

**Minutes
Transylvania County Board of Education &
Transylvania County Board of Commissioners
March 5, 2013**

JOINT MEETING

Welcome
Call to Order
Introduction of Members
Discussion of Current Spending Needs
Questions and Discussion on Current Spending
Discussion of Capital Needs
Questions and Discussion on Capital
Closing Remarks
Public Comment
Adjournment

The Transylvania County Board of Education and the Transylvania County Board of Commissioners met in joint session at 7:00 p.m. on March 5, 2013 in the Rogow Room of the Transylvania County Library. In addition to approximately 30 guests, the following board members and staff were in attendance:

Board of Education

Tawny McCoy, Chair
Cindy Petit, Vice Chair
Sue Fox
Ron Kiviniemi
Mike Rogers
Dr. Jeff McDaris, Superintendent
Norris Barger, Director of Business Services
Jenny Hunter, Administrative Assistant

Board of Commissioners

Mike Hawkins, Chair
Larry Chapman, Vice Chair
Daryle Hogsed
Page Lemel
Artie Wilson, County Manager
Gay Poor, County Finance Officer
Trisha Hogan, Clerk to the Board

Welcome/Call to Order/Introductions

Chairman Hawkins and Chairman McCoy welcomed everyone to the meeting. Chairman Hawkins gave the invocation, and Vice Chairman Petit led in the Pledge of Allegiance. Chairman Hawkins and Chairman McCoy called the respective boards to order and introduced their board members and staff. Chairman Hawkins reported that Commissioner Jason Chappell was absent due to medical complications with his new baby. He explained that this would be the first of two planned joint meetings between the boards and would be an informational meeting only.

Discussion of Current Spending Needs

Chairman McCoy reported the good news that TCS enrollment had increased this year; that Rosman High School had one of the highest graduation rates in the state last year; and that a partnership between Transylvania County Schools and Blue Ridge Community College for an advanced manufacturing program has expanded to provide welding, machining and mechatronics training in Transylvania and Henderson Counties thanks to a grant from the Golden LEAF Foundation. She stated that the Board of Education is very proud of its schools, and defines its vision for the school system as continuing to provide the same quality of exceptional education now and in the future that is currently being provided. She gave a reminder that the Board of Education budget documents presented for review represent working drafts only.

Mr. Barger presented a summary of the anticipated changes in local funding needs that will impact the Board of Education's FY14 current expense budget request:

FY14 Anticipated Budget Changes		Increase
1	Retirement increase (14.23% to 14.59%)	\$17,001
2	Health insurance increase (6% to \$5,504)	28,962
3	Unemployment insurance rate change	26,500
4	T. C. Henderson SRO	52,702
5	Increase in state discretionary reduction	39,200
6	2% COLA increase	75,506
7	BES Assistant Principal	71,903
8	Appropriated fund balance (partially restore FY13 cut)	197,559
	TOTAL	\$509,333
	Necessary increase in county appropriation	5.5%

Dr. McDaris thanked the Commissioners for their recent vote to fund a full-time school resource officer at T. C. Henderson Elementary School for the remainder of the 2012-2013 school year. He reported that in addition to funding to maintain the T. C. Henderson SRO position next year, the Board would also be requesting funding to restore an assistant principal position at Brevard Elementary School. He explained that as the school with the largest and most diverse population of special needs students, BES has become a challenge to operate with only one school administrator.

Dr. McDaris reported that the school board would need to appropriate approximately \$1.1 million from its local fund balance to balance operational costs. The 5.5% anticipated increase in county appropriation would restore the schools to the funding level of two years ago.

Dr. McDaris informed the commissioners that an item not listed above is a possible request to help the TCS Child Nutrition program. He reported that the Child Nutrition program lost money last year due to increased costs and decreased sales of supplemental items. State and federal reimbursements have not kept pace with the rising costs of commodities and fuel, and the numbers of students receiving free and reduced meals are at an all-time high. To balance operational costs, the Board could request additional funds from federal, state or local governments, raise meal prices, or some combination of the two options. Mr. Wilson noted that the county had provided \$100,000 for the Child Nutrition program a few years ago. Mr. Barger clarified that any new request would be an additional amount. Dr. McDaris noted that the list of anticipated needs could change as state and federal budget allotments are released over the coming weeks. Commissioner Chapman observed that most of the anticipated changes appear to be state mandates. Dr. McDaris confirmed that items 1, 2, 3, 5 and 6 are controlled by the state.

Questions and Discussion on Current Spending

Commissioner Lemel commented that the school board's budget format is difficult for a lay person to understand and asked if it would be possible to get a summary budget broken down by categories such as schools, classrooms, personnel, etc. Dr. McDaris explained that the TCS budget format follows the Department of Public Instruction's budget format that is based on Program Reporting Codes (PRCs). The local current expense and capital outlay budgets are only a portion of the school system's overall funding, and the documents presented do not include state or federal funds. Mr. Barger offered to send Mrs. Lemel a new report if she would provide a written description of the format she would like to see.

Mr. Chapman stated that state legislators have indicated they will have a budget by June 1. He asked if there are any big changes on the horizon based on what is known right now. Dr. McDaris stated that the Governor has some new initiatives, but it is not known how they will be funded. He expressed some doubt that the 2% cost of living increase would materialize. Mr. Barger stated that the pending federal sequestration is the biggest unknown. Dr. McDaris reported that the state's education appropriations committee has recommended allowing lottery proceeds to be used for technology purchases. Mr. Rogers gave an update on targeted dates for the Governor, House and Senate budget approvals.

Mr. Wilson estimated that drawing down \$1.1 million from the unassigned fund balance would leave the Board between \$700,000 and \$800,000 in fund balance. He noted that doing so would mean FY14 is the last year in which the Board could draw down from its fund balance. Mr. Barger concurred, and Mrs. McCoy stated that the Board would like to sustain its fund balance at the level of 8-10% for operational expenses.

Commissioner Hogsed asked if the Board anticipated any salary increases other than the 2% COLA from the state. Mr. Barger indicated no salary increases other than the potential increases for teachers who earn National Board Professional Teaching Standards certification.

Discussion of Capital Needs

Chairman McCoy reported that during the Board of Education's facility tours and talks with principals about capital needs, they decided to merge the five-year capital outlay plan with the master facility plan in order to reflect a more comprehensive view of needs system-wide. The new plan presents FY14 and FY15 priorities by school and categorizes projects as 1) security, 2) safety, 3) repair, 4) addition/renovation, 5) vehicles or 6) recurring. Dr. McDaris explained that the recurring category includes items such as furniture and equipment, media equipment, etc. He stated that the Board would like to accommodate principals' requests to restore full funding to furniture and equipment. Last year this item was cut to 65% to help keep jobs.

Questions and Discussion on Capital

Mr. Chapman asked for an update on the effort to provide artificial turf for the BHS football field. Dr. McDaris reported that there is a community-based committee working to raise private donations for turf. The last meeting he attended was approximately a year ago, and he has not received a status report from them in some time.

Mrs. Lemel asked about the status of the student art gallery project at Brevard High School. Mr. Barger reported that approximately \$25,000 has been raised through fundraisers and donations over the past six years, and the project will most likely be scaled back to become a student galleria inside the front lobby of the BHS office wing. The Board has plans to provide matching funds for the project.

Chairman Hawkins asked if it would be a fair assessment to attribute the bulk of capital needs to the advanced age of the county's school buildings. Dr. McDaris stated that age plays a major role; however, changes to educational programs and technology are also big factors. Equipment is more sophisticated and expensive to maintain. He noted that the County used to issue school bonds on average every 10 years. The last bond referendum for school improvements was done in 1999. Mr. Barger added that one of the biggest challenges facing schools in recent years is the heightened awareness of the need for improved security in buildings and campuses. Most of our schools were designed and built many years ago when protecting students from intruders was not an issue. Mr. Rogers explained that the ability to simply slow down an intruder can save lives. He noted that the front entry at Pisgah Forest Elementary School would be a model design for all schools.

Mr. Rogers reported that some TCS schools still have the original HVAC systems, for which repair parts can no longer be obtained, and others have HVAC systems that were designed for pod classrooms. After walls were constructed to transform pods into classrooms, air flow was severely restricted in some areas of the schools. Roof repairs are another significant need right now. During their tours, school board members saw buckets and trash cans set up in several classrooms to catch water from leaking ceilings and roofs.

Mr. Chapman observed that for several years the commissioners have been supporting the schools at a level sufficient to maintain, but not improve, buildings. He stated that the Board has done a good job in holding costs down by continuing to patch and repair problems where possible, but the point has been reached where we must “fish or cut bait” regarding long-term solutions to infrastructure problems. He stated that the county may need to consider a bond issue, and should consider how long we can afford the number of schools we currently have. He added that hard choices must be made, and consolidation should be considered. Dr. McDaris thanked Mr. Chapman for acknowledging the urgency of school infrastructure needs. He gave a summary of the ages of the each schools’ main structures:

School	Year Built	School	Year Built
BES	1974	DRS	1945
BHS	1959	RES	1974
BMS	1974	RHS / RMS	1923
PFES	1991	TCH	1956

Mr. Rogers reported there are some unusable restrooms in the BHS band wing due to stench. He expressed appreciation to the commissioners for being willing to visit some of the schools later in the week to see the needs firsthand. Mr. Chapman encouraged the Board to bring urgent needs such as unusable bathrooms to the commissioners’ attention so that they may be addressed through the county’s reserve fund. Dr. McDaris commented that despite some significant structural problems at BHS, those problems do not prevent the outstanding teaching and learning that goes on at the school every day.

Mr. Kiviniemi gave a clarification on the artificial turf question. He stated that the Board is not requesting money from the county for artificial turf; the project is included on the capital needs list only as a placeholder in the event the turf committee is able to raise sufficient funds for the project.

Chairman Hawkins stated that the two boards should begin collaborating regarding how they will continue to provide excellence in education by planning for long-term capital needs based on projected class sizes and enrollment for the next 10-20 years and beyond. Chairman McCoy agreed, and stated that once the Board of Education is able financially to get school facilities back up to par, a major goal would be to work with the commissioners to develop a dollar figure for capital maintenance that both boards can agree upon so that they do not have to have this conversation year after year. Chairman Hawkins stated that long-term vision is critically important. In his view, every option including consolidation should be examined in a systematic way.

Dr. McDaris agreed that would be a good conversation to have and also good way to educate the public about these issues. He stated that the school system is a major component of the county’s future economic development because good schools attract good people and jobs. He stated that the county needs an influx of younger, blue collar families with kids. Since the major industries closed, school enrollment has steadily declined as families have moved away to find jobs. He recalled that when he was a student at Brevard High School in 1978, enrollment was

so high that some classes had to be held on the stage in the auditorium. Many classrooms had 35 or more students. There were only two rooms for special education. The guidance department was located in a converted closet, and the media center was half the size it is now. With the expansion of special education programs, guidance services, CTE classes and labs, technology and media facilities, there are a minimum of 23 former classroom spaces at BHS that are no longer classrooms. He explained that we are living in a very different world than most of us knew as students. Regarding consolidation, he noted it would not be a simple matter of saving money as some may think. Dr. McDaris explained that the student population at RHS would not fit into BHS or vice versa. Transportation costs would not decrease, as students coming from Bear Wallow to Brevard, for example, would have an extremely long bus ride. To build a new, centrally located high school would cost approximately \$60-70 million. A consolidated school would still require the same number of administrators, teachers, etc., as two separate schools. Options for student leadership would be diminished. Neither vocational program could fit into the other, which is significant because in this county, most job opportunities are in the vocational areas. Also, studies show that smaller schools are better in many ways. Dr. McDaris stated that our schools are neighborhood schools and are integral to our communities.

Chairman Hawkins stated that a systematic study of consolidation could help to communicate these issues to the public and help the Board decide what they want the delivery of education services to be in the future. Chairman McCoy stated that the Board's vision for the foreseeable future is to have the same nine schools that it has now

Mrs. Lemel stated that she does not like the word "consolidation" and thinks a better term would be "reallocation of resources." She would like the Board to look at magnet programs for some of its smaller schools and to evaluate the operational costs for each school. She stated that it is her goal to get the public engaged and for citizens to have more voice in the decisions that are made by both boards. She would like to hear from the public as to whether they want to continue spend money to run nine schools. She pointed out that bond interest rates are very low, and she believes there will never be a better time to borrow money than right now.

Chairman McCoy stated that while the Board of Commissioners are part of the process because they provide local funding for the schools, the commissioners should trust the school board members to do what they were elected to do, and that is to make the decisions that are in the best interests of children and education. She stated that each member of the Board of Education had signed on because he or she has a passion for education, and that no one should doubt that they are having ongoing discussions regarding all of these issues. She stated that the Board is glad for the commissioners' input and questions, but the Board of Education members are the ones who must ultimately decide what is best for students and schools. Mrs. Lemel encouraged the public to attend Board of Education meetings and Board of Commissioner meetings in order to better enable our elected officials to serve them appropriately.

Mr. Chapman stated that preparing students for blue collar jobs is near and dear to his heart. He stated that he hears from the community that the school system is not preparing students for the jobs that are out there, and is in favor of increasing opportunities for vocational training that will help graduates get good-paying jobs after high school. Dr. McDaris stated that the mechatronics program offers exciting possibilities, and noted that nursing is another growth area in the county. He stated that while Transylvania's status as a retirement mecca has added much to the quality of life here, the influx of retirees has raised property values to the extent that many young families cannot afford to live here. Some of our best and brightest graduates leave after graduating high school because it is a live and work here. Dr. McDaris expressed

appreciation to the commissioners for the chance to talk openly and noted that Mrs. Lemel is correct in that attendance is typically low at school board meetings.

Mr. Chapman asked about virtual classrooms, specifically whether advancements in technology would move instruction away from the traditional brick and mortar classrooms. Dr. McDaris reported that opinions vary on the effectiveness of virtual learning. He feels that in some ways it can be an effective teaching method, and educators are still learning how to effectively incorporate it into instruction. However, he personally has some concern that students may be missing out on interpersonal interaction. He sees technology as an educational tool, but does not think it will replace classroom dialogue and discourse. He remarked that we as a society do not want to reach the point with technology in which people become isolated in their own solitary silos.

Commissioner Hogsed stated that he intends to work with the Board of Education to bring school facilities back up to par. He stated that he does not understand it has reached the point of using buckets in classrooms when there was nearly \$3.7 million available in unallocated fund balance and lottery funds last year. He stated that although the county had reduced capital funding over the last five years, the total money allocated to the schools was increased due to a decision to shift focus from capital to the classroom. He stated that he did not want the public to think that the county had decreased total funding to the school system. Mr. Barger noted that the projected capital plans for FY14 includes a drawdown of \$400,000 in lottery funds and an additional draw of \$400,000 in FY15. Assuming \$230,000 in lottery revenue each year, this would bring the lottery fund balance down to \$300,000, an amount the Board would like to keep on hand for emergencies. He gave a reminder that the Board plans to take \$1.1 million from its fund balance in FY14, leaving a balance of approximately \$700,000.

Mr. Chapman asked what the total increase would be from FY13 to FY14 if the county were to be able to fully fund the Board's request. Mr. Barger estimated a \$1.5 million total increase, or about 15%, to restore funding to the level of two years ago.

Closing Remarks

Mr. Kiviniemi expressed appreciation for the opportunity for the boards to meet and discuss the needs of the schools. He stated that as a 36-year public school educator, he wants only the best for students.

Mr. Rogers stated that the local economy and job market in this county have changed over time from industry to construction to camps and tourism. He stated that the Board wants to partner with the City and the County in a common vision for economic prosperity. To do this, the Board needs to be ready to provide the education and training necessary for students to be able to find good jobs after graduation and remain here to raise their families. This would benefit not only the schools but the community.

Mrs. Fox expressed her appreciation for the opportunity for the boards to talk together. Mrs. Petit thanked commissioners for their support of the schools and encouraged them to visit the schools to view facilities firsthand.

Mr. Chapman stated that he appreciated the open dialogue and encouraged the public to let the boards know what they want their county to be. He asked everyone to keep in mind that the county is still struggling as the economy has not improved. He reiterated his invitation for the Board of Education to bring any emergency needs to the commissioners. He stated that preparing kids for the workforce and having clean, safe schools are the most important priorities in his view.

Chairman Hawkins discussed the importance of preparing young people for the workforce by teaching hard skills and soft skills, and challenged the boards to model those soft skills by collaborating and working together toward a common goal.

Chairman McCoy invited the commissioners to feel free to ask any questions about the Board's budget request that may come up before next joint meeting in May.

Public Comment

Mr. Gerry Hunsicker spoke about the importance and value of teachers. He reported that his family had moved to Transylvania County 21 years ago because of the excellent school system. He stated that he does not envy the boards as work through the budget process. He discussed the differences in education from the days when he was a student and the societal climate that teachers have to deal with today. He commended teachers for doing an incredible job with what they have to work with and encouraged everyone to support them in the way the community has supported the county.

Mr. Mark Tooley commended the boards for their willingness to work together and offered his views on several topics. He encouraged the boards to approach school security and school resource officers holistically and to determine if there are best practices that could be implemented to maximize cost effectiveness. He agreed with Commissioner Lemel that now is the time to borrow money for school improvements since postponing will only cost more in the future. He stated that he finds it intriguing that the boards go through this process every year and encouraged more scrutiny of big expenditures as is done within the county departments. He suggested coordinating efforts by making school recreational facilities available for community use during the summer. As for virtual classrooms, he feels there is no substitute for having a real live teacher in the room. He believes that exceptional communities start with exceptional schools.

Brevard High School Principal Jeremy Gibbs stated that he wanted commissioners to know that any facility problems at BHS are not due to improper cleaning or maintenance. He believes that teachers, students, and staff all have a sense of pride in their schools and work hard to make their schools great. He pointed out that some hard decisions had to be made over the past few years in choosing people over things. He stated that he has worked in several districts, and the schools here are excellent. Our students are some of the best and our discipline is minimal, so his question becomes, why wouldn't you choose Transylvania County Schools? He remarked that when he and his family moved here from Raleigh, it was certainly not for the exorbitant salary or the low cost of housing, but for the excellent schools. He believes that supporting the schools only betters the county.

Mr. Sam Edney stated that as a former school board member, he has always objected to the statutory requirement for boards of education to go with the lowest bidder for construction projects. He feels that this sets boards up for problems down the line. He stated that as a business owner, he has learned that you cannot save your way to prosperity. He believes that in order to achieve economic prosperity, it is necessary to spend some money. He stated that the counties that have been successful are successful because they lead with education. He gave a reminder that the Goldsmith report on economic development listed as a negative the conditions of our school buildings. He stated that times are hard. Teachers have not had a raise in five years; they spend their own money on materials and supplies; 28% of kids in the community are living in poverty; and the schools are sending home food every Friday to feed children over the weekend. He stated that not much has changed since he was a board member in that school boards must come hat in hand every year to ask the county for money. He encouraged the commissioners to place their trust in the Board of Education and their vision.

Mr. Kevin Smith stated that his family had relocated here from New York for the quality of life and the school system. He recalled having to be buzzed in to schools in New York, and stated that although schools here are much better, he has concerns about how open some of them are. He feels that creativity is important in finding economic solutions for the county. He added that his children have gone on from the Transylvania County Schools to great things, and expressed appreciation for what the boards are doing.

Adjournment

Chairman Hawkins encouraged the community to attend public board meetings and to stay involved as these two elected bodies face challenging decisions over the coming months. He gave a reminder of the second joint meeting in May and thanked everyone for coming out.

There was no further business, and ON A MOTION BY MRS. LEMEL, SECONDED BY MR. CHAPMAN, the Board of Commissioners were unanimously adjourned at 9:00 p.m. ON A MOTION BY MRS. FOX, SECONDED BY MRS. PETIT, the Board of Education was unanimously adjourned at 9:00 p.m.

Respectfully submitted,

Chairman

Secretary