

**STATE OF NORTH CAROLINA )  
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COUNTY OF STOKES )  
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**OFFICE OF THE COMMISSIONERS  
STOKES COUNTY GOVERNMENT  
DANBURY, NORTH CAROLINA  
TUESDAY JUNE 13, 2023**

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Joint Meeting with the Board of Education in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Tuesday June 13, 2023 at 5:00 pm with the following members present:

Chairman Rick Morris  
Vice Chairman Brad Chandler  
Commissioner Sonya Cox  
Commissioner Ronnie Mendenhall  
Commissioner Keith Wood

**Board of Education (BOE) Members Present:**

Chairperson Von Robertson  
Vice Chairperson Dwayne Bryant  
Member Justin Duncan  
Member Cheryl Knight  
Member Mike Rogers

**School Administrative Staff Present:**

Dr. Brad Rice, Superintendent  
Dr. Jared Jones, Assistant Superintendent  
Executive Director of Finance Lanette Moore  
Director of Maintenance/Facilities Richie Roberts  
Administrative Assistant to the Board of Education Pam Bolejack

**County Personnel in Attendance:**

Interim County Manager/Clerk to the Board Amber Brown  
Finance Director Lisa Lankford  
Assistant Finance Director Tracy Aaron

Chairman Morris called the meeting for the Board of County Commissioners to order.

BOE Chairman Robertson called the meeting to order for the Board of Education.

## **INVOCATION**

Chairman Morris invited those in attendance to join the Boards in the invocation, if so desired.

Member Duncan delivered the invocation.

## **GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE**

Chairman Morris invited those in attendance to join the Board in the Pledge of

Allegiance.

## **GENERAL GOVERNMENT – GOVERNING BODY – APPROVAL OF AGENDA**

Chairman Morris entertained a motion to approve today's agenda.

Commissioner Mendenhall moved to approve the agenda as presented. Vice Chairman Chandler seconded the motion.

Chairman Morris opened the floor for discussion/questions/comments.

With no discussion, the motion passed unanimously.

BOE Chairman Robertson entertained a motion to adopt the agenda presented by the Board of County Commissioners.

BOE Vice Chairman Bryant moved to approve the agenda as presented. BOE Member Knight seconded the motion.

Chairman Robertson opened the floor for discussion/questions/comments.

With no discussion, the motion passed unanimously.

## **JOINT MEETING DISCUSSION**

Chairman Morris turned the floor over to Finance Director Lisa Lankford to clarify information regarding the county's fund balance.

Finance Director Lankford commented:

- Wanted to make a clarification to Commissioner Mendenhall regarding the county's fund balance discussed at last night's meeting
- When questioned by Commissioner Mendenhall about the percentage of county's fund balance, I took it as he was talking about the Fiscal Year 2021-22 audit that had just been presented and not the current fund balance
- My answer of 16% was correct for the Fiscal Year 2021-22, the estimated fund balance as of May 31, 2023 is 14%

Commissioner Mendenhall expressed his appreciation for the clarification.

Chairman Morris turned the floor over to BOE Chairman Robertson for opening comments.

BOE Chairman Robertson commented:

- Would like to thank the Board of Commissioners for this joint meeting to discuss the upcoming fiscal year budget
- Understand it is going to be a tight budget
- Believe the BOE has done a good job looking after our funding
- BOE has been frugal with funding and feel there has been some great improvements over the past couple of years
- Appreciate the funding and support that has been provided by the Board of Commissioners in the past
- Our business is to educate our children
- Inflation has impacted our business like everything else – salaries, benefits, food, transportation, etc.
- Even though it is a tough year, we still have to educate our kids
- We would like to maintain our funding and increase it if possible

BOE Chairman Robertson turned the floor over to BOE Vice Chairman Bryant for comments.

BOE Vice Chairman Bryant commented:

- Would also like to thank the Board of Commissioners for meeting and listening to our concerns
- Agree with BOE Chairman Robertson regarding the impact of inflation
- Have a lot of equipment that is in bad shape, even in our newer schools
- West Stokes High School has already had to have a chiller replaced – only 20 years old
- Costs for repairing and replacing equipment is astronomical

BOE Chairman Robertson turned the floor over to BOE Member Rogers.

BOE Member Rogers commented:

- This is my eleventh time doing this
- Want to thank the Board of Commissioners for the trend they have taken in increasing spending to “as best Stokes County can afford level”
- Thank the Board of Commissioners for what they have done and continue to do
- Board of Education is trying to do the best we can for the taxpayers, the students, and the parents because that is who we represent – our products are the students, and our students are the next generation of Stokes County
- We want to do right by them so this County can continue to flourish – make the best of what we have got

BOE Chairman Robertson turned the floor over to BOE Member Knight.

BOE Member Knight commented:

- Agree with what everyone has stated this far
- We are all in the business of educating students, want to keep that first and foremost
- Economical conditions have made it more difficult
- State is kind of rolling back some of their funding and putting that over to local government to fill the gaps sometimes
- Board of Commissioners have always filled that gap to keep our schools maintained
- As we discussed prior, some changes are inevitable it seems with our declining buildings and some decrease in enrollment
- Appreciate the Board of County Commissioners being a part of this whole process

BOE Chairman Robertson turned the floor over to BOE Member Duncan.

BOE Member Duncan commented:

- Also want to thank the Board of Commissioners for this joint meeting
- This is my first BOE budget
- Another first was watching all the graduates walk and what an honor it was to be a part of that day for so many, that is why we are here, to make sure they receive the best education possible, to make sure they are ready for the next phase of their life
- Just need to remember to keep our kids at the forefront of all we do

BOE Chairman Robertson commented:

- Echo BOE Member Duncan's comments regarding the special time it was during the graduations

**Presentation of the Board of Education's Budget Request**

BOE Chairman Robertson turned the floor over to Dr. Brad Rice, Superintendent, for the presentation of the Board of Education's Budget Request.

Dr. Rice, Superintendent commented:

- Discussed the following three (3) new requests in this year's current expense budget:
  - Substitute calling systems - \$15,000
    - Save a lot of manpower
  - Athletic trainers for high schools – \$75,000
    - With athletics – there are injuries
    - Safety of our students is very important
  - Educator's Handbook - \$13,262
    - Computer system that helps with our discipline
  - Total estimated cost is \$103,262
- Everything else in the current expense requested budget is due to inflation along with increased salaries from the state
- Our request is to keep us looking the same this year as last year except for the three (3) new requests
- We are basically asking to stay whole except for the three new requests
- As they talked about graduation, we have a successful product in Stokes County

- We had a student receive the Morehead Scholarship this year – a life changing full ride to Carolina
- There are other students also getting full ride scholarships to other colleges, number of students going on to a four-year college, number of students walking out with a community college degree, number of students that have CTE Certifications and are career ready, etc.
- We have a successful product and are asking to keep that in place in Stokes County
- Would like to turn the floor over to Director of Finance Lanette Moore for further discussion regarding this year's budget request

Director of Finance Moore discussed the following:

- Actual request for current expense is \$17,865,936 which is an 11.85% increase which would be an 11.83% increase in county appropriation
- Salaries, benefits, and utilities make up approximately 73% of the request
- Requested budget includes a 5% salary increase not knowing at this time what will happen with legislation
- One big item is the matching benefits for employees – use county funds to pay the 7.65% match for FICA/Medicare, retirement match for eligible employees is projected to be 29%, hospitalization is being estimated at \$7,900 per year for eligible employees,
- Large amount of funding is needed for salaries and benefits
- Reiterated the three (3) new requests for this year
- Will be glad to answer any questions at this time

Chairman Morris opened the floor for opening comments from the Board of County Commissioners.

Commissioner Cox commented:

- Believe this is my 18<sup>th</sup> budget between being on the Board of Education and the Board of Commissioners – been on the side of the Board of Education asking for funding
- Appreciate the opportunity for a joint meeting with the Board of Education
- Understand the need and this is a very reasonable request in my opinion
- I hope we don't lose sight of the need
- Don't want this to be a smoking mirrors, or a game of gotcha or trying to use schools, education, and children as a political pawn in this situation
- We have got to move on – move forward
- As it has already been stated, education is a great equalizer
- Not all kids have an opportunity to have a school choice and don't have the option of a private school, charter school, or home school
- Do believe you offer a very good product
- When I was as a member of the Board of Education, I always said that there shouldn't be any reason that you didn't want your child to be in Stokes County Schools
- Believe you have strived to make that a reality
- Think it takes sometimes going into another school system to see the difference – know people that have tried going to another school system, but took a pay cut to come back to Stokes County Schools – totally different atmosphere
- Have been looking over the request submitted by the Board of Education

- Very fortunate we had American Rescue Plan Act (ARPA) funding last year which allowed the County to allocate approximately \$843,000 more to the school system, but we don't have that additional funding this year
- Know that you are trying to make strides with consolidation, and we are trying to make some strides with hopefully passing a quarter cent sales tax along with an occupancy tax
- Trying to increase our revenue streams
- The question is how we navigate this year
- Noted the percentage of property taxes that goes to school funding -- county is 50% with Forsyth being at 53% which is pretty good when you look at Surry at 36%, Yadkin at 35%, and Rockingham at 28%
- Believe we are trying to do our due diligence for the school system, but this year is definitely different

Commissioner Mendenhall commented:

- Glad to have the Board of Education at today's meeting
- Communication is the key between our Boards
- As Commissioner Cox stated, we have been on the other side and know what it is like
- I was in the education system for 36 years, and like Commissioner Cox -- have teachers in the family
- Believe all members of our Board would say we have a vested interest in education, but this is a pretty tough year
- Appreciate BOE Chairman Robertson stating that the Board of County Commissioners have worked with the Board of Education
- I know you can look at the past seven (7) years and see an increase each year in current expense -- believe that shows a lot of commitment to the educational process in Stokes County
- When I was superintendent, our motto was "Students First"
- Not going to get rich being a member of the Board of Education or being a member of the County Commissioners -- you are here to serve the people
- Believe there has been a good working relationship between the two (2) Boards
- Reiterated the current estimated county fund balance is 14% as noted by Finance Director Lankford at the beginning of today's meeting
- Anything below 8%, the state comes into play
- We have some tough decisions to make, not just in education
- Our recent work sessions with department heads provided a lot of needs and wants
- This is by far, my toughest budget year serving as a commissioner
- Always willing to work with the Board of Education

Commissioner Wood commented:

- Would like to note that Commissioner Mendenhall, Director Moore, and I are probably the only people in the room that will be going through two (2) Stokes County school consolidations
- Remember hearing all the talk when North and South Stokes High Schools were built
- Want to make this point -- need to move quick on this consolidation, do not need to drag your feet

- Need to have a plan

Chairman Morris commented:

- Would like to welcome the Board of Education and Administrative staff
- Feel it is fantastic that we have this meeting each year
- With all the challenges, we may need to look at doing more joint meetings to work out these issues that are on the table
- Agree that communication is very important

Chairman Morris turned the floor over to Interim Manager/Clerk Brown.

Interim Manager/Clerk Brown commented:

- As most of the commissioners have already stated, this is a very difficult budget this year
- The recommended county budget was only 1.09% larger than last year's approved budget
- Like the Board of Education, this year's county budget was faced with natural growth and inflation plus an increase in services and personnel costs
- As stated in my budget message, some tough decisions will have to be made this year in order to not only get the county at a secure operating standpoint, but also the school system
- When Finance and I sat down and reviewed Board of Education's budget request, we used the following Board of Commissioners' budget goals to guide the recommendation:
  - Specifically no tax increases
  - Maintain the fund balance percentage at 17-18%
  - Maintain the current level of services
  - Most importantly to not increase funding over last year's approved budgeted amount for the school system
- Recommendation that was presented maintains the current level of funding to the schools for the most part
- Most of the requests were reasonable, but the recommended budget for the school system follows the guidance of the Commissioners and utilizes what is estimated from the various taxes (property, motor vehicles) for current expense and sales tax for capital outlay plus a portion of the fund balance to maintain funding for the schools
- Both current expense and capital outlay for the schools continue to be significant but once a plan is implemented and carried out to make our schools more efficient, it would be expected that these budgets would decrease over time
- As the Average Daily Membership (ADM) level continues to decrease, the current expense budget request continues to remain high
- The budget request for school current expense for Fiscal Year 2023-24 as I stated in the budget message was \$17,865,936, which was an 11.85% increase as Director Moore previously stated, over last year's approved budget
- The recommendation is to provide \$15,888,048 for school current expense in an attempt to maintain the amount of funding that was provided last year
- The majority of funding comes from the current property tax rate (31 cents) which is given to the schools (approximately half of the current property tax revenue- current property tax rate is 62 cents)

- The recommendation for current expense includes \$90,505 for operation and maintenance expenses for Poplar Springs Elementary School which comes from the 4-cent fund
- The recommended \$15,888,048 for school current expense also includes \$500,000 appropriation from the Board of Education's current expense fund balance to provide for additional revenue that can cover a larger portion of the remaining request over what the county revenues were able to provide
- Per the county audit, it was reported that county current expense fund balance as of June 2022 was \$539,066
- Last year's budget appropriated \$175,000 of their current expense fund balance towards the school's current expense budget
- The Board of County Commissioners unanimously made the decision to appropriate approximately \$843,000 of ARPA funding to aid the school system's current expense budget last year
- Board of Education's capital outlay request for this year was \$11,837,560
- My recommendation was to provide \$2,750,000 which includes using \$200,000 from the school capital outlay fund balance
- As of June 2022, approximately \$728,848 was reported from the audit to be in the school's capital outlay fund balance
- Based on the Board of Education's capital outlay request - \$2,089,600 will take care of the immediate priorities and \$9,747,960 would provide other capital needs to be met
- The recommendation of \$2,750,000 will take care of the immediate priorities along with some of the other needs that were displayed
- For clarification, the funding recommended in the budget for capital outlay comes directly from Article 40 & 42 of the sales tax which is designated specifically for school capital needs

Chairman Morris called on Commissioner Cox for further questions/comments.

Commissioner Cox commented:

- Confirmed with Dr. Rice that the position previously occupied by Johanna Cheeks that was funded by COVID funding is vacant at this time and Ms. Cheeks has transitioned to a new position; with that funding expiring, do not anticipate filling that position – duties will be reassigned
- Ms. Cheeks has been an integral part of our substance use and treatment committee – her input has been invaluable on that committee
- Just attended a two-day conference in Durham about how to reduce overdose deaths in our state
- One of the things noted that is key and talked about over and over is prevention of course and identifying mental health issues
- A lot of these kids that were at home during COVID and now are back in school have revealed a number of mental health issues
- I know that there are grants available for that type of position – Surry County just recently received a grant
- I hope we can keep a position like that because I think it is very valuable to have



- Unfortunately, I feel the trend is going to be more and more issues with our students regarding mental health issues, which I think can be blamed partly on social media
- Requested the latest update on the school's efficiency study

Dr. Rice responded:

- Report is supposed to be presented to the Board of Education at the July work session
- The Board of Education will then meet with hopes to have it all finalized by the end of August or first of September at the latest for the 2024-25 school year

Chairman Morris turned the floor over to Commissioner Mendenhall for further questions/comments.

Commissioner Mendenhall commented:

- I will bring up the elephant in the room – I was sitting in the room when the first two gentlemen presented their studies for \$15,000
- If you want a study that good for \$15,000, call me next time
- Did not see a lot of smiling faces that night – saw a lot of gloomy faces
- After the ORED Study is presented, Dr. Rice, what is the next step for the Board of Education

Dr. Rice responded:

- The Board of Education will consider the studies that have been completed along with some plans that the Board of Education has already developed and then develop a plan to move forward
- The goal is to develop the plan and apply for grant funding which is due during that time period

Commissioner Cox questioned how specific the grant application has to be.

Dr. Rice responded:

- The more specific the better, if you have contracted with a contractor and have blueprints for renovations, new construction, etc. you move to the top of the list
- There is a list of criteria that gets you more priority
- For example, if you are considering consolidating or safety issues, you move forward toward the top of the list
- The length of time since you have received a grant is considered
- There is nothing that says all of those things have to be met before you get a grant, but the state considers all those things in moving you up the list

Chairman Morris turned the floor over to Vice Chairman Chandler for further questions/comments.

Vice Chairman Chandler commented:

- Just looking at the big picture, we are still going through internal battles just with our budget – with the manager’s recommended budget, it will allocate over \$6 million from our fund balance
- The problem is that we have neglected to raise taxes – taxes have not been raised and the money being spent in the appropriate way to get caught up with technology and professional development
- It scares me
- Public safety here in Stokes County needs a lot of funding
- Just want to be honest, having a hard time asking specific questions about your budget when I don’t know what we are going to do with our budget
- I want to do the school system right, I know the benefit of a good school system
- I will do whatever I can, but I know that I have responsibilities to the rest of the county
- I come from public safety and that is one of my top priorities
- If you can’t be safe, or can’t get emergency services when you need them
- There is just so many needs right now and there is just not enough money
- I will be honest, ultimately, it is just going to be tax increases
- There is no way we can keep going through this and give the citizens of this county what they need – schools, health, safety, mental health, etc.
- We have got to figure out on our end what we are going to do before I will sit here and question Dr. Rice to justify this and that
- In my mind, I am trying to justify how we keep this county safe for another year and still move a little bit ahead
- Our CAD System for Emergency Communications was purchased in 1999
- I am being sincere

Chairman Morris turned the floor over to Commissioner Wood for further questions/comments.

Commissioner Wood commented:

- Confirmed with Dr. Rice the grant writer/public information officer listed in the school is a dual position
- Glad to see that position in the school budget

Dr. Rice responded:

- Position has been very successful this year, have brought in over \$9 million in grants this year

Chairman Morris commented:

- Our Board is trying to baseline everything, want to measure results and to determine if there is a return on the investment
- Went through a senior work session with every department head, have gone through a facilities study along with a facilities study for the schools, one is currently being done for the hospital
- Feel we have about everything baselined and we know basically where we are starting from which is not particularly a good position

- A lot of the decisions regarding facilities will be made on whether you can or cannot use them such as the condition of the hospital
- You have 19 schools and believe everyone agrees on both Boards that consolidation is required, and efficiencies must be gained
- We can't keep the status quo going
- We have a pretty good understanding of what the needs are
- There has been 9 years without any property tax increase
- During that time, everything has gone up especially during the past few years
- Without the increase in taxes, revenue has not been able to keep things where they should be as mentioned by Vice Chairman Chandler – such as needed technology upgrades
- County gets hit with unfunded mandates such as the \$8-9 million courthouse renovation project with all that being county funding except \$2 million
- County is going to build a new animal shelter
- County has a hospital that provides a tremendous amount of services in King and in the northern part of the county - waiting on a feasibility study
- Hospital was a top priority that three (3) of the sitting Board members campaigned on during the last election and providing medical services across the county remains a top issue
- Making very good progress on expansion of internet across the county
- Then there comes the upcoming recommendation from the Board of Education and how the County plays into that
- Don't think we have a choice on the projects already on the table
- Confirmed with Dr. Rice, the Board of Education's goal is to have things in place for the 2024-25 school year
- I mentioned this in a precious budget work session, feel that for any unfunded mandates we get, we should immediately pass those costs on to the taxpayers, otherwise, we can't fund all these things
- We don't have the funds for the courthouse renovations without raising taxes
- Noted the creation of the 4-cent tax fund that was used to help build the last new schools/renovations here in the county along with other funding
- Never heard any complaints from anyone – was county manager at the time
- My approach would be to increase the 4-cent tax for this next big project - whatever it takes
- Believe the taxpayers will understand it if it is made clear what the tax increase will be used for and used only for that purpose
- Then it has to be figured out where this fits into the financial cycle of the county
- Confirmed with Director Moore that the requested budget includes a 5% salary increase for certified and classified positions – not knowing what legislation is going to do at this time
- Confirmed with Director Moore the school system tries to do the same for anyone paid by county funds whatever legislation decides for positions paid by state funds regarding cost-of-living increases (could be a bonus or a cost-of-living increase)
- Discussed the state allotments with Director Moore explaining the increases requested in the budget which included increases in benefits such as retirement match, health insurance, supplements, etc.

Commissioner Cox requested Director Moore itemize what employees are paid out of local county funds mainly for the new Board members.

Director Moore responded:

- Approximately 84 positions in this requested budget are covered by local funds including benefits (custodians, maintenance, teachers, clerical)
- There are 12.5 teaching positions funded by county dollars which can change from year to year
- Highest positions are always paid out of state funding

Commissioner Wood confirmed with Dr. Rice that his understanding is that the House and Senate are not really close to finalizing a budget.

Dr. Rice commented:

- To me, for common sense, the process is done backwards, we do our local budget first, then we usually get our state budget, and then we get our federal budget
- If we could get our state and federal budgets first, we could submit a budget that does not have projections, but actuals for salary increases

Commissioner Wood commented:

- Being I am one of the new commissioners, just going to ask
- What happens if the state is generous in a given year, what happens to those extra dollars

Dr. Rice responded:

- State funding is allocated by positions
- If they allocated more positions this year, that is where you might have some wiggle room which hasn't happened in my seven years as superintendent
- Confirmed with Commissioner Mendenhall that didn't happen either when he served as superintendent
- Anything is possible, if that ever happened, there could be a little surplus for that year
- Director Moore shows if there was an expense last year that didn't come out as much as this year, she takes it off – we try to reflect that – transparency

Director Moore responded:

- If that did happen, it would reflect back to fund balance to be available to use
- We are seeing more in the last few years where the state will appropriate funds and then expect the local government to match – if the funds had not been available, we would have had to come and ask for that needed funding from the County
- For example, they did not give kindergarten teachers a bonus that other teachers received, but the Board of Education did have extra funding that they used to give our kindergarten teachers the bonus

Dr. Rice continued:

- Believe in my seven (7) years as superintendent, we have only had to come back one time during the fiscal year and ask for additional funding

Chairman Morris commented:

- Discussed the approximately \$843,000 ARPA funding that was given to the Board of Education, to his understanding, was as a one-time allocation

Dr. Rice commented:

- Noted the funding that comes from the county is looked at as a total amount received from the county – not by where it comes from such as property taxes, ARPA, etc. unless it is defined such as fines/forfeitures

Chairman Morris confirmed with Dr. Rice that the approximately \$843,000 was included in the budget request this year as being received last year for current expense.

Interim Manager/Clerk Brown noted that the ARPA funding along with that amount given to the schools for current expense still did not meet the actual request from the Board of Education last year.

BOE Member Rogers noted the ARPA funding was used to help decrease the amount not provided by the county – we look at the allocation made each year and not where it comes from.

Commissioner Cox confirmed with Dr. Rice that the email monitoring and cyber bullying software was used this past year.

Dr. Rice discussed the use of the software and how important it is regarding safety.

Commissioner Cox questioned the \$1 million request in capital outlay for possible consolidation.

Dr. Rice responded:

- We will be applying for grants
- We are in Tier Two which means if grants are approved, let's say for a new elementary school, it will be funded at 95%
- Talking to another superintendent recently, a 500-student elementary school currently costs around \$35 million to build
- Just as a reminder, the feasibility study that was done regarding the schools done by Peterson/Gordon Architects, the estimated cost for limited renovations to the buildings was \$54 million and full renovations was \$90 million due to aging buildings
- We want to get a decision to the Commissioners as soon as we can – we want to move forward

Vice Chairman Chandler commented:

- As I understand it, the county allocates a certain amount of dollars to the Board of Education/School System each year and they decide along with state and federal allocations how to make it work and what is the best way to use the funding

- My question is – why are we setting here and going through these line items when it is their decision to do what is best with the funding that is provided

Dr. Rice responded:

- Vice Chairman Chandler, you make a very good point
- You are exactly right
- Technically, the Board of County Commissioners does not have line-item authority in a budget regarding the school district
- You have total amount discretion of what is given to the school system
- Just like, we don't question where the funding comes from
- I believe the purpose in presenting and discussing our budget is so that the Board of County Commissioners know the real needs that are affecting our kids

BOE Chairman Robertson commented:

- It is also transparency

Dr. Rice commented:

- Yes, transparency so the Board of County Commissioners know what it takes to run a school system
- Technically, the Board can't give us an amount of funding and require us to take out specific line items or fund specific line items
- Once the funding is allocated by the County, the Board of Education then has to make an operating budget with the funding provided by the County

Vice Chairman Chandler continued:

- I think it is good to see the budget and meet to resolve any questions
- There has never been any strategic planning done by the County
- Just don't think we need to spend a lot of time talking about line items

Dr. Rice continued:

- Discussed a year that the Board of Education came back to the Board when there was not enough funding allocated – only choice the Board of Education had was to cut supplements and school safety
- Wanted transparency and communication between the two Boards
- A joint decision was agreed upon to fund the supplements and not cut school safety
- That year, the Board of Education had basically no fund balance at the end of that year
- Want to discuss possible cuts to the requested budget and how decisions made impact the school system
- Reiterated we have a good product

Vice Chairman Chandler continued:

- It is a good meeting and communication is very important
- Our budget does not include a cost of living for our employees while the school budget contains a 5% increase

BOE Member Rogers commented:

- We just need to know what we are dealing with in order to know whether we can make it or not

Dr. Rice responded:

- For an example, last year the state mandated the minimum wage to \$15 per hour – most of those employees were locally funded positions
- We had to increase those salaries – we did not have any choice
- We have to react to the mandates – for example - some years, teachers only get increases while others do not

Vice Chairman Chandler continued:

- Again, this is my first year, I just don't see any projections, don't see any planning

BOE Member Rogers responded:

- The Board of Education does not know each year how many allotments the school system will receive, we get that information normally in September/October with school starting in August
- At that time, we have to make the numbers work
- Our baseline really has not changed that much in current expense
- Added the cost-of-living increase, along with a few caveats, program here, program there,
- For example, the fire fighter academy, we honored our commitment to the Commissioners to include that program
- We are dealing with a whole lot bigger bureaucracy than Stokes County is looking at, it is called the State
- Not knowing what that unfunded mandate to us is going to be such as class size requirements

Chairman Morris turned the floor over to Commissioner Mendenhall for further questions/comments.

Commissioner Mendenhall commented:

- Have done about twelve (12) of these and have come to a conclusion of just about where we need to be
- I haven't asked this question, but think I have a pretty good idea of what the answer is
- Had a pretty good ideal of what the county's fund balance was estimated at when Finance Director Lankford presented an estimate of the fund balance before the audit was presented
- With my calculations, the Board of Education's fund balance should be between \$2.5 and \$3 million, is that correct Dr. Rice or Director Moore

Director Moore responded:

- The audit ending June 2022 noted \$2,380,000 fund balance for current expense
- There have been no appropriations from that fund balance so far during Fiscal Year 2022-2023

- Believe an accurate picture currently would be between \$2.5 million and \$3 million with an understanding that is an estimate
- We have not issued the June payroll – requests are coming in where tutoring has been done
- We still have two (2) more months of utilities to pay
- There is a lot yet to come in, but based on projections and what happened during June last year, that would be an accurate figure

Chairman Morris commented:

- During my time as county manager, I think I have been through two studies that was done for the school system that was completely ignored by previous boards – these studies included boundaries
- My question would be how a solution/plan can be made by August and what is the probability of that happening - probably a question for elected officials

BOE Member Rogers responded:

- Do not want to speak for other BOE members, I said going in, if we do one study, we are going to have a second opinion because what we do now is going to affect the next 50 years of Stokes County Schools
- We are waiting for all the studies to be completed before we make a final decision
- Want to hear all the options

Chairman Morris commented:

- You need objective studies in order to be able to back your decisions regarding what is the best decision for Stokes County – done by outside firm – not a biases report

Commissioner Cox commented:

- Heard that Masonboro Report – though there were serious flaws in the plan
- My question is how can you recommend to close two (2) schools and put them into schools that are already at capacity with no recommendations for adding additional space

Chairman Morris continued:

- Have done a lot of studies in my careers - you have to give them guidance

Commissioner Cox commented:

- During my time as a BOE member, we never did a consolidated study, but did do boundary study between South Stokes and West Stokes High Schools to try to give South Stokes more students and lessen the burden on West Stokes
- We did things like opening the Early College

Chairman Morris confirmed with BOE Member Rogers that the second study will provide the BOE with a second independent opinion – two separate groups doing a study.

BOE Member Rogers commented:



- Have issues from the Masonboro Group's plan, too

BOE Chairman Robertson commented:

- Agree with Commissioner Cox that the Masonboro Plan did have flaws
- For example, their plan closes King Elementary and Pinnacle Elementary and consolidates those students into Mount Olive Elementary and Poplar Springs Elementary
- King Elementary has roughly 400 students and Pinnacle has roughly 150 students
- So, we would be taking roughly 550 students and fold them into two (2) schools that are already close to capacity
- We might possibly fold in 150 students or so into those two (2) schools
- We have looked at the numbers, we would have roughly 400 students that would have to be redistricted out of the West Stokes District – going to either Nancy Reynolds, Germanton, or Walnut Cove or wherever
- Did not make any sense to any of the BOE members
- The study also takes students from West Stokes and South Stokes High Schools and sends them to North Stokes High School
- We are not advocating for closing schools like North Stokes or Piney Grove Middle
- We are not advocating for closing schools
- This is supposed to be an efficiency study
- How can you explain sending a student that can almost see a school from his/her house to another school 30 minutes away
- That doesn't make any sense

Commissioner Cox responded:

- Doesn't make sense to move Southeastern Middle School students to South Stokes High School when there are not enough athletics facilities

Chairman Morris noted the need to continue this discussion further once the other study is completed and the BOE has a plan to present to the Board of Commissioners.

Commissioner Wood questioned if the BOE still felt like it was a good idea to put the Masonboro Study out to the public before receiving the other studies.

BOE Chairman Robertson responded:

- The public wanted to hear the information
- Did not have any issues with releasing the study
- Had high hopes with the Masonboro Group who have put a lot of time in Stokes County
- Not sure how they came up with the things they did
- We need to try to come up with a plan that the entire county agrees on, which is most likely impossible

BOE Member Rogers commented:

- There may be some aspects of the Masonboro Group that prove themselves out
- We need to see the second opinion before we make any decisions
- We need to see the whole picture

- Was hoping to have three (3) studies – the more information the better

BOE Member Duncan commented:

- The decision we are going to be making is not just going to affect the next two (2) or three (3) years
- We have to look at the demographic of Stokes County
- We have to also look at the plans put together by the leadership team of the schools
- We have to consider funding, grants, etc.
- My calculations come up that the BOE is getting \$915,000 less than what was given for Fiscal Year 2022-23 for capital outlay
- That doesn't not include any matching funds (estimate of \$1.5 million) for grant funding
- When you talk about plans, we need to know if we can count on getting at least \$1.5 million from the County to build an elementary school
- Still have the same issues this upcoming year as we did last year
- I get we need to make a decision
- Knowing the amount of money we can get from the county has to be part of the decision making process in my opinion
- As far as the staff and number of students, it is kind of going to stay the same for the most part
- I am not for closing a school and just leaving an empty building
- If you have a bad roof and you put new people in it, it still has a bad roof, that is one aspect that I am looking at – what happens to that building if a school is closed

Commissioner Wood commented:

- We have private businesses that are interested in any school(s) that become vacant

Dr. Rice commented:

- I am not totally defending the Masonboro Group's presentation
- They tried to take a lot of things into account based on their experiences
- One of those things they took into account – they watch livestream meetings of the Board of County Commissioners
- They put into account that there might not be a lot of money from the county
- One plan they put together for a new high school and a new middle school, was about \$150-\$200 million
- They thought that was a wonderful plan and an efficient plan but knew that kind of funding was not available
- They were trying to come up with something that could be affordable in our county
- They tried to put into account, which kind of skewed the thinking process, looking at what the price tag would be with a plan that could actually get approved
- Lot of factors go into the consideration
- I am confident when the Board has a bunch of information and then takes the local knowledge that goes with it, they can come up with a good plan
- We are there to provide all the data
- Believe our Board is committed to have the commissioners a plan by this fall

Chairman Morris confirmed with Dr. Rice that capital funding this year will be spent wisely regarding a particular facility that might be included in the upcoming BOE recommendation.

Dr. Rice commented:

- Reiterated, we have got to decide what the plan is going to be and then start looking for funding streams to make the plan work

BOE Member Rogers responded:

- Capital spending would be done with the future involved, not going to put a new roof on a facility that might not be used in the future
- Our plan includes the County Commissioners allocating approximately \$6.5 million for a new elementary school – matching funds for a grant
- We will have to have that commitment before applying for any grants

Commissioner Mendenhall commended:

- My question follows along with what was just discussed
- Member Duncan, what do you do say when a taxpayer (who has lived in Stokes County all their life) comes up to you and they say the ADM at Pine Hall is 103 and you are appropriating \$1.1 million to Pine Hall (in current budget request) and how do you justify that
- Gossip throughout communities of Walnut Cove, Pine Hall, Germanton, and Sandy Ridge is that Pine Hall is going to close next year (this statement is not coming from the BOE- coming from the public)

Member Duncan responded:

- To my knowledge that was not in the requested budget

Commissioner Mendenhall commented:

- This was provided to me in my budget notebook that details \$1.1 million for capital needs for Pine Hall Elementary School

Dr. Rice responded:

- What was included in the budget request was the total needs that came from principal level and maintenance level
- The next column is a priority need
- Pine Hall does not have a priority need, but we did include the total needs
- Expected the amount of capital outlay funding would most likely depend on what the County received from Article #40 and Article #42 sales tax
- We still wanted you to know what is needed for that facility

Commissioner Mendenhall responded:

- Reiterated even though it was not a priority need, it was still listed in the budget request as a need
- No one knows what the final plan will be for the school system for the future

- Just wanted to make sure people understand what the difference between the needs being listed and the priority needs be listed
- Confirmed with BOE Member Duncan his answer to that question would be exactly how Dr. Rice just explained

BOE Member Duncan responded:

- Reiterated that if his calculations are correct, we are receiving approximately \$915,000 less than last year

Interim Manager/Clerk Brown responded:

- The reason for the less funding this year is the former County Manager Shannon Shaver recommended giving the BOE the entire fund balance from Article #40 and Article #42
- Normally, the Board does not allocate the entire fund balance – saves some for emergencies

Chairman Morris commented:

- Agree with Interim Manager/Clerk Brown that Boards in the past normally did not allocate all the capital fund balance in case of emergencies

BOE Chairman Robertson commented that the Board of Education with the assistance of Finance Director Moore has done a great job to make sure we have fund balances in order to keep from having to come back to the Board of County Commissioners for additional funding.

BOE Chairman Robertson opened the floor for any closing remarks from BOE members.

Vice Chairman Bryant commented:

- Appreciate the opportunity to come and discussion our budget with the commissioners
- Want to note that one of the major flaws with the Masonboro Group Study was that they were using core values and not actual classroom values – which would result in additions to the two (2) schools

BOE Member Knight commented:

- Can't afford to make a rushed or bad decision
- We want to be cautious and smart about our decisions that will affect the next 50 years
- As Member Duncan has stated, "do not want zip codes to determine the quality of education or their access to education which is important to this Board as well

Dr. Rice commented:

- Being the largest employer in the county which has to have HR and Finance, being the largest food service, we are athletic organizations, we are event planners, we deal with mental health and physical health with nursing, - when people bring us their kids, we are expected to do everything
- Feel we do a great job
- Very proud of the Stokes County School System

BOE Chairman Robertson commented:

- When you hear the achievements from all the schools during graduation, it is clear there is a quality education in all four corners of the county
- No matter which high school, which middle school, or elementary school you go to, we see achievements in each and every school
- We support all our schools and will continue to do that in the future
- I think it is obvious that we do have a few more schools that we don't need
- I think knowing what amount funding is available from the county will help the BOE to execute a plan
- We need to know what kind of a budget we are dealing with, so any guidance from the Board of County Commissioners regarding funding will help the BOE to move forward
- I know that is a tough question for the Board of County Commissioners
- Believe the two Boards working together, there can be a good solution for Stokes County Schools

Chairman Morris noted that he feels there is no way possible to give the BOE a dollar figure without a plan first – “kind of putting the cart before the horse”.

BOE Chairman Robertson expressed the need-to-know what kind of funding might be available.

Chairman Morris reiterated that he could not provide any estimate of funding before a plan is submitted.

BOE Member Rogers commented:

- The need is there for more than one new elementary school
- Also, the need for two elementary schools and a middle or high school

BOE Chairman Robertson noted there is no guarantee that a grant will be awarded.

Chairman Morris responded:

- As one commissioner, any grant you can get to build a school and there is a match, I will go raise taxes to match that grant
- I want to see a plan before I commit funding
- The county has not raised property taxes in 9 years – bottom line - broke

Commissioner Wood noted the need to have a plan before committing to any funding.

BOE Chairman Robertson noted the BOE has set a deadline of August 31<sup>st</sup> and we do hope to meet that commitment.

BOE Member Knight commented:

- I think I have heard the common thing is buy-in and transparency
- Looking at the flip side – what percentage of the people in the county paid taxes versus the percentage of people with children in the school system

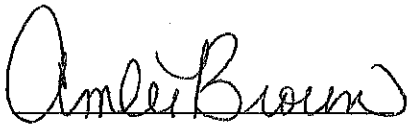
**ADJOURNMENT**

With no further business to come before the Board, Chairman Morris entertained a motion to adjourn the Joint Meeting.

Commissioner Mendenhall moved to adjourn the Joint Meeting. Vice Chairman Chandler seconded and the motion passed unanimously.

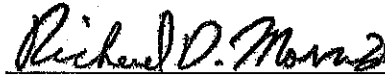
With no further business to come before the Board, BOE Chairman Robertson entertained a motion to adjourn Joint Meeting.

BOE Member Rogers moved to adjourn the Joint Meeting. Vice Chairman Bryant seconded and the motion passed unanimously.



**Amber Brown**

**Clerk to the Board**



**Rick Morris**

**Chairman**