Triquet thanked the members of the School Board and Administration for attending to discuss the important topics presented. He stated that a multi-year budget process would allow the City to formulate an approach that would be usable year after year and apply the same methodology. Dr. de Triquet advised that it was clear that the City Council would like for the Schools to provide the City with the appropriate numbers for capacity that City Council could apply to
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development applications one way or another when Levels of Service came into play.

Vice Mayor de Triquet stated that the two most critical issues to address in his opinion were OPEB, particularly its impact on the City’s bond ratings because of the shared liability, and budgets in the coming years. Dr. de Triquet expressed his support of open communication and continued dialog on the issues challenging both bodies and encouraged both the City and Schools to do so.

Mayor Krasnoff thanked everyone for attending and reiterated that City Council Members and City staff were open to a continuation of the discussions in the future.

With there being no further discussion, the Joint meeting adjourned at 8:15 p.m.

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Mayor

ATTEST:

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City Clerk