

Chairman Lankford welcomed those in attendance for today's joint meeting.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

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

Budget Work Session

County Manager Rick Morris read the following excerpt from his Budget Message:

Board of Education (BOE) Requests

New school construction and renovation was addressed in last year's budget and two of the four approved projects are scheduled for completion before school re-opens this fall. The other two projects (Lawsonville Elementary and Forsyth Tech Community College) are in the planning stages and require only one additional appropriation in the proposed FY 2012/13 Budget, which is to initiate the design work for the new community college building.

Current Expense

The Current Expense budget request from the BOE for county funding contains an approximate 4.66% increase over last year's approved budget. This translates to an approximate \$475,435 dollar increase in the BOE request. My recommendation is to provide the BOE \$10,211,763 for Current Expense, which is a \$100,000 (.98%) decrease over last year's approved budget. My recommendation also provides \$ 117,700 to the BOE for Current Expense to pay for operations & maintenance expenses for the new Poplar Springs Elementary School. This funding will come from the New School / Forsyth Tech Construction / Renovation Fund (last year's 4 cent tax increase) and will not impact the County's General Fund. The overall recommendation provides a net increase of \$17,700 for Current Expense over last year's approved "Current Expense" budget.

Capital Outlay Expense

The BOE Capital Outlay request contained an approximate 1096 % increase over last year's approved budget. This translates to an approximate \$2,537,125 dollar increase over last year's approved budget. My recommendation is to provide the BOE \$1,320,000, which includes the authorization for the BOE to spend up to \$1,000,000 from their Current Expense Fund Balance on capital projects. If they choose to do so, this increased authorization from their Fund Balance will allow the BOE to get started on replacing roofs that were explored earlier this year in the County's Qualified School Construction Bond application, which was later denied. As in previous years, my recommendation is to continue prioritizing the capital funding toward the retirement of debt from earlier school construction, which will require \$1 Million for the proposed FY 2012/13 Budget. The remaining capital funds in the amount of \$320,000 will be appropriated for capital projects, to be prioritized by the BOE.

County Manager Morris noted the following:

- \$250,000 has been appropriated in this year's fiscal year budget for design work for the community college facility

- Trying to keep the school system close to the level that was appropriated last year
- County is in a very tough budget year with unfunded mandates which has put a strain on the overall county budget:
 - Emergency Communications Upgrade – estimated at a couple of million dollars
 - Last year of Hold Harmless Revenue - \$2 million loss after F/Y 2012-13
 - Projected 5% overall average decrease in property values for Revaluation that will be experienced in the F/Y 2013-14 (estimated loss of \$1 million starting in F/Y 2013-14 for four consecutive years)
- Did the F/Y 2011-12 Budget thinking two years ahead
- Did the F/Y 2012-13 Budget thinking four years ahead
- Talked with Representative Bryan Holloway about the possibility of additional discretionary funding being allocated to the schools
- House of Representatives' allocation would give Stokes County Schools approximately \$1.2 million additional discretionary funding
- Senate has a lesser version of additional discretionary funding
- Based the county's allocation on the schools getting approximately \$500,000 additional discretionary funding
- Additional funding has not been decided yet
- Will be glad to answer any questions

Superintendent Ronnie Mendenhall noted the following:

- On behalf of the Board of Education, would like to thank the Board of Commissioners for this opportunity
- As we discuss the Board of Education's 2012-2013 budget, I want the Commissioners to know my budget as Superintendent and the Board of Education's budget has been based on the following priorities:
 - Maintaining staffing levels to eliminate class size overcrowding
 - Helping save employee jobs
 - The safety for students and staff at each school
- The school system is facing many challenges:
 - Implementing major curriculum change called Common Core and Essential Standards
 - By the F/Y 2013-14, when staff administers testing, all testing will have to be done on line which will require \$1,820,000 in technology
 - State Funding Discretionary Cut
 - (ranging from \$775,000,000 – House Version to \$2,000,000 Senate Version)
 - Loss of Federal ARRA Funding for Positions - \$1,700,000
 - (teachers, teacher coaches, assistant principals, assistants, clerical)
 - Decrease of \$284,000 State Low Wealth Funding
 - Operating Cost for the new elementary school – Poplar Springs - \$282,000
 - Guaranteed Energy Savings Annual Payment - \$351,000
 - Denial of Qualified School Construction Bonds – Roofing Request of \$2,000,000

- County manager's recommended cut of:
 - \$457,735 Current Expense
 - 2,447,625 Capital Outlay
- Proposed frozen salary schedules with no pay increase again, the fifth year in a row that staff employees have not received a raise
- Employee benefit increases for retirement and hospitalization
- Duke Energy increase of 7.2%
- Not sure where Senate Bill 795 will take the school system in additional funding
- The Board of Education has submitted a Current Expense Budget with a \$1,366,365.00 increase; however, in order to maintain staffing levels and save jobs, the Board of Education is willing to use \$1,004,841.00 fund balance to help balance this increase. This means the increased request is only \$361,524.00 without fund balance. In my eyes, this is a very small increase based on the financial losses and changes we have just discussed.
- We currently employ (8) Teacher Coaches, (3 Middle School and 5 Elementary). The Board of Education is proposing to continue these positions. With the Curriculum changes beginning with the 2012-2013 school year, these positions are very valuable with the implementation of the Common Core and Essential Standards curriculum. These employees have been trained and will work with all instructional employees to implement the new curriculum which is the greatest change since 1998 with the introduction of Standard Course of Study.
- Without the roofing projects request of, \$2,011,625.00, the Capital Outlay Budget is only increased by \$244,350.00. Again, I feel this is a very reasonable request. Of this request, \$193,000.00 is related to safety and mandates. For example, the telephone systems for King Elementary and the Bus Garage are a necessity. These requests equal \$55,000.00. The request to convert 5 yellow buses to activity buses, \$30,000.00, for extra-curricular activities will maintain the current fleet of 26. We currently are using several 1986 models and recently two weeks ago had one of the best buses at Carolwinds that broke down and had a very difficult time getting the students back to school in a safe manner.
- The Board of Education appreciates the increased authorization in transferring Current Expense Fund Balance to Capital Outlay; however, keep in mind \$1,000,000.00 of Fund Balance is budgeted to save employees jobs and to eliminate class size overcrowding
- We all need to be proud of Stokes County Schools and the direction we are currently going and our accomplishments. We believe the Board of Education's Proposed Budget will continue the progress. We have much to celebrate:
 - Highest graduation rate ever accomplished in this school system
 - Increase in end of course and end of grade test scores
 - Achieved outstanding accomplishments in extra-curricular activities:
 - South Stokes High School received more art awards at the State competition than any other high school in the State of North Carolina
 - State Football 2AA Championship for West Stokes
 - Girls State Volleyball Championship at North Stokes
 - Have received several outstanding awards for band and music
 - Band competition – winners with West Stokes

- Southeastern Middle School received a superior rating
- Board of Education and Board of Commissioners have worked together to provide new Schools:
 - Nancy Reynolds Elementary School – already in operation
 - Poplar Springs Elementary School – ready for the fall
 - New addition and renovations for Southeastern Stokes Middle School – ready for the fall
- We know as a County, you are faced with many economic challenges and financial burdens this year
- We are hoping that you can find a way to increase the amount of funding that the county manager has recommended for the school system
- I understand Rick’s portion of his budget theme - “New Normal”; however would like for you to remember the following three phases that I am a firm believer in for education:
 - Continue excellence
 - Preparing students for the 21st Century
 - Working together for the best interest of our children, after all, they are the future of Stokes County
- Will be happy to answer any questions

Board of Education (BOE) Chairperson Yontz opened the floor for comments from the BOE members.

BOE Vice Chairperson Michael Rogers commented:

- Based on the recommended budget, the school system can use up to \$1 million from the Fund Balance for roofing; however, there will not be teachers to educate the children – my biggest concern
- Trying to get the students ready to go to Forsyth Tech – can’t do that without teachers
- The Federal Government has flipped the way all students are taught with the implementation of the Common Core and Essential Standards – mandated to do this new curriculum
- Can’t do the implementation of this new curriculum without teacher coaches
- When I came into this position, I wasn’t totally on board with everything, but someone has to teach the teachers the new curriculum
- Can’t expect the teacher coaches to teach the new curriculum without being trained first
- Eight teacher coaches covers the training for all the elementary schools in the county
- We will stand behind our test scores compared to anyone in the state

Member David Smith commented:

- Have a question for Manager Morris
- Times are very hard for the schools
- We are going to have to get some more money or we are going to have to lay some people off

- Why can't the community college be put on hold?
- The students have somewhere to go to college and allow the school system to use the \$250,000 appropriated for design of the college
- We need to keep the teachers and law enforcement officers in the schools
- Reiterated that the School System is going to have to do something or lay off teachers or lose SROs in the middle schools

Manager Morris responded to Member Smith's comments:

- The Board of Commissioners determines when the community college will be built
- The citizens of the County were told that the 4 cent tax added last year would build a community college

Chairman Lankford also responded to Member Smith's comments:

- The 4 cent tax can only be used for projects that have been designated:
 - Nancy Reynolds Elementary School
 - Poplar Springs Elementary School
 - Southeastern Middle School
 - Lawsonville Elementary School
 - New community college facility

Member Smith confirmed with Manager Morris that the 4 cent tax could not be used to keep teachers.

Vice Chairperson Rogers questioned if the operating cost for the new Poplar Springs Elementary School could be allocated from the 4 cent tax?

Manager Morris noted that \$117,700 was allocated in his recommendation for that purpose at the Poplar Springs Elementary School from the 4 cent tax.

Superintendent Mendenhall noted that the operating cost for Poplar Springs Elementary School is estimated at \$282,000.

Manager Morris noted that the County was given the \$117,700 operating cost when the financial model was developed for the county.

Operations Director David Burge noted that the \$117,700 was most likely the cost for utilities.

Manager Morris confirmed that the net increase for current expense in his recommendation was \$17,700 (\$100,000) was cut.

Vice Chairman Inman noted the following regarding the \$250,000 mentioned by Member

Smith:

- The \$250,000 was a special appropriation that Representative Bryan Holloway got for Stokes County and is specifically designated for Forsyth Tech in Stokes County
- Was not allocated from the county's general fund
- Did not come from the 4 cent tax
- Did not come from Stokes County taxpayer dollars
- Designated for Stokes County's community college

Manager Morris noted the following regarding the \$250,000 allocation:

- \$250,000 allocation, per approval from the State, will be used for utilities for the community college instead of design work
- Design work will and can come from the 4 cent tax

Member Smith reiterated that times are hard and could be harder next year.

Member Becky Boles commented:

- Appreciate everything that the Board of Commissioners has done for the School System
- Appreciate the understanding of the Board that the BOE is trying to educate our children, prepare them for the future and provide a safe, secure learning environment
- Things are falling apart with some of our schools
- Every time we turn around there is some new mandate
- Appreciate the fellowship and the Boards working together
- The Board of Education will do the best we can with what appropriation the County provides
- Must have faith that as the BOE struggles, we can come back to the BOCC for assistance

BOE Chairperson Yontz commented:

- BOE is looking at the following increases:
 - Start up costs for Poplar Springs Elementary School is approximately \$282,000
 - 2.5% matching benefits increase
 - 7.2% Duke Energy increase
 - Fuel increase
 - Only \$117,700 increase over last year's allocation
- Hope the BOCC can find some funds to increase the allocation
- Agree with Member Smith that we need to slow down construction if we can't repair the schools we already have
- At some point, we have to drop back and look at this
- We are going down the wrong street with this
- Capital allocation is only \$320,000 for 19 schools, this doesn't work
- Faced with as much as \$2 million discretionary cut from the state

- Planning on using the Fund Balance, as stated by the Superintendent, to keep jobs, keep teachers in the classrooms
- Everyone in this room will be getting phone calls stating that my child is sitting in a classroom with 36 students
- What are we going to sacrifice?

Chairman Lankford opened the floor for comments from the BOCC.

Vice Chairman Inman commented:

- Like Member Boles stated, the Board of Education and Board of Commissioners have had a great collaborative effort by both Boards dating back a number of years
- We are all facing a lot things that no one has control over
- We are seeing unfunded mandates, typically coming from the Federal level, now are also rolling down from the state level, which is impacting us all
- We have listened to your requests and concerns about the facilities and overcrowding classrooms
- We have built schools
- Don't think we would build schools and not maintain them
- We will have to try to figure out a way to maintain the new schools
- Reiterated that we are looking at unfunded mandates from the state level that are really impacting the current budget; the manager's recommendation takes \$2 million out of the County's Fund Balance
- Looking at the estimated 5% average decrease in assessed property with the upcoming Revaluation which amounts approximately \$1 million less for four years
- This year, there are no new revenue sources
- When we look at next year's budget, without a tax increase, we would have to appropriate \$2-3 million from Fund Balance
- It was less than 10 years ago, this county could not do renovations in the amount of \$600,000 to the Walnut Cove Library due to a low Fund Balance
- We have packaged this funding for a community college
- Understand the comments about slowing down, but we sold the 4 cent tax increase to the Stokes County taxpayers as a package deal – schools and community college
- There is a program that everyone in this room should be very proud of – Early College High School
- Had a Town Hall meeting in King last night at the new Forsyth Tech facility, the proposed facility at Meadows will really fit into the community, schools, as well as, an economic development vision
- If we don't do something in this county to take the burden off the ad valorem taxpayer, there is not one person sitting in this room that is going to be able to pay their taxes in ten years
- You can look at it any way you want, this is reality
- This county may have to start cutting essential services to balance the budget
- We are all in this together
- Both boards are looking at something that is a tremendous challenge
- Both boards are anticipating having to use their Fund Balance

- Yes, it is expensive, but consider the alternative
- We must work together to figure out something
- We have challenges, but we need to keep the collaborative spirit going

Commissioner Walker commented the following:

- Appreciate the good information that everyone has provided so far
- I am a believer in teamwork and cooperation
- Been able to participate in these joint meetings for several years
- It seems that it is a real benefit getting together and having this type of meeting
- Discussion, dialogue and even debate are good for the political process
- Nothing wrong with different views
- Complimented Vice Chairman Inman on his comments
- One thing that he didn't mention was that the current budget, if adopted as presented, has a three to five cent tax increase projected as early as next year
- That folks tells you how serious the Board has to be dealing with county finances at this time
- I am as apprehensive about this current budget and some of the dynamics involved, not just for this year, as any budget that I have been involved with over the past 20+ years as an elected official
- Would like to mention a few items that stand out to me
 - The four cent tax fund
 - There is a creditability question there, if we tamper with that fund after going out and promising the citizens of Stokes County that the fund would be used exclusively for certain purposes, we are doing so with great risks to ourselves and maybe our political futures
 - That four cents was sold for school construction and a community college
 - Many people were waiting for the lid to blow regarding this four cent tax increase; when you really get down to it, it didn't cause much concern
 - Do you know why? Because there were people selling this four cent tax to the citizens -trust us – the needs are here: Nancy Reynolds, new elementary school in the Yadkin Township, major renovations and construction at Southeastern Middle School, renovations and construction at Lawsonville Elementary School
 - One of the features of this four cent tax was the construction of a community college facility
 - There has been an ongoing desire of the citizens in Stokes County to have a community college in Stokes County for more years than I care to remember
 - Now that the hopes have been addressed and the promise made, it is locked it
 - If you don't believe me, just see what would happen if the Board tried to change that promise to the citizens
 - Commend the school system, getting no complaints

- Hear good things about the schools, you have achieved a good level of confidence and creditability with the citizens
- There is one thing certain, don't know how this could be addressed in the budget, that I hear so much about the schools – vocational classes
 - When they disappeared, that hit a nerve with the public
 - The citizens really want vocational education back in Stokes County
 - The reason they feel it is needed is that everyone is not college material
 - You need people who can earn a living as a plumber, electrician, welder, auto mechanic, etc.
 - When these classes left Stokes County schools, they left a vacuum
 - Since this year's budget is pretty well locked, we need to look at this in the future
- As I listened to the superintendent go thru the list of reductions and shortfalls in funding and also listened to the manager go thru his list, this thought occurred:
 - Yes, we have challenges
 - The county is short of funding as well as the school system
- Looking at both budgets, similar things could be said: “How are we going to fix this?” “How can we manage with only this?”
- What is fair and balanced – that is what we want to achieve
- Want to make the taxpayers' dollars go as far as they can
- We have achieved a lot, as far as, increasing the County's Fund Balance
- The Board of Commissioners and staff have given up a lot to bring that Fund Balance up
- County employees have not had raises either
- County has people job sharing
- County has job openings
- County has had cuts in personnel
- County's budget is recommended at \$47+ million
- Board of Education's budget is recommended at \$60+ million
- Trying to make the school system take what amount of county funds that is necessary to use and make the school's budget numbers work and make the county's budget numbers work – it is going to take cooperation
- When we started this school construction, it was a bold step for the county
- Very pleased how the four cent tax went so nicely – very little citizen concern
- We try to find the middle ground wherever possible, the school system can't get everything it wants and needs (wish it could); the county can't get everything it wants or needs either
- But when we started the school construction, we did agree (if anyone can offer any better information that this, please help me out) that it was going to be a little tighter than usual because of the bold steps we were taking
- These steps addressed some really significant needs
- We were also saying that we may have to tighten up years in the future to make this happen
- Appreciate the time to share ideas and thoughts
- Hope when it is over, we can all look at what we have accomplished and say that we have done the best we can with what we had to work with

Commissioner Booth commented the following:

- Also pleased that both Boards can come together to discuss school issues
- Would like to clarify something regarding the four cent tax which was a bold step; feels both Boards need to continue with the schools and community college which have already been designated – can't use the four cent tax on other school projects
- The total school debt service, not counting the community college, is approximately \$49 million dollars which amounts to approximately \$3+million debt payment annually
- The school debt will increase when the Lawsonville renovation/construction project is done
- Everyone should have voiced their opinions when vocational courses were taken from the schools, not every kid is going to college, you have got to have brick layers, electricians, plumbers, carpenters, etc.
- Attended the Town Hall meeting last night in King; Forsyth Tech. staff indicates that vocational courses will be at the community college in Meadows
- Increasing the county's budget by six million dollars and having to take two million dollars from Fund Balance just to balance the budget is a very, very tough year
- County has been saving and continues to try to save to increase the Fund Balance
- Didn't want the four cent tax increase last year, but had no choice
- Made the commitment this year to not raise taxes
- Understand the mandates the School System is having, but the County is also facing mandates and increases
- Appreciate the Board of Education bringing the issues to the Board of Commissioners

BOE Chairman Yontz stated the following:

- Would like to clarify one thing:
 - It was more of a point regarding the statement about slowly down on schools projects
 - What I meant was that anytime you approve for new school construction/renovations, there is always going to be startup and continued maintenance costs
- For example, when the Lawsonville project is done, there will be increases in the startup and maintenance costs
- We have to know going into these projects that there is going to be funding when the project is done
- We all knew when we built Poplar Springs Elementary School, there was going to be startup and continued maintenance costs

Commissioner Jones commented the following:

- Confirmed with Superintendent Mendenhall the amount of \$284,000 was an estimated decrease in State Low Wealth Funding
- Know the school has needs
- The schools want more funding, the county wants the school system to try to make it with what you have allocated

- There are outside factors that affect both of us
- We are aware of some of the issues you are facing
- We are trying to get this community college started so our students will have somewhere to go in Stokes County and hopefully stay in Stokes County
- Used to be a vocational teacher, understand what we are losing by not having vocational classes
- Certainly do not want to see overcrowded classes, especially in the vocational classes
- It is miserable for both the students and the teachers; nothing gets accomplished
- Overcrowding causes other issues; have taught in overcrowded classrooms, not very pleasant
- There are so many layers in trying to get Broadband to help those students become entrepreneurs
- Everyone is getting unfunded mandates
- Counties need to form some kind of coalition to tell these other layers of government, “you pay or don’t play”
- Can’t continue this way; because we don’t have enough people in Stokes County paying taxes
- Have no control over what money you get and having to end up sending it back if you don’t spend it
- Need some grassroots to take care of some of these problems that are being passed on to the county
- It is not right
- Government also does the bait and switch thing where you might lose one mandate, but get another in its place
- Agree that the county should take care of the schools we already have
- I am not on the school board, but I think redistricting should be considered
- For example, we have Francisco Elementary School that I understand has very low enrollment
- Love seeing the new addition being added to Southeastern Middle and it does feel good to know they will have a new facility and needed renovations when school opens in the fall
- Feel the citizens can see what their four cent tax is doing – building schools
- Every county department is suffering
- County employees have not had a raise in years
- The bottom line is that no county or state can keep sustaining themselves by keep increasing the tax rate
- It has to be paid by someone and some people’s wages have been cut, others have lost their jobs
- One thing that I would like to see come out of this – a group getting together to let those at the top know that we can’t continue to take on more – for example: continuing to change the curriculum

Chairman Lankford commented the following:

- Commend the Board of Education for hiring an excellent superintendent and good administrators

- Glad the Board of Education took the time to hire the best for Stokes County
- Being a former Board of Education member, I am always and will continue to be proud of our education system
- Talking to other school administrators and commissioners across the state, feel Stokes County ranks at the top as far as what we all do for our children
- Lot of kids are coming out of school systems that can't read, don't think that you can say that for Stokes County
- Proud of our school system
- Feels the county, over the years, has tried very hard to fund the school system
- Feels the county is funding the school system at a very high rate
- In looking at some information, we are at the top of the list regarding what Stokes County puts in per student
- This year, Stokes County is allocated \$2,215 per student; approximately \$1,500 for current expense and \$700 for debt service
- Feels that is a high commitment for a county the size of Stokes
- County's proposed budget is up 15.42% which is a \$6 million increase
- County is also facing mandates:
 - Insurance increased approximately \$400,000
 - Hold Harmless, \$2 million less in revenue with the F/Y 2013-14 budget, F/Y 2012-13 is definitely the last year
 - Revaluation, \$4 million less in revenue
 - Refund of \$1.2 million to Medicare/Medicaid for Stokes Reynolds Memorial Hospital
 - Mandated upgrade to Communications, \$2 million
 - \$1.8 million is for debt services for school construction
 - Negotiating with Baptist Hospital regarding a \$1.2 million debt – doesn't know where this will go
- County doesn't have any extra money
- Had to take \$2 million out of the Fund Balance to balance this year's budget
- Don't know what will happen next year, can't keep going into the Fund Balance each year
- Admire the Board of Education for using Fund Balance to keep jobs
- Reiterated the Debt for schools is approximately \$49 million
- Debt payment this year is \$4,914,018 which comes from taxes, lottery, and sales tax
- Sales taxes have been down during the past few years
- Will look at the comments being made today and consider each one

Chairman Lankford requested Assistant Superintendent Todd Martin to briefly explain the new curriculum.

Assistant Superintendent Todd Martin presented the following information:

- It is called the Common Core and Essential Standards
- It is being mandated by the State Board of Education
- Common Core refers to Math and Reading Standards

- There are approximately 45 states who have adopted the Common Core which is a common set of reading and math standards
- This way, students from other states will be learning what students in North Carolina are learning
- Essential Standards refer to all other standards – History, Science, Health, etc.
- All standards and curriculum has been rewritten in an effort to make them more focused, more narrow and not so broad
- The outlines are the most important things that need to be taught
- It has created a need for a lot of training for the teachers
- Stokes County does not have a choice, they go into effect on 08-13-12 when students return to school
- Have spent a lot of time preparing the teachers this past year
- Will continue to spend a lot of funding this coming year, continuing to dive into these new standards and curriculum
- Will have to purchase new materials for the classrooms
- Very big deal, very time consuming
- New set of standards for every subject
- Hits the high school and middle school teachers hard, but really hits the elementary school teachers because the teachers normally teach 4-5 different subjects
- Standards are the goals and objectives that are laid out for every student to know and understand before they leave at the end of each school year
- Reiterated that it will be a very tough year for the teachers in the county

Operations Director David Burge gave the BOCC a brief update on the current school

projects:

- Southeastern Middle School
 - Basically complete with the new building
 - Furniture will be delivered on Monday
 - Old “B” Building will be on the ground this week
 - Most of the old parking lot has been demoed
 - Curb and gutter will start on Monday
 - Air conditioning in the gym was done before school was out
 - In the process of replacing the doors and windows in “C” Building
 - Lots of things also going on in the old building
 - Should be pretty much completed by the end of June
 - Will be done by the start of school in August
- Poplar Springs Elementary School
 - Interior and exterior is almost done
 - Parking lots are being worked on
 - Road widening will probably start next week
 - Everything in the classrooms should be done by the end of June
 - Will be concentrating on getting the gym and cafeteria done in July
 - Furniture is to be delivered the week of July 16th
 - Everything will be done by the start of school in August

- PODS, which have stored teachers' supplies, will be brought back to the schools in time for teachers to have classrooms ready for the start of school
- Meet with contractors every Wednesday to make sure everything is on target and ready for the opening of school on August 6th
- Will be glad to give anyone a tour

BOE Chairperson Yontz noted:

- Thanked everyone for their time
- Encouraged the Board of Commissioners to review the Superintendent's budget
- Would appreciate any help if possible

Commissioners Jones questioned how long the school system has known about the new curriculum and how much is going to cost the school system?

Assistant Superintendent Martin responded:

- Found out about the new curriculum about a year and a half ago
- Estimate \$50,000 this year for constructional supplies for teachers
- Counting the training and supplies, will cost the school system several hundred thousands of dollars

County Manager Morris suggested the Board of Commissioners analyze the \$284,000 startup cost for Poplar Springs and see if any of these costs can come from the four cent tax.

County Manager Morris noted there was approximately \$117,000 in the county's financial model which has some flexibility and also builds a Fund Balance.

County Manager Morris recognized Finance Directors Julia Edwards and Lanette Moore for the work done on the budget this year.

Commissioner Walker recognized Commissioner Booth for getting the Boards to look at the low interest/no interest bonds which will save Stokes County approximately \$12 million in interest payments.

Commissioner Walker noted that things came together for these projects to happen which addressed some real needs – safety and overcrowding issues.

Commissioner Walker also noted that we don't want to stop now; we still have a ways to go.

BOE Vice Chairperson Rogers noted:

- The Board of Education does their best to be the best stewards of county funding because ultimately it is our money; we are all county citizens paying taxes.
- Commended each Board for the diligent effort getting everything done in time to receive the QSCB and QZAB Funding
- The Board of Education is going to spend the county allocation the right way
- The School System has not had a major roofing renovation since 1985, trying to keep the Band-Aids on so that there is not another experience like Southeastern Middle School- damaging computers, furniture, etc.
- Board of Education members would be happy to meet again or meet individually

Commissioner Walker noted:

- Didn't mean to leave the Board of Education out regarding the QSCB and QZAB Funding
- There is a good example of the Boards working together and the good success that can come from it

Member Smith noted:

- Would like to thank Administrative Assistant Ann Robertson and Clerk Darlene Bullins for their continued assistance
- Would like to thank each Board for working together
- Boards must make sure every dollar is spent right and try to get as much out of each dollar as possible
- Don't want to lay off any teachers unless we absolutely have to
- Would like to thank everyone in this meeting

Vice Chairman Inman noted:

- Excellent observations have been made here today
- As long as communication lines stay open, we can accomplish good things
- We all have the best interests of this county and its citizens in mind and certainly our students who are the future of Stokes County
- Will continue to look at each and every option
- Have concerns with the unfunded mandates coming down
- No way the county can absorb all the unfunded mandates
- We go straight to the citizens of the County for funding and they are taxed all they can be taxed right now
- Don't really have anywhere to go – no new revenue sources
- The increase in this year's proposed budget is not for new services, these are for unfunded mandates
- Approximately \$2 million for the Communications upgrade
- \$1.2 million for working capital being bought from Baptist Hospital when they terminated the agreement with the county
- Have already taken \$1.2 million to sent to Medicare/Medicaid reimbursements for Stokes Reynolds Memorial Hospital
- Potential \$4 million of these mandates will come from the county's Fund Balance

- Will keep an open mind to look at every option

Commissioner Jones noted:

- When all is said and done, we have made some great strides for the future
- Hopefully in four years, we can see a difference with the community college up and running
- Hope the economy will turn around
- We must hang in there together
- Need to work with DPI and federal government regarding unfunded mandates
- Feels better times are coming

Member Boles noted:

- Going along with what Commissioner Jones said
- Both Boards are having to make some very tough decisions
- Would have been nice if Representative Holloway would have been there when we were looking at all our options
- Need to hold these people accountable, they need to know who they represent and try to stop some of these unfunded mandates

Commissioner Booth confirmed with Superintendent Mendenhall that approximately

\$1 million will be needed for testing on-line which is mandated.

Chairman Lankford noted:

- Very good meeting
- Very good information provided by both Boards
- Appreciate the Board of Education coming
- We both represent 47,000+ citizens in Stokes County
- Need to make the best decisions possible for the citizens of Stokes County
- Know that both Boards are trying to make the best decisions possible

BOE Chairperson Yontz noted:

- Would also like to thank everyone for coming
- Feels it has been a very productive meeting
- Promise one thing, that budget was not sent to you with anything outside of what the BOE needs
- Please look at all options and do anything you can to assist the Board of Education

Adjournment

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

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

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman