

STATE OF NORTH CAROLINA)
)
COUNTY OF STOKES)
)

OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
JUNE 14, 2017

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Budget Work Session (Joint Meeting with the Stokes County Board of Education) for the proposed Fiscal Year 2017-18 Budget in the third floor conference room of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Wednesday, June 14, 2017 at 3:00 pm with the following members present:

Chairman Jimmy Walker
Vice Chairman Ernest Lankford
Commissioner James D. Booth
Commissioner Ronda Jones
Commissioner Ronnie Mendenhall

County Personnel in Attendance:
County Manager Richard D. Morris
Clerk to the Board Darlene Bullins
Finance Director Julia Edwards

Board of Education:
Chairperson Becky Boles
Vice Chairperson Pat Messick
Member Sonya Cox
Member Cheryl Knight
Member Jamie Yontz

School Administration Staff:
Dr. Brad Rice, Superintendent
Tony George, Assistant Superintendent
Pam Bolejack, Administrative Assistant
Lanette Moore, Executive Director of Finance

Chairman Jimmy Walker, Stokes County Board of County Commissioners (BOCC), called the meeting for the Board of County Commissioners to order and welcomed those in

attendance.

Chairperson Becky Boles, Stokes County Board of Education (BOE), called the meeting for the Board of Education to order.

INVOCATION

Chairman Walker asked Commissioner Mendenhall to deliver the invocation.

Commissioner Mendenhall invited those who wished to join in the invocation to please do so.

Commissioner Mendenhall delivered the invocation.

PLEDGE OF ALLEGIANCE

Chairman Walker invited those in attendance to join both Boards in the Pledge of Allegiance.

GOVERNING BODY – APPROVAL OF AGENDA

Chairman Walker entertained a motion to approve or amend the June 14, 2017 Board of Commissioners' Agenda.

Commissioner Jones moved to approve the June 14th Agenda as presented. Commissioner Booth seconded and the motion carried unanimously.

Budget Work Session

Chairman Walker noted the following:

- Welcomed the BOE to today's joint meeting
- Expressed appreciation to the BOE for their willingness to meet and discuss the funding for the FY 2017-18 budget
- If we were in a perfect world, we would probably not need to meet, there would be enough funding for everyone
- Hope to discuss how best to use the funds and be fair to county employees, the citizens, and the school system

Chairman Walker asked Chairperson Boles for any opening comments.

Chairperson Boles responded:

- Would like to thank the county commissioners for this opportunity to meet and discuss the school system's fiscal year budget
- Would like to also express appreciation to the county commissioners for what they have done for the schools and for their dedication to the children of Stokes County
- Would like to allow our Superintendent, Dr. Brad Rice, to go over the budget submitted by the Board of Education and then allow time for any questions from the county commissioners

Dr. Rice, Superintendent, presented the following information regarding the FY 2017-18

budget request from the BOE:

- Would first like to express his appreciation for the opportunity to meet and discuss the budget request with the BOCC
- During my professional career of 22-years, have never known of a joint meeting between the BOE and the BOCC to discuss school funding; did not happen during my fourteen (14) years in Asheboro
- Would also like to thank the BOCC for what has been done in the past to get our school system to where it is now
- We have a great school district in Stokes County
- With the efforts of the BOE and the BOCC, the graduation rate in Stokes County is currently around 91% (486 students graduated this past weekend)
- There was \$10 million in scholarship dollars awarded to the 2017 graduating class
- From this graduating class, 84% has been accepted into either a four or two -year college along with 15 entering the military
- Stokes County has a lot to be proud of
- BOE submitted a 5-year Capital Plan to the County on May 16, 2017
- The first year of the 5-year Capital Plan agrees with the 2017-18 Capital Budget Request of \$1,500,800
- County Manager Rick Morris recommended in his proposed budget to fund the entire \$1,500,800
- BOE supports Manager Morris' recommendation of \$1,500,800 for capital outlay
- Would first like to speak about the request for funding for the air conditioning at North and South Stokes High Schools being over the roofing project at Mount Olive Elementary School
 - Immediate desire for air conditioning the gyms at both high schools has been on the radar for many years (well before I became the superintendent)
 - Understand past Boards of Education and County Commissioners have taken care of other needs that were more pressing at the time – roof projects at North Stokes High School, Germanton Elementary School, and Chestnut Gove Middle School

- It is time in our opinion to look at the air conditioning requests for equity throughout the county (West Stokes High School has air conditioning)
- One of my first public appearances when I became superintendent was attending a volleyball game at South Stokes High School and barely got in the door before I heard the comments about air conditioning – “West Stokes has it for 17 years, when is South going to get it”
- Another factor being looked at is a safety issue for individuals participating in basketball and volleyball games, summer practice, etc. along with the safety for our spectators
- As many of you know, high schools never sleep
- Even in the winter months, it can be hot and humid inside the gyms
- Know several attended the South Stokes/West Stokes basketball game last winter – it was probably between 90-100 degrees
- The humidity was to the point where the floor was sweating all through the game; it was a miserable condition for those playing and watching the game
- Many of you may be aware of the roofing leak at Mount Olive Elementary School several weeks ago
- This leak came after nine (9) inches of rain fell over a three (3) day span
- The roof has been patched and repaired and with recent rains, there has been no sign of a leak
- It was leaking in one main part of the school – the Head Start classroom
- We feel we can delay this project for one (1) year until more capital funding will be available for that project
- Did not feel that the Board should request both the Mount Olive Elementary School roof project and the air conditioning projects at North and South Stokes High Schools
- Reiterated that the Board feels that the Mount Olive roofing project can be moved to next year when more capital funding will be available
- Would be glad to answer any questions regarding the capital outlay request

Chairman Walker opened the floor for discussion/questions/comments from the Board of County Commissioners.

Vice Chairman Lankford noted there would need to be a lot of reviewing before any questions.

Director of Finance Lanette Moore confirmed with County Manager Morris that the county commissioners had received a copy of the submitted 5-year Capital Outlay Plan.

Dr. Rice continued:

- Would like to discuss the submitted Current Expense Budget.

- School system currently has an enrollment of approximately 6,009 students including 108 Pre-K students
- Enrollment last year was 6,206 (including 108 Pre-K students)
- This is a decrease of 197 students for the upcoming year
- With a decrease in students, the school system receives less state and federal funding
- Some of that funding is based solely on enrollment numbers, that is why the school system takes a hit when enrollment drops
- Board of Education does not have any control over the needed operating expenses from year to year
- Current Expense Budget is mostly an operating budget based on expenses needed for operation of the entire school system
- Normal operating cost of insurance, utilities, grounds upkeep, etc.
- A decrease in enrollment does not necessarily mean less funding needed for operating expenses
- For example – insurance rates are the same no matter if there are 180 or 170 students, same amount of grass to cut, same amount of cleaning that has to be done, same amount of administrative staff for the schools, etc.
- The Board of Education has presented the Board of County Commissioners a Current Expense Budget of \$12,317,051 which is an increase of \$1,258,718 compared to the 2016-17 request
- Both the Board of Education and the Board of County Commissioners knew that the Current Expense Budget would reflect an increase based on the available school system fund balance
- The school system had to use \$724,255 from the school's fund balance to balance the Fiscal Year 2016-17 budget; it was appropriated knowing it would not be available for the Fiscal Year 2017-18 budget
- In reviewing the current expense budget, there are several line items that have been decreased, trying to cut expenses wherever possible
- Would like to talk about salary and benefits
- There is an increase of \$923,265 which includes the following:
 - A cost of living adjustment in the amount of \$121,421 based on information that there will be a salary increase from the state:
 - 5% for teachers
 - 10% for principals and assistant principals
 - 3% for classified employees
 - When state allotted positions get an increase, locally funding positions would also get an increase
 - State budgets have not been approved so those percentages have not been approved and are conservative estimates
 - The expected budget cuts, there will be an increase in the local teaching positions from five (5) to eleven (11) positions
 - We are expecting a reduction of six (6) positions
- With small schools in the county, if you have to cut a position, it could mean cutting an entire program

- An example – if you cut a Spanish teacher at North Stokes High School, you would cut out the entire Spanish Program
- The state does not look at our district being spread out in nineteen (19) schools, it looks at the number of students for the entire county
- A cut of six (6) positions would be detrimental to our district
- Increasing six (6) local teaching positions keeps the staff the same as last year, it doesn't increase the number of teaching positions
- Fiscal Year 2017-18 Current Expense Budget includes an increase of one (1) Assistant Principal for the county
 - Currently, King Elementary and Poplar Springs Elementary Schools share an Assistant Principal
 - One of the two schools is going to have another autism classroom
 - King Elementary also has a day treatment program along with 109 Exceptional Children (EC) students
 - Both schools have a large number of EC students which requires more Individual Education Plan (IEP) meetings to discuss each individual student's plan with the parents
 - IEP meetings require a Local Education Agency (LEA) representative attend the IEP meetings
 - That could mean at least 4 weeks out of the school year where the principal is not monitoring the building, handling discipline, etc.
 - An extra assistant principal would assure that there would be coverage during these meetings
 - That is why we have asked for one half position at each school which would give King Elementary and Poplar Springs an assistant principal position
- Another item in the submitted budget, which the BOE feels strongly about, is the need to adjust the supplement for classified and certified staff to a full 4%
 - Since 2013, the 4% county supplement has been computed on salaries for the 2013-14 school year instead of the staff's current salary
 - Classified and certified staff are currently not getting a full 4% of their current salary
 - To increase the supplement to a full 4%, it would cost \$293,938 which includes benefits
 - This increase would be a step to retain experienced staff
- This budget also includes an item regarding clerical and custodial state cuts
 - When the enrollment count drops, the funding from the state drops and school level operating costs remain the same – have to have custodians and clerical staff at each school
 - To keep the same custodial and clerical staff, we need \$133,393
- There has also been mandatory increases for health and retirement which comes up to approximately \$76,444
- I know there has also been discussion about our technology positions to offset an e-rate reimbursement
 - The rate for e-rate reimbursement has been reduced which normally funds the two technology positions

- We are basically asking for one additional assistant principal position along with maintaining current staff
- BOE strongly supports the one-time funding for six (6) elementary art teachers
- Appreciate the Board's help with House Bill 13
- If there had not been help with House Bill 13, the school system would really be in financial trouble this upcoming year
- There has been no additional funding for enhancement teachers for the 2017-18 school year
- They would look at it as a reimbursement model
- State is requesting reports be done 3-4 times this year to show how much the school system spends on art, music, and physical education in the elementary schools
- Currently, we are paying approximately \$650,000 for those positions
- The discussion is that if the school systems spends \$650,000 for those enhancement programs funding FY 2017-18, that is all the school system will get in FY 2018-19
- If we can make the investment of \$320,000 to put six (6) elementary art positions in this year, the state will pick up the funding for those art positions moving forward
- In ten (10) years, that would be a \$3.2 million payoff from a \$320,000 investment
- Want to be clear, to me, this is a one-time request
- Based on all the language from the House of Representatives and the Senate, the funding will be picked up by the State
- If the state legislation does not fund the positions next year, the school system will not request additional funding from the County for the art teachers
- I believe this is a one-time investment for a big payoff
- Texted Representative Kyle Hall earlier this morning to see if there is any update regarding the language of this bill
- Representative Hall noted that the language is still the same and if you do not have it in your budget this year, you will not be reimbursed for it next year
- If we don't make that one-time investment this year, our students will be suffering for years and years to come
- If you can see fit to fund this one-time request, it will have a multi-year payoff that will benefit our students
- Will be glad to answer any questions at this time

Chairman Walker questioned both Boards if there were any objections in allowing County Manager Morris to make a few comments regarding the proposed Fiscal Year 2017-18 Budget.

Both Boards agreed to allow County Manager Morris to speak about the proposed Fiscal Year 2017-18 Budget.

Chairman Walker requested County Manager Morris to give his perspective regarding the information presented by Dr. Rice tonight.

County Manager Morris commented:

- My budget message explained my recommended budget which was based on budget guidance received this year from the Board of County Commissioners
- I attempted to give the school system the same amount of funding as last year, assuming the school system was about the same as it was last year
- My basis for the recommendation was to give you enough funding to run the school system again this year
- To do that, you had to look at the available funding from fund balance that is not available this year
- I made a couple of adjustments for external expenses that the school system had this year that was beyond their control (e-rate reimbursement reduction and the increase for the cost of charter schools)
- Factored in last year's budget along with one budget amendment done during the Fiscal Year 2016-17
- Reiterated that it was my objective to recommend the same as last year
- Did not recommend any of the increased positions based on budget guidance from the Board of Commissioners – did not recommend new positions for the county or the school system
- My intent was to give you the opportunity to present information about the FY 2017-18 budget as Dr. Rice just did – explain what is really needed beyond what the Board of County Commissioners approved last year
- Give the Board of Education the opportunity to make the case regarding the need for teaching positions being cut and the six (6) art teachers along with the supplement
- Confirmed with Superintendent Rice that the adjustment for the supplement is being requested to help with turnover; try to also look at ways to reduce turnover of county employees
- One thing new that was not included in the budget message – Arts Council Eddy McGee, Dr. Rice and myself met a couple of weeks ago to discuss the art teacher positions
- Director McGee spoke about possible grant funding from the Reynolds Foundation to help fund the first year, but would probably require a match
- If we want to collectively pursue that option, it would make sense to work together, but must be collectively willing to fund a match
- That is basically how I made my recommendation

Director of Finance Moore questioned if granting funding would be accepted by the State as county funding?

County Manager Morris responded:

- Don't think it would matter as long as the county provided a match

Dr. Rice responded:

- Believe as long as it came to the County and ran through the school budget, it should be no problem
- Everything I have been told is that it has to come into the school system's budget code this year

Assistant Superintendent Tony George commented:

- Have seen Reynolds provide grants at other school locations, you give Reynolds \$50,000, they would give you back \$100,000

Dr. Rice commented:

- The issue with Reynolds funding is that the Board has not met; the school system has been promised that they will look at the information
- Do not know when the Reynolds Board will meet, could be late June or early July
- Trying to do everything possible to secure these art positions, but at the same time, we need some type of a promise from the Board of Commissioners so that we can start recruiting for art teachers
- If we don't find out something until early August, it will be difficult to find quality teachers for our students that late in the year
- It is here on the table today
- We are looking under every rock to try to make this happen
- It is very important to our Board, to me, and to our students that these art positions happen
- County Manager Morris is exactly right on keeping funding the same as last year except for cost increases such as health insurance along with transportation having approximately \$130,000 excess this year
- Last year's numbers will not keep this year's system the same because that funding would have to come from somewhere – personnel, benefits, etc.

County Manager Morris responded:

- I concur with Dr. Rice's comments – my recommendation did not take into account any increases other than the charter school and e-rate reimbursement

BOE Member Cox commented:

- Would like to share a text message that I received from Director Eddy McGee
- He was traveling to Raleigh to the Legislature regarding funding for the arts council
- Read the text: "Sorry, I did not get back to you on Monday, not good news, the State Legislature is cutting our NC Arts Grassroots Grant funding to give more funding to the NC Museum of Art. We were asking for the money so that we can have the touring programs that come to the schools and partially funds some art teachers. Next year, I will not have any funds for Stokes County Schools. Just

tell the principals and teachers to travel to the Museum of Art because that is where the money is going. Urban areas get it all, no one cares about the rural, if any population needs creativity, it is the rural. I met with a 19-year old addict's mom because the courts often send them to me. He loves art but I have no more resources to help and cannot offer much hope because I am losing hope myself everyday.”

- That was a text from Director McGee just last week

Chairman Walker turned the meeting over to Chairperson Boles to allow Board of Education members a chance to comment, then will allow the Board of County Commissioners a chance to comment.

Chairperson Boles opened the floor for comments from the Board of Education.

BOE Member Yontz commented:

- Do not have a lot to say today
- Would like to thank Manager Morris for fully funding the capital outlay request
- Would tell anyone in this room that I am very adamant about the air conditioning at the high schools
- Would be glad to speak to anyone after the meeting about that project
- It is not personal for me
- Everyone in this room knows the need for the air conditioning in the two high schools
- There is a lot of increase in the current expense request; these costs are obviously out of our control
- There is a possible increase coming from Duke Energy
- This is my sixth year sitting in a joint budget meeting and it seems that we are talking about the same thing each year
- Hope we can, at some point, meet in the middle of this request
- Again, would be glad to discuss the requests directly with anyone

BOE Member Cox commented:

- Appreciate the recommendation to fully fund the capital outlay
- As more of this debt rolls out, look forward to be able to begin to address some of the concerns at some of the older schools
- As Dr. Rice explained, we are not trying to add a lot of new things to the current expense request other than the assistant principal position
- Have been trying to get the supplement increased for several years
- Increasing the supplement does go back to retention and hiring qualified personnel
- I know we can't compare ourselves to Forsyth County and that is not what I am doing

- We have stated for years we provide a 4% supplement, but the 4% supplement is not based on the employee's current salary, it is based on their 2013-14 salary
- At some time, we just need to make that a true 4% supplement
- We need to make sure to show our employees that they are valuable employees and what they do is important
- Make them feel that we are trying to honor our commitment
- We have talked about ADM and the loss of students; we are trying to take some steps to recover some of those students who have left Stokes County Schools
- There are some obstacles that are out of our control and to a degree out of your control when it comes to a lack of affordable housing especially in the King area – that is what I keep hearing over and over from real estate agents
- Have families with school age children looking for housing in the King area, but can't find anything affordable
- That is something that we are up against
- There are not a ton of jobs available in our county; therefore, people do look elsewhere
- We do have a great school system and it is up to us to market and brand our school system
- We started doing some of that back several years ago when Commissioner Mendenhall served as superintendent – trying to get kids to come back from charter schools and homeschool
- One thing that is a concern of mine is the Career, Technical & Education Technical (CTE) positions (3.5 positions that are not covered by the state)
- Feel this is very important
- It is a hot topic currently on facebook
- As Dr. Rice stated, you can cut one position and cut out the entire program
- Heard a lot on the recent campaign trail – CTE positions
- Hate to see any of the CTE positions cut
- Could make a difference getting some of these students back
- The more kinds of vocational education we can offer could make a difference
- Just to be clear, I am not downing homeschools
- Feel like we are on the edge of something big happening, think things are beginning to turn around – ADM is going to turn around
- Walmart is not going to save us, but it is a step in the right direction
- Walmart normally brings in new restaurants which equals jobs
- The Arts Place is huge – is an economic driver
- The new proposed playground in King will be for all kids in Stokes County along with equipment for special needs kids
- One thing that I want to touch on briefly is the art positions – this is close to my heart
- Do not think you will find any dissenting opinions that the arts should be a part of any well rounded curriculum
- You do not have to take my word on that – there are plenty of studies and a quick google search will show you credited studies that art programs in schools are directly tied to literacy skills and improving literacy

- We know that children from low income families often get little exposure to the art if it is not provided by the school system
- It does help close the socioeconomic gap in the schools and in communities
- Some kids do not have the opportunities to see plays, musicals, etc.
- The arts often provide a student the opportunity to find something that they are really good at
- Feel art education can also be good for those at-risk students and students who are having issues at home and is directly tied to a lower dropout rate
- Have been working a great deal with the Concerned Citizens Committee on their Steering Committee
- Chairman Walker has attended some of our meetings and heard the discussion about raising the awareness of the opioid epidemic
- Education and prevention are the keys to making a difference with this problem
- A lot of these problems start with kids who have low self-esteem
- Kids will try new things when they have self-confidence
- We have not had elementary art for the past 15 years in Stokes County Schools
- Have been trying to get that back in the schools, but with tough budgets, have not had the opportunity to do so
- This is our opportunity to get art back into Stokes County Schools
- Kids do not have an opportunity to find out if they excel in art programs until they get to middle school/high school – by that point it is sometimes too late
- Teachers do not have time to do art projects with everything else they have to do
- Some kids may not be able to play sports or score a 4 on the EOG, but can write poetry, draw, paint, or play an instrument
- Believe it will make a huge difference
- This is a golden opportunity to put art back into our schools
- Spoke with Representative Kyle Hall today and he said “I can guarantee if you don’t put it in, you definitely will not get anything next year and is worth the gamble”
- We will hire these positions and be upfront with these individuals about the funding
- As Dr. Rice stated, we will not come back and request the funding if the state does not come through
- We are just trying to be competitive
- I know you hate comparisons, but Stokes is one of the few that I know of that does not have elementary art
- Trying to get students back
- This would be an investment to try to get some of these kids back
- Appreciate the Board of County Commissioners’ consideration for this one-time request

BOE Member Knight commented:

- This is my first budget joint meeting
- May not have as much to say
- Feel we can all agree that we want the best schools we can possibly have

- Marketing can help to hopefully pull families into Stokes County – broadening the tax base
- I am a big proponent of the CTE Program
- Hate to see a student who is not college ready have the opportunity to learn a skill or trade that could grow them right here in Stokes County – electrical, carpentry, etc.
- CTE programs are important assets to our County
- Appreciate the Board’s time and know you have a tough job
- Appreciate all you do

Vice Chairperson Messick commented:

- Want to thank each of you for your support you have given the Stokes County Schools over the years and also the opportunity to speak today
- Appreciate County Manager Morris’ recommendation for capital outlay funding
- Agree with the first year of the schools’ five-year capital outlay plan which includes air conditioning for North and South Stokes Schools gyms – it is very important
- The Mount Olive Elementary School Roofing Project is not included; however, it is in the five-year plan (2018-19 budget year) when additional funding will be available due to school construction debt reduction
- Would like to ask the county commissioners for consideration of additional funding to maintain our current programs and positions that we currently have
- Also would like to request the employees’ supplement increase that has been frozen since 2013-14
- Also would like to request the one-time request for additional funding for the six (6) art teachers
- This is a program that could be put back into our elementary school curriculum that would affect 2,594 K-5 students
- Support adding an additional assistant principal position in King
- King Elementary has 34% special needs students (159 students) along with a day treatment program (runs 6 buses)
- Poplar Springs has 25% special needs students (74 students) along with two (2) autistic classrooms (runs 6 buses)
- Feel each of these has enough enrollment to have their own assistant principal instead of sharing an assistant principal
- Students from lower income families often get little exposure to the arts if they are not provided by the schools
- Art programs help close the gap between students who may not be exposed to those enrichments outside of school
- Lots of families take their children to museums and do art projects with their children
- Art in elementary school by an art teacher is different than it is in a classroom
- This would be a whole new program that elementary students would be able to benefit from
- There are twelve (12) ways that I have found that help children to learn and grow:

- Creativity
- Improved academic performance
- Motor skills
- Confidence
- Visual learning
- Decision making
- Perseverance
- Focus
- Collaboration
- Accountability
- Builds critical thinking skills
- Helps student connect critical thinking skills to the larger world improving community cohesion
- Would request the Board of County Commissioners consider this one-time funding for the art teachers in the elementary schools

Chairperson Boles commented:

- Appreciate the Board of County Commissioners' support
- Appreciate Manager Morris' recommendation to fully fund the capital outlay request from the BOE
- We are talking about children and we are talking about money
- I found out at an early age that I had a natural art talent which gave me an unbelievable amount of confidence that helped me go through life even though I kept it as a private thing
- I saw how important the arts were when my children came up through school
- You hear stories from people who have failed, but it was the arts that helped them achieve where they are today
- You are talking about children who may not have any other talent than the arts – a talent that can help them make it through life
- They may not have a talent that brings them a financial windfall, but that talent can give them confidence
- There are a lot things that connect to the arts
- We are talking about impacting over 2,000 students
- Some may not even know that they have a talent
- Students often get that one-on-one experience from the arts
- Know there is a lot of things that have to be looked at and decided on
- We, as a school system, have tried to promote Stokes County Schools
- Dr. Rice has done an excellent job
- We are providing students with the best possible environment we can
- The 4% supplement is so important in keeping good teachers and hiring qualified teachers
- Guilford and Forsyth Counties are both needing teachers and are offering a lot more to try to get teachers
- We have dedicated teachers

- Hope the Board of County Commissioners will take in consideration the items that have been discussed here today
- We are talking about our children
- We want to offer the most we can to help each student succeed

Chairman Walker opened the floor for discussion/questions/comments from the Board of County Commissioners.

Commissioner Jones commented:

- Appreciate the information provided by Dr. Rice
- Do not believe grant funding will be available from the Reynolds Foundation
- Know myself, having been to several elementary schools growing up, I can't remember an art teacher
- I have spent a lot of time in art classes – have an art degree
- I know the affect it has on children
- I know they need art in the elementary schools
- I support the request, whether it will happen or not, I don't know
- I have mentioned this before, it is an economic driver
- We have got to be competitive, whether you want to compare or not – that is just a fact of life
- This is a small investment if the state follows through – not sure that will happen
- It is important to know that you would not come back and request funding next year if the state doesn't come through
- I definitely think you need to be made whole
- You need to be able to have the same you had last year
- Need to look back at the cost increases the school system has incurred this year
- I am only one vote
- Do not think anything you are asking for is unreasonable
- When you look around at all the other schools, most all the schools have art programs
- We have to be competitive
- This is something that we must seriously look at
- We have social media now – everything you do and don't do is out on social media instantly
- We can't keep being so conservative that we are not competitive
- I am sure I said a lot that some other members did not want to hear me say, but I usually stand alone
- I support everything that you have requested today, but just have to see what shakes out

Chairman Walker commented:

- If someone were to ask me how much of our budget would I support giving to the schools, my answer would be simply “all we can”

- The reason I would answer it that way is because whatever we give to the schools (want to support the schools as much as possible) we have to be able to be fair to county employees and all the citizens in Stokes County
- You are aware of this – what we give to the schools has to be balanced with other needs of the county
- We have to get all these pieces to fit together in the way it makes the most sense possible
- When it is all over and done, we hope we can look at it and say that we did the best we could with all the resources that were available
- I sense that the art teachers are way up the list of priorities for the Board of Education at this time
- Would like to know what is the timing for the six (6) art positions – the latest date that it can be decided?

Dr. Rice responded:

- The first day of the school year is August 17th
- We would have to interview and make recommendations to the Board of Education for approval
- Would say the latest timeframe for a decision would be mid-July to get a qualified candidate
- Every day before mid-July would give us a better shot to get a better candidate

Chairman Walker continued:

- Had an issue come up regarding state funding cuts for the school system that both Boards worked together to combine funding to make it work
- Is there any way this might be done again to fund the art positions?

Dr. Rice responded:

- The last time we looked, we anticipate having approximately \$170,000 remaining in fund balance
- Manager Morris' recommendation is to fund an additional \$75,000 to get the schools' fund balance to \$250,000
- We would be happy to do what we can do, but what we can do right now is extremely limited

Chairman Walker continued:

- Appreciate Dr. Rice's response to at least have some discussion

Vice Chairman Lankford commented:

- From what I have heard from the Board of Education, I would give them an A+ on being compassionate
- You have presented your compassion for children
- I have had compassion for children for a long time even for Pre-K
- Pre-K children need things to help bring them to a level where they can start kindergarten

- You serving as a BOE member should have compassion
- Being a commissioner, I hear the same compassion from the Sheriff's Department, Social Services, Health Department, E911, Animal Control etc.
- Each one of these areas are also important and they have a right to be compassionate about their department
- I am very proud of you for being so compassionate
- Have a few questions
- Would like more information regarding the technology positions in the request?

Director of Finance Moore responded:

- There are two technology positions in the requested budget
- The school systems' erate reimbursement is being decreased
- In the past, the erate reimbursement has been used to fund these two (2) technology positions
- With the erate reimbursement being decreased, the Board chose to keep the two (2) technology positions in the local budget
- Part of the increase this year does include those two (2) technology positions – to maintain those two (2) positions

Vice Chairman Lankford confirmed with Director Moore that the school system still contracts for some IT Services.

BOE Member Cox confirmed with Director Moore that these two (2) positions have to be maintained according to the Golden LEAF Grant Funding requirements for the student laptops received.

Director Moore noted that these two (2) technology positions do one-on-one employee training and take care of small daily problems in the schools.

Vice Chairman Lankford continued:

- Confirmed with Dr. Rice that the school still offered some trade courses
- Our focus for years is to have trades at the community college
- Have recently received \$2.3 million in grant funding to build a 7,000 sq. ft. trades building at the new community college; this will give students a place to further their trades education
- Have heard over the past few years, there is going to be a tremendous need for trades
- Have always supported trades in the high school
- Know there were some eliminated that students lost interest in
- Trades are coming back strong

Director Moore commented:

- If you looked at the budget, the CTE positions are paid by state funding which forces other positions to come back to the local budget
- Just want to make sure there is no misunderstanding – it is a trickledown effect

Vice Chairman Lankford commented:

- Confirmed with Director Moore, the budget request only includes an \$800 increase for utilities – total request for utilities is \$2,313,300
- Confirmed with Dr. Rice, the decrease of students for the upcoming school year is 197
- Confirmed with Dr. Rice that the data from the Non-Public Instruction shows 426 registered home schools in Stokes County for Fiscal Year 2015-16 and the data for Fiscal Year 2016-17 is not available

Dr. Rice responded:

- Non-Public Instruction estimates that there are 756 home school students
- Home schools do not have to register the number of children
- From 2007 to 2008, in North Carolina, the number of registered home schools increased from 7,149 to 9,476; in Stokes County the number of registered home schools went from 300 to 425 during that time period
- It has been estimated that there has been no increase in home school students from last year

Commissioner Booth commented:

- Understand the request for \$1, 500,800 will be used for approximately 37 capital projects with the top priority being the air conditioning at the two high schools
- The 23.6% increase in current expense equates to a 6 cent tax increase
- When we had our first goal session, four of the five commissioners agreed to have no tax increase and directed the manager to not include a tax increase in his recommended budget
- That increase would have to come from somewhere else
- Over the last three (3) years, the county had appropriated several million dollars from the county's fund balance to balance the budget (approximately \$6 million)
- Revenues have to match the expenditures – we must have a balanced budget
- If the manager had included all the requests from various departments, there would have been another million added to the manager's recommended budget
- If we had the money without a tax increase, would give everyone what they needed
- We don't have that situation
- If we gave the school system the 23.6% increase and the county departments what they requested, it would be 9 to 10 cent tax increase; don't think our taxpayers would like that
- We have to do the best we can with what we have available
- Appreciate the information provided today
- We have a lot to consider

- In the past few years, the teachers have received a substantial increase from the state; our county employees did not receive an increase last year
- Manager Morris has funding to do a salary study that was approved in this fiscal year's budget – may or may not do
- If we give our county employees a COLA, it will cost approximately \$230,000
- In a recent meeting with two other counties – Rockingham and Caswell Counties; Rockingham County discussed the recent salary study done; all departments decreased their budget by 2% this year and last year – even the schools
- Takes a lot to balance the budget
- Thankful for Walmart coming to Stokes County
- Have received additional sales tax revenue this year
- Hear what you are saying, but have to look at your request along with all the other departments

Commissioner Mendenhall commented:

- Not going to take up too much time but would like to request time in open discussion to possibly ask some questions
- Board of Education did a very good job presenting their requests today
- It was an honor to work with the Stokes County School System for 36 years
- A lot of what I was going to say has already been said by Chairman Walker, Vice Chairman Lankford, and Commissioner Booth
- Want you to know that I love children and as superintendent felt it was my job to fight for everything I could get to provide to the teachers and children in the Stokes County School System
- Now my position has changed, I am a county commissioner
- As a member of the school system, my whole focus was to fight for the school system as you all are doing
- Now as a county commissioner, I (just like my other board members) must look at all departments, not only the school system
- Have to look at the big picture
- If you read the one thing that I put in the Stokes News last year during my campaign, “I would be fair to all departments” which means fair to education as well
- Now I have all departments to look at
- From King to Lawsonville to Germanton, you would not believe how many people asked me if I was going to favor education over all the other departments if I were elected.
- My answer was always “I am going to treat all departments fairly”

Chairman Walker and Chairperson Boles agreed to allow any member speak at this time.

BOE Member Cox commented:

- Would like to respond to what Vice Chairman Lankford mentioned about being compassionate

- Feel that we are the only entity that can directly impact those other departments such as the Sheriff's Department, Social Services, etc.
- For example – the opioid crisis that is impacting the Sheriff's Department, Social Services, EMS – we can try to put a stop to that crisis
- It is like pay me now or pay me later
- If we have the funding we need, we can make a difference – enrichment, counseling, etc.
- We can make sure that students know someone cares
- We can't do this with a reduction in funding
- We can make a difference so hopefully other departments will not be so impacted in the future

BOE Member Yontz:

- We have touched on the CTE positions
- The trades facility will be a great, viable alternative; however, I want to make sure everyone knows my thoughts on that
- A lot of those students are students who struggle to get through a school day much less leave there and take additional classes at a college
- To have that still as an alternative at the high school level is very important
- Would not be in favor of getting rid of those classes at the high school level

Chairman Walker commented:

- Confirmed with Manager Morris that his recommended budget restored the lost erate funding and charter school increases
- Confirmed with Dr. Rice that the CTE courses are agriculture, carpentry, auto mechanics, nursing fundamentals, etc.
- Confirmed with Manager Morris that his recommended budget did not include funding for the CTE positions and art positions
- Have noticed ongoing support for CTE classes on our board; thinks the entire board support the CTE classes

County Manager Morris requested Director Moore to explain what the funding impacted the six (6) local teachers and CTE positions.

Director Moore responded:

- Lot of state positions are used for the CTE courses
- You will not see CTE positions in the local budget
- When you use state funding for CTE positions, it decreases funding for local classroom positions which then must be locally paid positions

Chairman Walker continued:

- Would be interested in knowing about anything that would impact the CTE positions

Dr. Rice commented:

- Confirmed with Director Moore that the state projection for Fiscal Year 2017-18 is 329.72 months of employment which equates to approximately 32 positions which is down 11 months from this year
- The state basically cut Stokes County a position
- We are trying to maintain that position
- We know the community values those CTE positions
- Reiterated that with the schools spread out across the county, when you cut a position, you can cut out an entire program

Commissioner Booth commented:

- At first, we received approximately \$500,000 from the state bond
- Forsyth Tech provided approximately \$300,000 for a 3,500 sq. ft. trades facility at the community college
- Golden LEAF then stepped in with approximately \$1.5 million for a total of \$2.3 million for a trades facility at the new community college
- We will have a 7,000 sq. ft. facility for trades
- Saw on the news last night, the need for trades professionals
- These positions pay more than a four-year college degree (plumbers, carpenters, electricians)
- Working on trying to get as many trades at the new facility as possible
- President Trump is promoting the technical programs

BOE Member Knight commented:

- It needs to start in the high schools

Commissioner Jones commented:

- I was like Commissioner Mendenhall – have taught in the classroom
- Actually taught CTE courses
- The difference between community college and high school is for exploration
- The student needs the CTE courses in high school in order to explore and get the fundamentals
- This allows the student to know what to do when he/she gets to the community college along with the students finding out what he /she really wants to do further
- Don't need to be teaching what a screw is in community college
- When I was in the classroom, they were taking out all the machines and replacing them with computers
- Now they realize how stupid that is
- It is a rite of passage to maturity of an individual to learn these fundamental things in high school
- They can hopefully find out in high school what they really want to do when they go to college
- The CTE courses need to stay in the high schools

- Was mentioned in the last commissioners' meeting, how Iceland's drug addiction is so much lower now because of the afterschool programs – enrichment programs
- We don't need to go backwards
- We need to provide things for kids to do
- We may need to funnel funding into the school system to try to help this addiction problem – has been proven in Iceland
- It is a complicated situation, we are in a very different world than we were 50 years ago
- Have to be more creative to keep kids out of trouble – need to think out of the box

BOE Member Cox commented:

- Commended the Board of County Commissioners for the liaison position for Substance Abuse
- Look forward to working with that position to see what we can do to help

Chairman Walker commented:

- As you know, the Board of County Commissioners has not approved a budget
- We have a recommended budget from the County Manager
- It has become clear to me that there are some very important things to the Board of Education that has not been recommended by the manager
- Would like know if any school board member would like to prioritize those things not included in the manager's recommended budget?

Chairperson Boles asked Dr. Rice if he would like to answer Chairman Walker's question?

Dr. Rice commented:

- It is a Board of Education's budget and that question has not been discussed in detail by the Board of Education
- Don't want to go out too far on a limb – someone might have a saw
- To maintain operating costs just like this year – we would be at approximately a \$500,000 deficit
- Don't speak for the Board of Education, but if we don't have that \$500,000, it will have to come from somewhere else – just to maintain
- Then art positions which are very important to the Board and myself – one-time investment that will hopefully have a long-term payoff with no continued investment from the county commissioners, but it will benefit the students of Stokes County for years to come
- Not ranking the priorities, just putting out the big items

BOE Member Yontz responded:

- Will echo Dr. Rice's comments – staying whole has to be number #1

Chairman Walker commented:

- Not sure how the budget will come out
- That priority information is very useful
- Recommendation of \$1,500,800 by Manager Morris funds the entire capital outlay requested from the Board of Education

Commissioner Mendenhall commented:

- Understand the position Dr. Rice is in – you don't speak for a Board unless that Board has given you input
- The answer that was given has to be the correct answer – maintaining operations
- You have to do be able to operate before adding other things
- Confirmed with Director Moore that the school system does receive allotments from that state that can be transferred to different things such as reduction in class sizes, elimination of combination classes for example

Director Moore responded:

- Allotments can be transferred but some have restrictions
- This year's House and Senate proposals have restrictions
- One of the major restrictions being considered this year is one that has been used by the school system in the past to transfer funds
- This one proposed restriction is a big concern

Commissioner Mendenhall commented:

- Confirmed with Director Moore that in Fiscal Year 2015-16, the school system transferred approximately \$300,000 to PRC10 to reduce combination classes and class sizes

Chairperson Boles concluded:

- Since I have been on the Board of Education, I have strived to educate individuals and help them to become good citizens
- We are compassionate, but you have to have common sense
- We are trying to educate our children in Stokes County so they will give back to Stokes County
- Feel we have done a wonderful job with our graduation rate up and our dropout rate down
- The Board of Education is the future of Stokes County
- Hope what the Board of Education is doing will hopefully decrease the needs in the future for departments such as the Sheriff's Department, Social Services, etc.
- Appreciate the time provided by the Board of County Commissioners today

Chairman Walker concluded:

- If I have stepped on anyone's toes or been unfair during the meeting, I ask your forgiveness and understanding
- This has been a very productive meeting
- Things have been discussed that needed to be discussed

- Hopefully the Board of Education understands more of where the Board of County Commissioners is in doing their job with the budget
- Feel the Board of County Commissioners have a better understanding of what the needs are of the Board of Education

Chairperson Boles recessed the Board of Education's meeting.

Chairman Walker recessed the Board of County Commissioners' meeting to allow the Board of Education to exit the meeting.

Chairman Walker called the meeting back to order.

Chairman Walker commented:

- Reminded the Board about the Special Meeting for the Board of County Commissioners tomorrow at 12:00 noon
- Would like to know if there is anything needed by the Board of County Commissioners before the next meeting

Commissioner Booth commented:

- Just wanted to make a comment
- This is the biggest increase in a budget proposal we have ever seen – getting ready to look at constructing a \$6 million dollar addition to the jail
- Some things are getting better, but there are increasing costs each year that everyone doesn't think about

The Board had no requests for the next meeting.

Adjournment

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

Vice Chairman Lankford moved to adjourn the joint budget meeting. Commissioner Booth seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

Jimmy Walker
Chairman