



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

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

### **Joint Meeting with the Board of Education**

Chairman Booth turned the Joint Meeting over to Chairperson Cox, Board of Education (BOE).

Chairperson Cox commented:

- Appreciate the opportunity to meet with the Board of Commissioners to discuss the educational needs and to be a voice for the students
- Appreciate what has been done in the past to help the BOE build new schools, but as you heard the other night, we have many other facility needs
- Urge the Board of Commissioners (BOCC) to be as creative as possible and think outside the box to fund more of the BOE's request this year
- One speaker at the Public Hearing noted that "we tend to invest in what we value"
- Feel the investments in the schools speak volumes for people looking to move here, raise families here, and start new businesses

Member Yontz did not have any comments at this time.

Member Boles commented:

- BOCC saw the needs that were presented at the Public Hearing
- BOCC saw the concern and passion that faculty, staff, and the communities have for their schools
- Within the walls of those schools, we are educating the future citizens/leaders of Stokes County
- Want to make sure they are in a safe environment, North Stokes is far from being safe with the current roof conditions
- I hope as we go through this meeting that everything is taken into consideration, as we are talking about people, we are talking about our greatest economic tool- our citizens
- We want safe schools for our children to be educated in
- Sometimes you have to make some difficult choices
- Need to put our heads together to find ways to make things better

Member Pat Messick commented:

- Have taught in Stokes County most of my whole career
- Many of the children that I have taught have not come back to Stokes County to be productive citizens

- Have taught a lot of students who are teachers and principals in Stokes County, one person who is now the Clerk of Court
- Students that I taught have children who are now in the Stokes County Schools; the schools are the same
- We need to update our schools so that people are proud of Stokes County Schools; the schools are the hub of the community
- Would like to thank the BOCC for meeting with the BOE
- We are all in favor for finding solutions for the best interest of citizens of Stokes County
- Each citizen that sends their child to Stokes County Schools expects to send their child to a safe and secure environment
- Want our schools to be safe and free from hazards of all kinds
- One way to ensure this is to maintain and repair our schools as the needs arise
- Stokes County Schools have many repair needs as you have heard from principals and concerned citizens at the Public Hearing on Tuesday night
- Our school system needs more money to repair and replace broken, dilapidated, outdated parts of each school building
- Our superintendent asks principals to list needs for their school
- After visiting each school, we as a board, prioritize our worse needs to be addressed
- Each year due to insufficient funds, we have to deny many of the requests we have received
- We are in need of new roofs for North Stokes (approximate cost = \$469,000), Chestnut Grove Middle School (approximate cost = \$900,000), South Stokes "A" Building (approximate cost of \$460,000) and Germanton Elementary (approximate cost = \$325,000)
- We need to enclose classrooms with walls and doors at King Elementary for safety purposes along with replacement windows to help keep the rain out at \$160,000
- Many schools have carpet that many children use each day; children sit on carpet and walk on carpet that is close to 40 years old
- My daughter was a student at Mount Olive, the classroom that she was in when she was in the fifth grade was the same classroom that her son was in last year; the same carpet is in that room (same carpet that was installed when the building was built in the 1970s)
- School children and their parents are doing more and more fundraising in order to help with school expenses
- Many schools are finding that they have to use some of their general fund money to replace, repair and refurbish dire needs in their school instead of using that money for instructional supplies, additional library books, computers, copy paper, etc.
- This is not right
- Our request was for \$2,953,000.00 for capital outlay; \$600,000.00 is not enough money to accomplish our critical needs considering roofs
- Please consider finding more funds to help us accomplish the goals of keeping our schools safe from hazards

Member Rogers commented:

- Ms. Boles referred to it as our future leaders, I am going to refer to it as the future of Stokes County, because whether they are a leader or not, they are a willing contributor to this county
- Everyone brings something to the table
- If we don't take care of what the future of Stokes County is, then we want have a future Stokes County
- I am afraid that can't be allowed to happen
- We all know we have rough roofs
- We all know we have older schools
- We saw what we did together to get Southeastern under control to stop the mold and to stop the structural damage and we thank you for that
- Unfortunately, that is not the only facility that is kind of in that ballpark
- The state is telling the BOE that we must pay approximately \$180,000 mandate above what we spent last year; that is no option, that is social security, retirement, etc.
- That is our stewardship to take care of those people who work for us and give their sweat and tears to make sure that our kids are as good as they can be
- Want to give everyone's child the best school possible
- Want kids to come back to Stokes County

Superintendent Ronnie Mendenhall presented his presentation.

Superintendent Mendenhall discussed the following with the BOCC and BOE:

- Sat at the Public Hearing and listened to our people give presentations regarding the needs of Stokes County Schools
- I am an observer and I watch
- Want to first thank the five commissioners
- I watched the five commissioners listen, watched the commissioners pay attention, and watched some of the commissioners take notes; I appreciate that
- I am not sure that I had the complete attention of one person, but the five commissioners, I thank you
- I appreciate each commissioner really taken to heart what was being said
- I saw Commissioner Inman and Commissioner Lankford taking notes
- I watched Vice Chairman Jones, Commissioner Walker, and Chairman Booth paying attention
- That meant a lot to me
- We are at a crossroads of making a decision "Are the children of Stokes County really our future?" "Are they what we need to be investing in?"
- If they are, it is time to quit talking, it is time to take action
- Have been asked if we had money trees – will get it to that later
- Have been asked if we have the ability to borrow money – no
- County has the ability to borrow money
- Presented an article from the Stokes News (May 30<sup>th</sup>) written by Nicholas Elmes to BOCC members which talked about the county manager's budget message

- Superintendent Mendenhall read several comments from Mr. Elmes' article which contained several comments from County Manager Morris' budget message
- Have some pretty smart people who work for me at Central Office and we have analyzed comments from Manager Morris' budget message very closely as educators
- Manager Morris states that the county budget is now on a downward trajectory, especially for the next two to four years, which will also directly impact the school system funding
- Manager Morris also stated that the BOE's request appears to contain valid requirements, affordability will still be the key evaluation criteria for the foreseeable future
- Last year, the BOE's budget requested approximately \$5 million for capital needs and this year we cut it down to \$2.9 million
- Superintendent Mendenhall discussed the 1.79% increase over county's last year approved budget; did not see any increase for education
- Superintendent Mendenhall discussed the county's capital needs and COLA included in the recommended county budget
- Want to make something clear, everything Manager Morris mentioned in his budget message are probably well needed and well deserved
- I value the other departments in the county, but I am here today for the Stokes County Board of Education
- I am having a hard time with some of this information
- I have asked some of my directors who have masters working on doctorates to examine this information; they are having a hard time seeing where this 1.79% county increase is with all the things listed and the fact this is the last time this can happen
- If we are only going to be able to maintain, where are we going to be at next year?
- I see departments getting vehicles, equipment, etc.
- Superintendent Mendenhall provided members of the BOCC and BOE page #15 of the manager's budget message
- Superintendent Mendenhall read what the recommended budget does do...
  - Appropriates County General Fund dollars to balance the budget
  - Keeps the projected County General Fund Balance in close proximity to 20% for the FY 2014/15 Fiscal Year
  - Funds a limited amount of capital outlay for essential equipment
  - Continues to pay 100% of employees' health, vision and dental care premiums with no benefit changes
  - Provides a COLA and amends current pay scale for all eligible full and part-time employees
  - Increases part time salary rate by \$2.00 per hour for Public Safety personnel who are difficult to recruit
- Superintendent Mendenhall read the following from the manager's budget conclusion/recommendation: I think this is still true, and budget decisions will become more difficult as the County moves into the FY 15/16 budget development process. "The FY 2014/15 budget proposal is the last one that will preserve a General Fund Balance at the desired levels unless taxes are raised or services are reduced or eliminated. This should have already occurred except for the receipt of unexpected revenue this year in the amount of \$1.12 Million of Hold Harmless funds plus some other smaller revenue increases."

- Superintendent Mendenhall presented BOCC and BOE members a previous letter from the BOE to the BOCC dated August 5, 2013 requesting funding for capital outlay projects at North Stokes High, Chestnut Grove Middle School, King Elementary School, Pine Hall Elementary School, Germanton Elementary School totaling \$252,729.00
- We were told last year during our joint session, the County was not going to receive the Hold Harmless money; the wording in our minutes reflect that the BOCC would revisit emergency capital requests if Hold Harmless funding was received
- The BOE sent up the August 5<sup>th</sup> request which included emergency needs
- Superintendent Mendenhall read the individual requests:
  - North Stokes High School
    - Mold remediation
  - Chestnut Grove Middle School, King and Pine Hall Elementary Schools
    - Mold remediation
  - Germanton Elementary School
    - Relocation of the reception area and principal's office due to the safety of the students
  - King Elementary School
    - Installation of 20 doors and reworking walls in "A" building, cafeteria, and gym due to the safety of the students
- If safety and security is not a "valid" request, I don't understand the definition of valid
- There was a joint meeting with both boards on September 30<sup>th</sup> which the request for funding was discussed
- Did we receive any additional funding; we did not receive a penny
- It was quoted in Manager Morris' budget message that the Hold Harmless would replenish the county fund balance which needed to be held in the 20% range
- You received \$1.2 million to replenish your fund balance, but we are being asked to use our fund balance for capital projects – running us down to basically zero
- When our fund balance goes down to zero, we will have to start laying off multiples of people (40 and 50 a year)
- Superintendent Mendenhall confirmed with Finance Director Moore that the school system would have to go to the employees' 4% local supplement when there is no more fund balance to get through the year
- School System is the single largest employer in Stokes County
- We employ 1,200 people, most are married making it 2,400 and many have people who are voting age which probably makes about 3,000
- Can you imagine telling 1,200 employees that there is no more fund balance and you have just lost your 4% local supplement
- Teaching is a competitive field, the best of the best is what we want
- The BOCC wants to maintain their 20% fund balance and let the BOE's fund balance get to zero and then have to tell employees that some will lose their jobs and everyone will lose that 4% local supplement
- That would be a morale killer in today's economy

Member Rogers commented:

- The August 5<sup>th</sup> request for additional funding came after we hit our fund balance for \$350,000 because South Stokes had a \$72,000 mold remediation and a roof had to be put on
- We had to react
- Same thing with the retaining wall at North Stokes or North would not have been able to have a football game this year

Superintendent Mendenhall continued:

- Provided the BOCC and the BOE a detailed summary of the Stokes County Capital Outlay Budget Summary (2001-2014)
- School System received \$1,760,181 for capital needs in 2001-02
- Went up to almost \$2 million 2002-03 and then started decreasing; increasing started again in 2007-08 and then decreasing to the current appropriation in 2013-14 of \$307,731
- Reiterated the \$350,000 that was transferred from the BOE's Current Expense to Capital for the roof at South Stokes
- Want everyone to look at where we were and where we are now
- Provided BOCC and BOE members with information regarding current expense and capital outlay recommended by Manager Morris for the Fiscal Year 2014-15
- BOE asked for \$11,812,745.00 this year for current expense and the manager recommended \$10,474,753.00
- Capital budget approved by the BOCC last year was \$307,731.00; we requested \$5,178,810.00 which is a \$4.8 million cut
- We were given the option to transfer up to \$1 million to capital outlay from the BOE's current expense
- We took a different approach this year
- We might have had one or two items on last year's request that was not valid
- I put staff in a room and directed anything that could be brought up as being not valid, get rid of it
- I even cut their recommendation a little bit more
- Our request for capital needs this year was \$2,953,000.00
- Manager Morris recommended \$600,000 for capital needs in his budget to the BOCC which is a \$300,000 increase over last year
- That is still a difference of \$2,353,000.00 short
- We listed the #1 priority – roof at North Stokes High School = \$460,000.00
- Doesn't leave much left from the \$600,000 appropriation recommended by Manager Morris
- I know several people here are from the northern side of the county, I spent every one of my years as principal on the northern side of the county
- If you don't believe those people can unite and fight for what they want to get, you don't know the northern end of the county like I do
- They can and they will, take it to heart
- So at this point, I will close with a few more comments

- I was asked yesterday why other boards didn't take care of some of these projects
- The current BOE members do not have many years serving on the board, the person in this room that has the most years serving on the BOE is Commissioner Lankford
- I don't know how previous budgets were cut, I guess they prioritized what was needed and then I guess it got down to a point there was no money and it wasn't done
- When you can look me in the eye and tell me 30 and 40 year old carpet is acceptable, windows that let cold air in at King Elementary, or open classroom where children are accessible to anyone (like Sandy Hook) are acceptable, I am in the wrong business
- I have lived in Stokes County all my life and I will fight for Stokes County
- The School System is now approaching the tip of the iceberg and is ready to go over the cliff, too, Mr. Morris
- I have been telling you that for three years as other BOE members have been doing
- We are going over the cliff
- It is time someone steps up and helps the Stokes County School System

Chairperson Cox turned the joint meeting back over to Chairman Booth.

Chairman Booth asked Manager Morris if he had any questions or comments as most of the comments were directed to our county manager.

County Manager Rick Morris responded:

- Don't have any questions
- Do have a comment
- Pleased to see that someone has read the budget message, wasn't sure they did after listening to the comments at the Public Hearing the other night
- I think Ronnie interpreted it correctly, with one exception, it does not guarantee that you will stay at the same level next year

Superintendent Mendenhall responded:

- I said, "hopefully will stay at the same level"

County Manager Morris continued:

- Hope might be the word
- It certainly doesn't guarantee that you will get the same amount next year you got this year

Commissioner Walker commented:

- That was quite an assortment of facts, figures, and observations
- Commend you for doing your job
- Your job is to represent the school, the students, and the faculty
- Budgets are never easy
- I am probably the least comfortable on this board with this year's recommended budget and I am not sure I can support it



- Always look for what is fair, equitable, and the bottom line “what is in the best interest of all of our citizens to the greatest extent possible”
- I know that there are school needs, but when I look at a recommended budget that this year and next year could have an accumulative effect on the ad valorem tax rate of 14 cents, that is scary
- Here I sat as a Stokes County Commissioner trying to do the most I can for the schools, trying to use the money as wisely as we possibly can for the best interest of our citizens and trying to get all these pieces to fit together in a way that gives the best outcome possible
- We could go through a list of county needs that are going unmet
- The manager’s budget request versus recommended is approximately \$5 million which includes the schools, this leaves a lot of things that will not be funded for other county departments
- There are always needs
- A lot of what was said had a very familiar sound, have heard it multiple times
- What does it take to catch up to where we need to be on a sustaining basis to keep our schools where they need to be?
- Want to be fair to employees, teachers, teacher assistants, etc.
- Recognize there are a lot needs in the schools
- One thing that I am curious about is “where is the census of the schools”?
- I was thinking the census might be decreasing and what effect it might have on this year’s budget
- Trying to get a grip on this recommended budget
- Would like to know if and how much did the school’s budget increased this year?
- I have been consistent with supporting the schools, I think my record will verify that
- I have tried to do what I could for our schools consistently for the past nine years I have been on this board
- I will look at the manager’s recommendation, ultimately, it is not the manager’s budget, it is our budget
- The manager can’t approve the budget, the BOCC approves the budget
- We need jobs in Stokes County
- As Member Messick stated the young people are leaving and not coming back to work in Stokes County
- We have a good school system, don’t receive complaints regarding the schools
- A lot of people are concerned about the taxes in Stokes County, if we have to increase taxes as previously mentioned by 10 or more cents; we will be above the surrounding counties in the area
- It is challenging to me to try to get everything to fit together
- I have always admired a few specific professions that are not money driven – teachers, preachers, law enforcement, and military
- These professionals do not have money as their top priority; they want to give back
- I know we need adequate staff
- Know the manager had an extremely tough job with the budget
- Started meeting in November 2013 because we knew that this year was going to be challenging

- Will be starting in November 2014 for the FY 2015-16 budget, we will have some tough decisions to make
- We can't keep taking a fourth of our fund balance each year to balance the budget
- Would like to know two things: "What is it going to take to get our schools in good shape now and how much are we looking at if we budget on a sustaining basis for capital would it take?"
- I operate on sufficient information
- Will continue to support the schools

Commissioner Inman commented:

- I have also spent my entire educational career in Stokes County Schools
- I am passionate about education
- Appreciate Superintendent Mendenhall's passion about education
- In 2002, the county fund balance was 3.5%, essentially broke
- Previous Boards set goals to improve the fund balance by budgeting conservatively and putting the excess revenue in the fund balance
- Local Government Commission requires a county to have an 8% fund balance
- If you go out for debt, you must have an average of like size counties, that is where the 20% fund balance comes from
- In 2006, I sat down with Sonya Cox and it was decided that the two boards need to sit down and plan to build the needed schools
- Nancy Reynolds Elementary had been condemned; there was overcrowding in Mount Olive; along with urgent facility needs at Southeastern Middle School
- We had to maintain that fund balance in order to build schools and do renovations – we had to borrow funding to do those projects
- I don't believe that the school system should have to drain their fund balance, but the reality is that school systems don't have to maintain a certain percentage like the counties do
- If you have an emergency, you know that you can bring your request to the BOCC
- The first phase of priorities have been addressed
- Feel it is time for the second phase of priorities to be brought to the BOCC so that we don't have to have knee jerk reactions to leaking roofs, etc.
- Statutorily, counties are required to provide funding for capital needs, do not have to provide funding for current expense
- During the past 10 years, current expense has been increased by 25%, must keep that in mind
- This Board has supported the school construction projects that were approved by a previous board
- If you call me out in public, I am going to call you out
- To say that this board has not been responsible, is not true
- Have we funded everything that could be funded? No
- Have we funded everything that the school system has asked for? No
- Feel this board has been responsible
- For the past six years, I have served at the state level
- Everyone is familiar what is going on Raleigh

- I have chaired the NCACC Public Education Steering Committee for the past two years
- I have lobbied for a number of things:
  - To try to get back the lottery funding that has been lost
    - Started out with \$800,000 a year without any growth
    - There has been growth
    - Legislators have cut that in half
  - Teacher salaries
- It is not only Stokes County, public schools in North Carolina are at a crossroads – charter schools and vouchers
- Would like to know how much money is leaving Stokes County for charter schools
- You are seeing cuts at the state level that I am not sure the county can make up
- In the Senate, there are plenty that do not care what happens to public education
- Would like to see you be as passionate in Raleigh as you were here today, we need to get the right people in place that will support public education
- Sixty percent of the ad valorem taxes go to public education
- A county that depends solely on ad valorem taxes can't sustain its budget
- \$3 million coming out of fund balance to balance this recommended budget assuming there are no changes to the manager's recommended budget
- Would like to do our budget sooner and see the public education budget request sooner so that we could have more time
- Need to talk about getting the public education budget request sooner
- Need to sit back down and develop a three-year strategic plan or a five-year plan
- Will continue to advocate for public education
- To say that the county commissioners has cut the budget so that the schools can't be operated at an optimum level, Board Member Messick, that is not true
- I would like to know what an optimum level is, please define an optimum level for me

Member Messick responded:

- Feel an optimum level is when you can provide students with a safe, no hazardous environment, you can provide them with a curriculum and teachers have materials to work with to provide the education situation for children to learn to become a productive citizen
- You stated that you have not given the school system a decrease and these figures provided by Superintendent Mendenhall reflect a decrease in capital and current expense

Member Inman responded:

- I did not say that the county had not given the school system a decrease
- My question to you, Member Messick, was to define an optimum level
- To say that the county commissioners have not funded the schools at an optimum level is not true
- We need to set down and develop a plan to fund the next round of capital projects
- The \$5 million request for capital would only require a 45 cent tax increase, if that can be passed, I would urge anyone to go for it

- If we took that \$5 million from the county fund balance, it would take the percentage so low that the county could probably not borrow any funding
- Reiterated that sixty percent of ad valorem taxes go to the education
- Don't have a lot of businesses in the county, trying to create new businesses, trying to create new jobs, etc.
- Getting ready to build a new community college
- School system is working with economic development director to have internship opportunities for students
- Need to set back down at the table and work together, not put quotes in the paper

Commissioner Lankford commented:

- Lot has been said and there is a lot to be said
- Feel if you take everything into consideration and try to understand the positions of BOCC versus the BOE, both positions are important to our county
- The BOE is serving the same people that the BOCC is serving
- Citizens that don't have children and citizens that do have children
- Great experience for me being a member of the BOE for many, many years
- Take pride in having the opportunity to serve and understand the needs of the school system
- Very supportive of our school system
- From a BOE member to a commissioner, you must look at the total big picture of the whole entire county
- You have every department in the county to consider, the school system, the outside agencies, everyone wants money
- The BOCC is like the financial division of a company that must put together a realistic budget
- Looking at revenues versus expenditures, must make the entire puzzle fit
- Try to talk to as many people all over the county as I possibly can
- When I speak to people who own property in Stokes County, their number one priority is keeping taxes low – no tax increase
- When I speak to people who have children, their number one priority is education
- Understand how education fits into the whole picture in the county, with that, I feel over the years I have tried to be fair and consistent when looking at the whole picture
- One thing that must be looked at is how the county is going to continue to provide the needed services including education and still maintain a county budget that will be supportive of what we need
- Ad valorem taxes is not a model that will sustain a budget that continues to increase each year
- Economic Development is very important to this board, have been working very hard over the past 8 years to bring economic development to the County
- It was pointed out how the allocations to the school system decreased in 2007 and 2008, you must remember we had a tremendous recession during that time
- We still have a recession
- There is only so much revenue coming in

- Speaking of Hold Harmless funding, the county has totally lost \$2.2 million revenue with no more Hold Harmless funding
- Have lost approximately \$400,000 from the lottery
- Have lost approximately \$500,000 from the last revaluation
- Have lost sales tax dollars
- We do know what the needs are, the problem is putting the pieces of the puzzle together and make them fit
- Debt payment for education is currently approximately \$5 million a year
- Put together a reasonable plan to make things happen for our school system and hold on to a reasonable payment level
- The 1999 General Obligations Bond will be paid off in three years thus will free up approximately \$1.5 million to spend on capital expenditures
- Can't tell the BOE to try to hold off long enough for the BOCC to make things happen in a planned way, because I know specifically, have been visiting the schools, there is a need in Pinnacle, a need in Pine Hall, a need in Sandy Ridge, and in other areas of the county
- There are renovation needs
- Got to have a plan
- Have done both BOE and BOCC budgets
- Need to work together
- Need to determine what both boards can do to make things happen in a planned way that will be the best for all the 47,000 people in the county
- If anyone says this present board has not been pro education, I would like to talk to them
- BOCC has authorized \$48,553,911.00 for school debt
- Understand you still have other needs
- Need to fix those other needs
- Need a plan
- Have to do things, as much as possible, to please all the 47,000 citizens of Stokes County
- Can't please everyone, must do what you feel is fair and consistent
- Feel this Board has done as much as we can with the existing revenues for our school system
- We need to put that plan together
- We can only provide the number of dollars that we feel the county can afford
- BOE must make the decision of how that money is spent
- Not in the business of telling the BOE how to spend their allocation
- Very important to work together
- Have done several projects by working together – new school construction, renovation projects, PODS, etc.
- County borrows the funding and the Board of Education spends it how they see fit
- Know the school system must provide the state with a 5-year capital plan
- If the revenues were there, would gladly give the school system the money they need for capital needs
- Ready for another phase of renovations

- Ready to meet any time to start putting a plan together

Vice Chairman Jones commented:

- So much has already been said
- Will try not to repeat what has already been said
- Very committed to education
- Understand the importance of education
- Have worked in the school system in Stokes and two other counties
- Stokes County is the best county to be in
- Mentioned the need for a comprehensive plan during the joint meeting in September
- There are some things that have been mentioned that I don't know can last until the debt comes off in three years
- Have to keep fund balance up to be able to borrow funding
- Have spent a considerable amount of funding on capital needs for the school system
- You have facilities that are getting older and need renovations
- Lot of the population in Stokes County is on a fixed income
- Can't just constantly keep going back and increasing their taxes
- Not out of the recession yet
- If the schools are not kept up to a standard, it will cost us more in the long run
- That really worries me
- Roofs are a big deal
- Need to work together – creative problem solving
- As far as carpet is considered, an easy remedy, take the carpet up, remove the glue and paint the floor with a sealant
- Easier to clean, no allergies, no dirt
- No reason to keep old carpet
- Feel it is good for the community to be involved, a number spoke about the community had to provide playground equipment
- Feel this is good for the community

Chairperson Cox responded:

- School system does not fund playground equipment

Vice Chairman Jones continued:

- Using about a third of all revenues for the schools
- Trying to give as much as possible
- Loss of lottery funding has not helped the situation
- All funding models was based on receiving the \$800,000 from the lottery
- A 4 cent tax was implemented to make sure the funding was there to take care of the debt
- Hard to convince the public of a tax increase
- Want to see your requests done
- Want to see the roofs fixed
- Need to get together and develop a plan as soon as possible
- Talked about a plan in September, nothing happened

- Need to get that plan started

Chairman Booth commented:

- Like Vice Chairman Jones, do not want to be redundant
- Most everything has been said
- This board is pro education
- Attended and listened to the meetings regarding education before becoming a county commissioner
- When I became a commissioner, the plan had already been decided
- Even heard prior commissioners say it would be the job of the next board to figure out how to pay for the school construction that they just approved
- A 4 cent tax was approved
- Most people believe that 4 cent tax takes care of all the debt service for schools
- That 4 cent does not pay for all the debt service for the schools
- Reiterated the \$400,000 loss of lottery funding that had to be taken care of
- As Commissioner Lankford mentioned, in three years, the GO Bonds will be completed
- This last phase of construction totaling approximately \$35 million was done without a bond referendum
- Want to try to keep taxes as low as possible
- The tobacco buy out ended this past January; this will probably impact the economy in Stokes County
- Manager Morris' budget message has already provided the board with a financial picture for the next few years
- Something has to happen with revenues
- Blessed to have a healthy fund balance
- Appreciate the Boards coming together

Vice Chairman Jones commented:

- We lobby every year to try to get the lottery funding restored
- Can you imagine if we could get an additional \$400,000 each year and what we could do for the school system
- Need for everyone to lobby for restoring the lottery funding

Chairman Booth commented:

- The lottery has been cut for four years, that is \$1.6 million lost in lottery funding
- Imagine what could have been done with \$1.6 million more for capital needs

Commissioner Inman commented:

- I would like to apologize for my tone of voice during my discussion with Member Messick, very much out of character for me, would hope Member Messick would accept my apology
- Still stand behind my comments

Member Messick responded:

- Would accept Commissioner Inman's apology

Commissioner Inman commented:

- Would like to know if any of the needs have been taken care of in the August 5<sup>th</sup> letter for additional funding
- Would like to see the most urgent, critical needs as soon as possible (like roofs at North Stokes that will lead to \$75,000 worth of mold remediation if not fixed)
- Would like to see if the budget process could be started sooner
- Willing to keep an open mind regarding the urgent needs
- Would like to set down in the immediate future to start discussions regarding the next phase of needs

Chairperson Cox asked if BOE members had any closing comments?

Member Rogers commented:

- Been quiet so far
- In reference to having more meetings, in three years, have been the chair twice, we have had five meetings
- Every meeting has played like a rerun of this meeting – old TV rerun
- Hoping we can do something different
- Commissioner Walker noted that the budget is not the manager's budget, it is the BOCC's budget
- The past four approved budgets have been almost dollar for dollar what the manager recommended
- We come pleading and we get what we get
- It hasn't changed much
- As far as having more meetings, this is like a bad rerun, unfortunately, it is getting old
- We have spent \$140,000 in mold remediation due to roofs that were leaking
- You are saying you can't afford the roofs, how much longer can we afford to pay for the mold remediation that would eventually pay for a roof
- Could have paid for half of the roof at South and a third of the roof at North just from what was spent for mold remediation alone
- That is taxpayers' dollars
- That is tax dollars that will never show a roof being replaced
- That is just to get it safe for kids to be able to come back into the classroom
- Everyone says we need more meetings
- Almost at the point that we are wasting taxpayers' dollars just to meet
- Until we do something different, we are playing the same tune over and over
- If we are going to do something, do it
- Do not need to meet to just talk about it
- Last roofs were put on in 1985 that were 20 year roofs
- Have pulled from the fund balance as much as we can and still keep the doors open
- Asking for some relieve, some effort, some ideas



- We requested funding in August, had a meeting in September, still no additional funding
- Now is the time to do something

Member Messick commented:

- Don't think we can wait three years to put roofs on our schools, especially North Stokes
- You saw the pictures at the Public Hearing
- Cafeteria workers spend valuable time cleaning up after it rains
- Realize schools across NC are taking a hit
- Our school budget in Stokes County is taking a hit
- It is here in black and white on the documentation provided to the BOCC from Superintendent Mendenhall
- It seems to me since 2011, we have been reduced in capital outlay funding
- We were also reduced in current expense
- It is really hard to maintain an optimum school system which is the best schools you can produce in a first rate school system
- We need additional funding for current expense and capital outlay
- Would appreciate if the BOCC would look deep into the budget and find additional funding for roofs that need to be replaced

Member Boles commented:

- Have listened closely
- Appreciate the funding for the recent school construction projects
- We have come before you with safety issues at our schools
- We have asked for additional funding
- Can't wait for the debt service to be paid off in three years
- As far as having more meetings, we are all intelligent people, we had a meeting, we gave you a list for urgent needs
- It is an insult to want to meet again after a list of urgent needs has already been provided
- As far as talking to our legislators, we do that
- Have talked to Bryan Holloway and Phil Berger
- We are in a situation that we need your help, we need additional funding
- We don't need to have meeting after meeting, we need additional funding
- Very proud of Superintendent Mendenhall for standing up for Stokes County Schools

Member Yontz commented:

- Will make this very short
- Rewind to 2001/02
- You were probably talking about Southeastern at that time
- Nothing was done at that time
- Since then, the school system has spent approximately \$6.5 million that could have been spent for renovations if action had been taken when action was needed then

- Three years from now when we come back to you waiting for the GO Bonds to be paid off, we will have structural damage, not just replacing a roof
- Where will we be then? Will we need \$25 million at that time because we may have to tear down schools?
- When we requested additional funds in August 2013, I received a two-sentence response from Mr. Morris – no action was taken
- Was that the plan then? – no action

Vice Chairman Jones exited the meeting due to a prior commitment.

Chairperson Cox commented:

- ADM is decreasing
- None of us in this room has any control how the landscape of education is changing as mentioned at the Public Hearing
- We do have control locally in response to that
- There are things going on in Raleigh
- The public perception is changing and a big problem
- We are in competition for students today
- Perception in the public eye has changed quite a bit
- We have to step up our game due to the competition for students
- Have a lot to offer for the students
- Hard to compete when our schools are not maintained and do not have the latest technology
- Feel this Board has been frugal and have been good stewards of the funding
- The fat in the BOE budget has been cut out a long time ago
- We have a bare bones budget especially with personnel
- Don't know how we can do any more with any less people
- The ADM is not significantly decreasing in only one school, it is scattered out among all the schools, not enough in one school to lose a teacher in one particular school
- State is requiring CTE requirements that require more people without more funding
- We are in crisis mode
- I talk to a lot of people in my work, I believe the majority of those people do want schools that they can be proud of
- Even those citizens that don't have kids or grandkids, they want an education in Stokes County that is second to none
- Adequate funding is paramount if we are going to provide that
- Most citizens expect that from us
- It does come with a price
- Feel the students in Stokes County are the best investment we can make
- The students in Stokes County deserve the best facilities, materials, teachers and opportunities to learn
- Believe I was elected to ensure that very thing
- That is our job
- We were elected to stand up for our school system

- We have accomplished a lot working together
- You have funded new schools when they were needed
- You have stepped up to the plate
- We have so many other needs
- Trying to make up the ADM lost
- Opened our doors to take students from other counties this year
- Have been to Raleigh, contact representatives constantly
- Will work on restoring the lottery
- What you value and what you hold to be important is what you will fund as stated at the Public Hearing
- We need to put as much money as possible in our schools
- We are the largest employer in Stokes County
- We need that sixty percent of ad valorem taxes and more to keep our schools going
- We need Economic Development
- The County holds all the cards when it pertains to Economic Development
- Not sure the county realizes what a jewel the County has with the Arts Council, they do a phenomenal job
- Arts Council is recognized across the state
- Should be putting resources in that area, this county could be the next Floyd Fest
- We could do a lot with the Arts Council to draw people into the county
- We have natural resources
- Bring in more money and we will help you spend it

Chairman Booth asked if there were any further comments from the BOCC?

Commissioner Inman responded:

- I am not talking about more meetings
- I am talking about sitting down and doing a strategic plan and following through with it
- I want something down on paper, I don't have time for frivolous meetings
- I would challenge each BOE Member to take a copy of the recommended budget, go through it, and find where we have missed something
- Find a way to fund all those things you want without a huge tax increase or borrowing it from the county fund balance
- Will trade this side of the table with a BOE Member any time

Commissioner Lankford commented:

- As far as being creative, \$260,000 of the extra \$300,000 in the recommended budget came from refinancing the GO Bonds without additional terms
- We have been trying to be creative to save funding
- Mr. Rogers, if you feel there should be no more meetings, that will be ok

Member Rogers responded:

- Feel like we should have productive meetings that result in changes
- Come together as a group

Commissioner Walker commented:

- Working together, we accomplish a lot more
- There are different ways at looking at things
- Feel the county is coming together more
- In a lot of counties, BOE and BOCC end up battling each other
- That does not help anyone
- My vision is to see “Stokes County be a county of excellence”
- No reason why Stokes County should not be looked at as an outstanding county in this area
- We have good schools, arts, recreation, etc.
- We can be the county in this area that other counties say “Stokes has it together” or we can be on our way to mediocrity
- It is totally up to the leaders to have the vision and whatever it takes to move our county forward, these leaders here at the table today
- Want a good quality of life
- Have so much going for us
- Need to use it wisely
- Need that vision to where we want to be as a county
- Our citizens need that and deserve that

Chairman Booth expressed appreciation to both Boards for the joint meeting.

The Board of Education exited the meeting

Chairman Booth opened the floor for further discussion.

Commissioner Walker commented:

- Not locked to any position
- Manager has had a difficult time with this budget
- Not above taking another look at the school budget, based on new information provided at the Public Hearing and the joint meeting today
- Willing to discuss possible options to provide additional funding

Commissioner Inman commented:

- This Board and previous Boards addressed the BOE’s first phase of priorities
- Would like to see the BOE prioritize the top three priorities assuming that the roof at North Stokes would be number one
- Would like to see a strategic plan developed for the next phase of priorities

Commissioner Lankford commented:

- Think the top three priorities provided by the board needs to be fixed
- Recommended budget allocates \$600,000 this year
- Would like to know what the BOE’s fund balance currently is

Chairman Booth commented:

- The BOE's final budget is normally adopted after our allocation is approved
- They don't have final figures from Raleigh when they submit their budget in May
- The budget always changes, usually increasing with state funding

Commissioner Walker commented:

- Would like to know if these roofs can be repaired instead of replaced
- Could repairs be made to the roofs until that three year debt is paid off?

Commissioner Lankford noted that he believed that there had been some new roofs put on since 1985 or allocations made for new roofs, Francisco a few years ago referring to Member Rogers' comment regarding no roofs have been replaced since 1985.

Chairman Booth noted that a roof was replaced at South Stokes last year.

Commissioner Walker commented:

- There was a time when there was funding allocated for a specific roof, and to the best of my knowledge, those funds were used for a new gym at one of the schools
- I am not a roof person
- Would like to see if repairs could be made?

Commissioner Inman commented:

- During my time with the school system as an assistant principal, we always started out repairing roofs, but it came to a time when repairs were no longer feasible

Chairman Booth commented:

- School system has 13+ maintenance workers, carpenters, electricians, plumbers, etc.
- Can't understand why some of the issues brought out at the Public Hearing can't be fixed by maintenance staff

Commissioner Walker commented:

- Questioned Manager Morris where he was regarding additional funding after hearing the comments at the Public Hearing and at today's meeting?

County Manager Morris responded:

- My recommendation would remain the same

Chairman Booth noted that he hated all the comments were directed to the manager.

Commissioner Walker commented:

- As far as the recommended budget, it is a recommendation from the county manager
- I take full responsibility for either my support or lack of for whatever budget is approved by this board
- The manager makes a recommendation, he does not have a vote

- The buck stops with this board regarding funding

Chairman Booth commented:

- This recommended budget was prepared by the manager taking some direction from the budget work sessions held in November and December

County Manager Morris commented:

- The only thing that must be considered regarding any budget is whether you can afford it
- You have to figure that out
- An example: Came to this board at a previous meeting regarding the replacement of a EMS quick response vehicle that had 300,000+ miles that was having major mechanical problem
- Your answer was make it last another year
- It is going to take \$3,000 to fix the transmission and front end
- That is an affordability decision

Chairman Booth questioned Commissioner Inman if he would like to formally request information regarding the top BOE priority projects?

Commissioner Inman moved to request the Board of Education furnish the Board of Commissioners their top three capital items with estimated costs and prioritized from one to three by noon, Monday. Commissioner Lankford seconded and the motion carried 4-0 with Vice Chairman Jones absent.

Commissioner Walker questioned if there is ever sufficient justification for increasing debt to address capital needs if it is costing money by not fixing the problems?

Finance Director Edwards noted that replacing the roofs would have to be approved by Local Government Commission.

Chairman Booth noted the next meeting is Monday at 1:00 pm.

**Adjournment**

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

Commissioner Inman moved to adjourn the Budget Work Session. Commissioner Lankford seconded and the motion carried 4-0 with Vice Chairman Jones absent.

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**Darlene M. Bullins**  
Clerk to the Board

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**James D. Booth**  
Chairman