

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 15, 2009

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Budget Work Session in the third floor Conference Room of the Ronald Wilson Reagan Memorial Building (Administrative Building) located in Danbury, North Carolina on Monday, June 15, 2009 at 4:00 pm 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

Others in attendance for the Budget Work Session
Stokes County Board of Education:
Chairperson Bill Hart
Vice Chairperson Sonya Cox
Member Becky Boles
Member Colon Moore
Member Steve Shelton

Stokes County School Administration:
Dr. Stewart Hobbs, Superintendent
Assistant Superintendent Donna Boyles
Executive Director of Finance Lanette Moore

Stokes County Fire Commission:
Chairman Clifford Hall

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

Chairperson Bill Hart called the Board of Education's meeting to order.

Chairman Inman delivered the invocation.

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

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

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

Budget Work Session (continuation)

School – Current Expense

Dr. Stewart Hobbs, Superintendent, discussed the following issues:

- Staff has been reviewing the Governor's budget, the Senate's budget and the House of Representatives' budgets – very concerned with the proposals (Superintendent Hobbs presented the Board of Commissioners a copy of the recommendations from the Governor, the Senate, the House of Representatives)
- Estimating an 11% cut in State funding
- Governor's budget recommended increasing class sizes in K-12 by three students, House budget recommends increasing class sizes in K-12 by two students this year and one student next year
- With increasing class sizes by two students, Stokes is estimated to lose 46 teaching positions, Stokes System can only fund 19 of those 46 teaching positions resulting in 27 teaching positions lost
- Anticipating a loss of 29 teacher assistant positions
- Using stimulus funding will only fund the positions for one year
- School System has had two funding reversions this year which amounted to an estimated \$600,000+ which had to be returned to the State
- State funding being frozen this year also presented several problems
- Board of Education's goal is to maintain teaching positions
- 12 retired employees who have been contracting with the School System has been notified that they will not be reemployed
- Tried to cut items in current expense in this year's proposed budget to try to save some teaching positions, requesting 22 local teaching positions
- Very concerned what will be the final allocations from the State
- Information from Raleigh indicates that Education must take a \$1 billion cut
- House also considering not adding to classroom size for K-3 and only increasing classroom size in grades 4-12 by two, which could possibly save approximately 15-20 teaching positions in Stokes
- Could be 5-6 weeks before a final budget is adopted
- Looking at the worse case scenario which is the House of Representatives' proposed budget
- School is in a "Catch 22" – trying to decide whether to tell teachers that they do not have a job or wait until the budget is finalized to see who will actually have to be cut
- School System will have to pay insurance for those terminated for one year which is estimated at \$5,000 per person
- No expenditures in this year's capital outlay budget relating to heating and air due to the school administration is looking at Performance Energy Guaranteed Contracting which will analyze heating and air systems to make sure all systems are as efficient as possible
- Working with department heads to reduce expenditures, administrative office will be working a four day week (closing on Fridays) for the summer
- Transportation Department will possibly lose an estimated \$175,000, looking at ways to cut costs
- Will be discussing later this evening if SROs can be kept in middle schools (mandated in high schools)

The Board discussed the issues with Dr. Hobbs and the Board of Education.

Vice Chairman Walker noted the need to continue to work together to try to provide the best education possible for Stokes County and expressed concerns regarding the loss of state funding.

Commissioner Carroll complimented the Board of Education on a very good, tight budget.

Commissioner Carroll requested clarification on the following issues:

- Meaning of “Local freeze 2008-09” which appears in the recommended budget
- Increase in the number of assistant principals positions
- National Board Salaries
- County Manager’s Budget (Option 2) is projected to decrease the school’s current expense budget by \$161,323 from the current year, what would be the impact
- Capital Outlay – Identified several items that are marked as safety needs, but at the same time, the County authorized up to \$250,000 last year to address capital needs which was not done: (1) Why was that not addressed?

In response to the meaning of “Local Freeze 2008-09” in this year’s proposed budget, Finance Director Moore noted at this time the Board of Education has approved that teachers’ supplements would be based on the current salary even if the State increases teachers’ salaries.

Dr. Hobbs noted that cutting assistant principals, secretaries, financial officers, etc. to 11 month schedule, furlough days for school employees, coaches returning to the class, are all being considered and emphasize that “everything is on the table”.

Dr. Hobbs noted the following regarding National Board Salaries:

- Two teacher coaches with National Board Certification were hired and pay according to the National Board Certification
- When audited by the State, State does not allow positions to be paid according to National Board Certification; therefore, budget reflects the difference in the State allotment and the National Board Certification recommended pay

Dr. Hobbs noted that some of the capital projects budgeted were not getting done on a timely manner and when the State froze funding, the other projects were not able to be done.

Dr. Hobbs noted that this issue has been addressed and once a budget is approved, safety projects will be done immediately.

Commissioner Carroll noted if the Hold Harmless funding is received from the State, he would like to see the County appropriate \$300,000 from Hold Harmless funding and the Board of Education match the \$300,000 (transferring from current expense to capital) which combined with the Manager’s recommendation would equal approximately \$1.3 million to address virtually all the capital needs (this would be away to catch up).

Commissioner Carroll noted that he had received the following questions/concerns from concerned citizens and requested information regarding the questions?

- Did School Administration pay to rent First Assembly for graduation services and if so, what was the cost?
- Concerns about the school’s summer work schedule

Finance Director Moore noted the cost for First Assembly was a little over \$5,000 and teacher assistants are based on a 37.50 workweek and all other employees based on 40 hour

workweek.

Commissioner Lankford agreed with Commissioner Carroll regarding a very good budget. Commissioner Lankford expressed concerns with the loss of the technology funding, ADM funding, and approximately \$400,000 less in lottery funding. Commissioner Lankford noted the County also will be looking at “everything on the table” and would like to see the School System be allotted the same amount in current expense as last year’s allocation.

Dr. Hobbs noted that if the House budget was adopted as is, there would be an approximately \$3 million loss in State funding to Stokes County.

Commissioner Smith also expressed concerns regarding the loss of state funding and would to see the County be able to fund the school’s current expense the same as last year.

Dr. Hobbs reiterated the concerns regarding the loss of teaching positions, loss of teacher assistants, increase in classroom size, state cuts, furlough days, and the waiting to see what is actually adopted by the State.

Chairperson Bill Hart noted the following:

- Appreciate anything the Board of Commissioners can do help with the current situation and the willingness to work together

Vice Chairperson Sonya Cox noted the following:

- Appreciate being able to set down and discuss the matters
- Board of Education is trying save as many jobs as possible
- Like Commissioner Carroll’s suggestion regarding catching up on capital needs
- Hope the County can keep the school’s current expense the same as last year

Member Becky Boles noted the following:

- Appreciate anything the Board of Commissioners can do
- Concerned about the larger class size

Member Colon Moore noted the following:

- Echoed what other Board members have expressed

Member Steve Shelton noted the following:

- Appreciate the positive comments from the Board of Commissioners regarding the Board of Education’s budget
- For informational purposes, the two teacher coaches who are receiving the National Board Certification salaries voluntarily agreed to not accept their local supplement

Chairman Inman expressed concerns regarding the loss of teaching positions, increased class size, and the challenges facing the county such as possible furlough days for county employees, no COLA, reduction in expenditures and revenues. Chairman Inman noted he

would also like to be able to appropriate the same amount of current expense as last year.

Dr. Hobbs noted that regarding graduation services at First Assembly, there had many several positive comments with only one negative comment.

Commissioner Lankford reminded everyone the County must keep in mind the County's Fund Balance in order to continue to move forward with upcoming school projects.

Chairman Inman expressed appreciation to the Board of Education and school personnel for their willingness to work together

Service Fire District

Chairman Inman noted that Clifford Hall, Fire Commission Chairman, was in attendance for today's meeting regarding the county manager's recommendation which was different than the Fire Commission. (Policy for Fire Service District and Fire Commission and Use of Service District Funds requires the Board of Commissioners meet with either the Chairman of the Fire Commission or the entire Fire Commission)

County Manager Steen noted that his recommendation decreases the budgets of Sauratown and Double Creek due to their confirmation during capital expenditures discussions during the 2008-09 Fiscal Year that 2009-10 budget requests could remain the same.

Chairman Clifford Hall noted the following:

- The Fire Commission was aware of the stipulations outlined in the Board of Commissioners' minutes regarding Sauratown and Double Creek Fire Departments
- The Fire Commission felt that they looked at every item in both budgets and had no every to cut the budgets
- Fuel cost and insurance has increased for both budgets
- Would like for Fire Chief James Griffin to explain his department's (Sauratown) budget.

Commissioner Lankford confirmed that both departments acknowledged that their budgets could remain the same for the upcoming 2009-10 fiscal year.

Fire Chief James Griffin noted the following:

- Felt there was a misunderstanding with the comments made during the Board of Commissioners' meeting- his response was referring to no increase due to the purchase of the brush truck, but there is no way to maintain the same budget with the cost of fuel, increase in supplies, increase in utilities, etc.
- Department submitted a slim line budget with no room for cuts, only \$1436 increase
- Department received a \$28,000 State grant which requires a 50/50 match
- Questioned if other departments such as Danbury, Pinnacle, Northeast Stokes, who purchased fire apparatus would be held to the same standards
- If County Manager's recommendation is approved, will have to cut two sets of turnout gear which is desperately needed

Chairman Hall noted that Sauratown's call volume has increased during the past year

which also caused an increase in expenditures. Chairman Hall expressed concerns that some of the departments are submitting a financial statement and some are submitting a full audit, this is an issue that needs to be addressed. Commissioner Lankford noted that some of the larger grants require an audit with the application.

Commissioner Carroll noted that Fire Departments are exempt from a having to prepare an audit. Chairman Inman stated that this issue regarding audits needs to be addressed.

Chairman Hall concluded that he felt the Fire Commission had fine tuned every budget, looked for every possible cut, and delivered a proposed Service District Budget Packet to the Board of Commissioners without requesting a fire tax increase

The Board discussed the Fire Service District Funding.

Finance Director Julia Edwards noted the revenue was estimated on a 95.5% collection rate and there would be adequate funding to allocate the additional \$1,436 for Sauratown and \$2,984 for Double Creek = \$4,420.00.

Fire Chief James Griffin noted that a pending bill will eliminate free training from community colleges for emergency responders which will create an increase in all the departments' budget.

Chairman Inman expressed the Board's appreciation for the Fire Commission's hard work and dedication and commended the excellent job done with the recent budget recommendation.

The Board unanimously agreed to try to find the additional funding for Sauratown and Double Creek.

Closed Session

Commissioner Lankford requested if a Closed Session could be held at the next Budget Work Session. (Advertisement for meeting stated specifically – Budget Work Session) The Board discussed the issue. Chairman Inman directed the Clerk to investigate the possibility of holding a Closed Session during a Budget Work Session.

Chairman Inman noted the next Budget Work Session is scheduled for Tuesday, June 16th at 9:00 am.

Adjournment

There being no further business to come before the Board, Chairman Inman entertained a motion to adjourn the Budget Work Session.

Commissioner Lankford moved to adjourn the Budget Work Session. Vice Chairman Walker seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman