At the reconvened meeting of the Board of Supervisors of Prince Edward County, held at the Prince Edward County Career and Technical Center, Prince Edward County Schools, on Thursday the 20th day of January, 2011; at 5:00 p.m., there were present:

<table>
<thead>
<tr>
<th>Board of Supervisors</th>
<th>School Board</th>
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<tbody>
<tr>
<td>William G. Fore, Jr., Chairman</td>
<td>Russell L. Dove, Chairman</td>
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<tr>
<td>Howard F. Simpson, Vice Chairman</td>
<td>Harriett Fentress</td>
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<tr>
<td>Howard M. Campbell</td>
<td>Susan S. Lawman</td>
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<tr>
<td>Don C. Gantt</td>
<td>Linda L. Leatherwood</td>
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<tr>
<td>Robert M. Jones</td>
<td>Lawrence C. Varner</td>
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<td>Charles W. McKay</td>
<td>Osa Sue Dowdy</td>
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<td>Jim R. Wilck</td>
<td>Thomas M. Tillerson.</td>
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<td>Mattie P. Wiley</td>
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Not present: Dr. Ellery Sedgwick

Also present: Wade Bartlett, County Administrator; Sarah Elam Puckett, Assistant County Administrator; Dr. K. David Smith, Superintendent; and Cindy Wahrman, Division Director of Finance.

Chairman Fore called the reconvened meeting to order from the meeting of January 13, 2011, as a joint meeting with the Prince Edward County School Board.

Chairman Dove called the School Board meeting to order.

Dr. K. David Smith, Superintendent, summarized the anticipated FY12 budget challenges:

- Average Daily Membership (ADM) reduction
- State revenue decrease of $794,325; Federal decrease of $27,714
- Health insurance costs increasing – expected 10-12% ($157,750)
- Virginia Retirement System (VRS) – expected 3.23% increase ($417,700)
- Overall discrepancy - $1,397,489 for the school system
- Federal Stimulus funds – loss of $636,909
- Federal funds added (Education Jobs Fund) - $609,000 (obligated $89,000 of the original $698,370)

Ms. Cindy Wahrman, Division Director of Finance, stated a VRS increase from 8.93% contribution to 12.16% is proposed by the Governor; it is a reflection of the compensation piece that goes towards the employees retirement account, no change is proposed for the group life insurance or the health credit.

Mr. Wade Bartlett, County Administrator, said a reduction in Average Daily Membership (ADM) (88 students) equals a reduction in basic aid. Dr. Smith said enrollment loss is a part of the decrease in funding.
Discussion followed regarding the preliminary revenue estimates and budget implications. Ms. Wahrman stated the per pupil expense, overall, equals approximately $10,100, for State, Federal and local; this does not include debt service.

Supervisor Gantt questioned the special education funds for education at Piedmont Regional Jail or Detention Center; Ms. Wahrman said those two programs are fully funded by the state and there is no cost to the County.

Mr. Bartlett said there is a reduction of approximately $800,000 from the state; the reduction in ADM and composite index hold harmless accounts for almost all of that reduction.

Supervisor Wilck questioned the impact of the shortfall.

Dr. Smith said if $1.4 million must be made up this year, which is the same as the previous year, there will be severe cuts in all phases of operation, including maintenance, transportation and in the instructional category. He said it is too early to know what the request for local funding will be, and the level funding for this year is deeply appreciated. Discussion followed.

Supervisor Gantt requested a “wish list” from the Board.

Dr. Smith stated the best possible situation would be level funding and an increase of $1.3 million to cover the shortfall, but level funding is a starting point.

On motion of Supervisor Gantt and adopted by the following vote:

Aye:  Howard M. Campbell  
        William G. Fore, Jr.  
        Don C. Gantt, Jr.  
        Robert M. Jones  
        Charles W. McKay  
        Howard F. Simpson  
        Jim R. Wilck  
        Mattie P. Wiley  

Nay: None

the meeting was recessed at 9:35 p.m. until Monday, January 24, 2011 at 9:00 p.m. at the Third Floor Conference Room in the Prince Edward County Courthouse.