

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
JUNE 11, 2008

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a joint meeting with the Stokes County Board of Education to discuss the upcoming 2008-09 fiscal year budget request in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administrative Building) located in Danbury, North Carolina on Wednesday, June 11, 2008 at 12:00 noon with the following members present:

Chairman J. Leon Inman
Vice-Chairman Jimmy Walker
Commissioner Ron Carroll
Commissioner Ernest Lankford
Commissioner Stanley Smith

County Personnel in Attendance:
County Manager K. Bryan Steen
Clerk to the Board Darlene Bullins
Finance Director Julia Edwards

Board of Education in Attendance:
Vice Chairperson Yvonne Rutledge
Member Sonya Cox
Member Becky Boles
Member Bill Hart

School Administration in Attendance:
Dr. Stewart Hobbs, Superintendent
Executive Finance Director Lanette Moore
Administrative Assistant Ann Robertson
Executive Director of Curriculum Donna Boyles

Chairman J. Leon Inman called the meeting to order for the Board of Commissioners.

Commissioner Lankford delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman Inman opened the meeting by inviting the citizens in attendance to join both Boards with the Pledge of Allegiance.

Opening Remarks

Chairman Inman welcomed the Board of Education to the joint meeting.

Dr. Stewart Hobbs, on behalf of Stokes County Schools, presented the following:

- Expressed Board of Education and School Administration's appreciation for the joint meeting
- This year's current expense request from Stokes County Schools is \$11,343,314 with the County Manager's recommendation being \$10,562,000
- Major concerns: salary increases, supplements, benefits, utilities, charter schools; increase for these items amounts to \$627,000
- Increase from last year's county budget for operating expenses = approximately \$356,416
- Without increasing any other line item and taking into consideration the major increases to benefits, utilities, etc, the Board of Education would have to make major cuts
- The constant increase of fuel prices is a major concern – school buses along with operation of activity buses
- Capital expense – requested approximately \$1.3 million with \$300,000 from Technology-ADM with County Manager's recommendation being \$873,940
- Everything that was requested is a real need
- Board of Education has contracted with an architectural firm to do a comprehensive needs study which will tell the complete story
- One concern: Direction the Board of Commissioners will be taking with the lottery funding, used for school construction or debt service

County Manager Bryan Steen noted the use of lottery funds could be used for purchase of land and for planning before going out for financing, according to the law.

Commissioner Carroll noted that the Board would need to wait for advice from the financial advisor. Commissioner Carroll noted, in my opinion, it should be used for new construction only.

Chairman Inman noted that the House has passed (Senate hopefully will pass)

additional funding from the lottery reserve so that all counties will receive additional ADM allotment, this should help Stokes County.

Dr. Hobbs continued his presentation with the following:

- If no additional funding, cuts would have to be made from locally funded positions (estimated 8) or from technology funding
- Would have to carefully decide where positions could be cut
- Stokes County has 24 local teaching positions with a total of 82.24 positions, which includes maintenance, clerical, etc.

Finance Director Lanette Moore noted the following:

- Based on the County Manager’s recommendation, the Board of Education would have to cut approximately \$781,000
- Increases that the Board has no control over = approximately \$627,000
- The shortfall does not even touch the new requests which total \$338,895

Vice Chairman Walker discussed previous budget allocations given to the schools.

Dr. Hobbs discussed the State’s proposed cost of living, rising cost of fuel, increased utility costs, outdated boiler systems and HVAC units, and general operating costs.

Finance Director Moore noted the following increases/decreases in the proposed current expense budget:

	Increase/Decrease
Salaries/Supplements/Benefits	\$ 269,520.00
New Requests	\$ 338,895.00
Technology	\$ 66,577.00
Travel	\$ (6,328.00)
Supplies	\$ 18,000.00
Contracted Services	\$ (49,370.00)
Staff Development	\$ 30,000.00
Printing	\$ 2,000.00
Dues	\$ 1,770.00
Insurance	\$ 500.00
Communications	\$ (2,650.00)
Postage	\$ (6,000.00)
Utilities	\$ 351,750.00
Operations	\$ 50,000.00
Charter Schools	\$ 6,000.00
School Special Requests	\$ 24,048.00
Total	\$ 1,094,712.00

The Board of Education discussed the cost of fuel for bus transportation, athletic programs, and possibly a four-day workweek. The Central Office will be operating on a 4 day workweek this summer.

Finance Director Moore noted the submitted budget was prepared using 4.5% cost of living for classified employees and 7% for certified employees.

Dr. Hobbs noted that it could possibly be around 5% with one time bonuses which could result in some savings.

Dr. Hobbs discussed the NC Wise Program.

Vice Chairperson Yvonne Rutledge explained one of the new request – implementation of teacher assistant salaries based on years of experience. Implementation of this request would be approximately \$202,664, based on the County Manager’s recommendation, this would have to be eliminated from the proposed budget. Another request is to increase supplement pay.

Commissioner Carroll noted the need for implementation of the teacher assistant salaries based on years of experience and that it should be a high priority with funding being taken from low wealth income.

Member Bill Hart reiterated the increasing cost of fuel, expected cost of living increase, teacher supplements, and the need for implementation of the teacher assistant salaries based on years of experience.

Member Becky Boles noted the unexpected funding spent this year on Nancy Reynolds Elementary School, new requests, and stated any additional funding would be greatly appreciated.

Commissioner Smith noted other needs in the County, but understands the needs of

the school. Commissioner Smith stated the need for implementation of the teacher assistant salaries based on years of experience.

Chairman Inman noted the following:

- The proposed budget is only a recommendation from the County Manager
- This Board has a passion for education
- County is also experiencing rising fuel cost with departments such as EMS and Sheriff's Department
- Board is trying to maintain a continuous increase of the county's fund balance each year
- Need for both Boards to continue to collaboratively work together for the same thing – new school construction and renovations

County Manager Steen noted the following:

- Budget reflects no tax increase
- Increase in fuel and utilities for the County
- Appropriation of almost all of Hold Harmless funding
- 4% cut from travel and department supplies from all departmental budgets
- County budgeted no new vehicles last fiscal year
- Proposed budget only includes a possible 2% increase to the salary scale

Commissioner Carroll discussed the following specific issues:

- Instructional support salaries
- Elimination of department head supplements
- NC Wise positions
- Library book funding – need for more
- Contracted Services – budgeted \$250,000
- Capital Outlay – prior approval of \$300,000 transfer from fund balance

Finance Director Moore noted the items expensed from the previous \$300,000 transfer:

- Sandy Ridge Elementary School – major heating issue – approximately \$90,000
- New bleachers – most were mandates – approximately \$85,000
- West Stokes High School – compressor issues – approximately \$49,000
- Approximately \$75,000 to be used for interior painting of schools

Finance Director Moore noted that speaking on the financial side, being able to transfer the \$300,000 is a definite plus for the Board of Education by having the flexibility to transfer the funding if needed.

Dr. Hobbs questioned what is the Board of Commissioners' view on an appropriate fund balance amount.

Commissioner Carroll noted a reasonable amount of \$250,000, but on the other side, the funding was allocated for the operation of schools. If funding is not used one year, it could possibly be used for the next year, especially when funding is tight.

Director Moore noted that the Board of Education usually funded items from fund balance that were not recurring items.

Vice Chairman Walker noted running the school system is essentially the same as operating a business with the fund balance as a contingency. Vice Chairman Walker noted that the superintendent should try to balance what would work, there is no magic number, look at the balance as what is a reasonable amount in case of an emergency.

Dr. Hobbs noted that the passenger van requested would be used so that staff who are attending workshops can ride together, saving mileage reimbursement.

Vice Chairman asked if any of the capital improvements could be postponed until funding is secured for construction of schools, major repairs, etc.

Dr. Hobbs noted that by the end of the month, the long-range comprehensive plan will be completed which will detail schools needs and DPI standards. Most of the items in the capital request is only maintaining facilities as is, safety issues, repairs and maintenance, and minor renovations.

Member Sonya Cox noted that the Board of Education would not know the priority list until after the architectural analysis is completed.

Commissioner Carroll noted that ADM funding could be used for ongoing capital projects or minor renovations.

Dr. Hobbs noted that rural systems receive less funding from the State for transportation needs due to the fact that the efficiency rate is not as high as counties with schools close together.

The Boards discussed the teacher assistants' compensation plan based on longevity that is included in the proposed budget. Vice Chairman Walker noted that several spoke at the Public Hearing regarding this issue.

Director Moore noted that teacher assistants now have to meet mandates required by the State.

Dr. Hobbs noted the job description for a teacher assistant has changed tremendously, now they are instructional teacher assistants. They are actually teaching children and should be awarded.

Commissioner Carroll noted that most of the teacher assistants are state and federally paid and the additional funding should come from state and federal sources.

Dr. Hobbs reiterated that if the Board of Education had to cut approximately \$316,000 and fund the teacher assistants without additional funding; cuts would have to occur from the low wealth funding for technology and possible teacher positions. Dr. Hobbs stated that without additional funding, the Board of Education would have to find approximately \$500,000 from other areas with some federal and state funding being restrictive.

Finance Director Moore noted that the Board tries to maximize the most from state and federal funding.

Vice Chairman Walker noted the need to try to fund the teacher assistant compensation plan.

Dr. Hobbs noted possibly trying to implement the teacher assistant compensation

plan over the next two years.

Dr. Hobbs also noted possibly beginning discussion regarding a funding formula for the schools, a funding formula that both Boards can live with and work with.

Chairman Inman noted the need for both Boards to continue to work together toward a common goal, what is best for the students in Stokes County.

Member Sonya Cox noted that a committee has been formed to implement the requirement that all school facilities must be a “tobacco free facility” by August 1, 2008. Information will be sent home by students, signage has been posted at all facilities, and announcements will be made at all school activities.

Dr. Hobbs requested if any space was available in the school administrative facility, school administration is in desperate need for more space if any becomes available.

Chairman Inman expressed the Board’s appreciation to the Board of Education for the joint meeting.

Vice Chairperson Rutledge expressed appreciation to the Board of Commissioners for the opportunity to discuss the proposed budget.

Adjournment

There being no further business to come before the Board, Chairman Inman entertained a motion to adjourn the joint meeting.

Commissioner Smith moved to adjourn the joint meeting. Vice Chairman Walker seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman