

Minutes
Transylvania County Board of Education &
Transylvania County Board of Commissioners
March 19, 2009

WELCOME/CALL TO ORDER

INTRODUCTIONS

BUSINESS ITEMS

1. Overview of Current Financial Situation
2. Presentation of Draft School Requests
3. Public Comment
4. Discussion of School Requests
5. Closing Remarks

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 19, 2009 in the Rogow Room of the Transylvania County Library. In addition to approximately 40 guests and media, the following board members and staff were present:

Board of Education - Mike Rogers, Chairman; Chris Whitmire, Vice Chairman; Tawny McCoy, Shelia Norman; and Cindy Petit. Also present were Dr. Sonna Lyda, Superintendent; Dian Brewton, School-Community Relations Director; and Norris Barger, Director of Business Services.

Board of Commissioners - Jason Chappell, Chairman; Kelvin Phillips, Vice Chairman; Lynn Bullock; Mike Hawkins; and Daryle Hogsed. Also present were Artie Wilson, County Manager; Gay Poor, Finance Director; and Trisha McLeod, Clerk to the Board.

Chairman Chappell called the Board of Commissioner meeting to order and Chairman Rogers called the Board of Education meeting to order. Mr. Hogsed gave the invocation. Chairman Chappell and Chairman Rogers each gave a welcome and introduced the members of their respective boards and staff that were in attendance.

1. Overview of Financial Situation

County Manager Wilson presented an overview of the county's financial situation. The county budget has already been reduced twice this year. Operational budgets were first reduced in October by approximately \$800,000, or 2%. In January, operational budgets were cut again due to the steadily worsening state economic picture. County employees did not receive cost of living adjustments or pay for performance increases this year. No full-time positions were lost; however, employees have been re-assigned to other departments where needed to avoid the hiring of any part-time staff.

The new public safety facility will open this summer. Twenty-two additional positions have been proposed for the new jail, which is a major expense. County departments have been instructed to include no increases in their budget requests for FY10. This equates to a 7% reduction over the next two years. Capital has been reduced to essential projects only. Overall, the county is looking at a \$1.6 million deficit going into FY10. Options being considered to help make up the projected shortfall include:

- Reducing the number of staff recommended for the new jail. A reduction of 4-7 positions could save the county \$150,000 to \$200,000.
- Reducing operational hours for the landfill, library, and recreation department.
- Reducing capital expenditures and current expense.
- Drawing down the fund balance (temporary fix only). The Local Government Commission requires counties to keep a minimum of 8% of their budget in fund balance.
- Consider raising taxes. A four-cent tax increase would be needed to make up the shortfall, but Commissioners would be very reluctant to raise taxes in the current economic climate.

County departments are preparing two budgets for the Commissioners' consideration. One shows a zero increase in operational expenditures along with reductions in travel, etc. The second includes a 5% across-the-board reduction, including salaries. County services would be reduced under the second option.

The Governor has withheld ADM funds from counties. The Governor has indicated that lottery funds and ADM funds would be restored next year, but a bill has been introduced that would withhold the funds for the next two years. Should that bill pass, the county would see an additional shortfall of \$250,000 and a projected deficit of \$1.8 million going into FY10.

2. Presentation of Draft School Requests

Dr. Sonna Lyda presented a draft of the Board of Education's current expense budget needs for FY10. She reported that the list has been pared down to essential items only and does not include teacher supplement increases or any of the new positions that the Board had intended to fill this year. New this year is a \$100,000 allotment to help keep the Child Nutrition department operational. This need is due to economic factors. She reported that meal prices had been proposed to go up 25 cents per plate next year. Approximately 50% of TCS students are already receiving free/reduced meals. The list of FY10 current expense needs totals \$519,096.

Dr. Lyda presented the Board's draft capital outlay list for FY10. The top ten projects, totaling \$319,200, represent essential safety items and necessary maintenance and repair. The complete capital outlay list will be further prioritized by the Board.

Dr. Lyda presented a comparison of the school district's FY09 budget appropriation and the FY10 budget proposals from January to March of this year. In January, the Board had looked at a budget that reflected a 7.15% increase over the previous year. By March, the proposal had been drastically reduced to reflect a 3.0% decrease from last year:

FY09 Budget Appropriation	
Current Expense	\$8,209,143
Capital Outlay	1,868,385
Total	\$10,077,528
FY10 Proposed Budget (January)	
Current Expense	\$8,728,239
Capital Outlay	2,069,533
Total	\$10,797,772

<i>Reflects a 7.15% increase over previous year</i>	
FY10 Proposed Budget (March)	
Current Expense	\$8,728,239
Capital Outlay	1,046,963
Total	\$9,775,202
<i>Reflects a 3.0% decrease from previous year</i>	

Commissioner Phillips asked about the impact of a 25-cent lunch hike on families. Dr. Lyda explained that the school system receives \$2.87 per plate from the federal lunch program; however, the current cost to build a plate is \$3.11. Increased labor costs, increased food costs, and decreased revenues have contributed to the need for supplemental local funds. There is hope for some relief from the state government or federal stimulus plan, but nothing is definite at this time. Mr. Phillips stated that because school lunch is the most nutritious meal of the day for some students, he would like to avoid raising lunch prices if at all possible. He expressed hope that the Commissioners would do whatever is necessary to support the Child Nutrition program. Commissioner Hogsed requested that the Commissioners be updated as more information becomes available regarding possible federal assistance.

Chairman Chappell asked about federal stimulus money for school districts. Dr. Lyda reported that she has yet to receive any definitive information. She expects \$500,000 in cuts according to the Governor's budget proposal. If stimulus money is released, much will be earmarked for specific programs, many of which Transylvania does not have.

Mr. Whitmire reported that Child Nutrition food costs have increased 30% and labor costs have increased 18.5% this year alone. Furthermore, 94 out of 115 school districts' Child Nutrition programs are operating in the red. This is the first year that the Transylvania Child Nutrition program has needed assistance, which is a credit to the program.

Mr. Hawkins noted that the Board's current expense draft had not changed significantly in the last few weeks. Dr. Lyda explained that the Board is trying to put together a proposal without solid information from the state. The proposal could be revised as additional information is received.

3. Public Comment

Rhiannon Matson, teacher, asked the Board not to reduce the number of school resource officers. She stated that SROs are an important part of the TCS motto, "Teaching Everyone Takes Everyone," and that SROs are needed for truancy, student discipline, and safety issues. Most of all, she emphasized, SROs can make connections with students that others cannot make.

Alan Justice, Assistant Principal, asked that the number of SROs not be reduced due to the positive influence they have on students. He thanked the Commissioners for their support of the SRO program and the schools over the years.

Chairman Rogers read a statement in support of SROs from retired teacher, Lenore Kempfer. In her letter, Ms. Kempfer spoke of the stability and strength that SROs represent to students and their positive impact as daily role models.

4. Discussion of School Requests

Chairman Rogers thanked the Commissioners for their support of education over the years. He stated that the Board of Education recognizes the poor state of the economy and wants to be a partner with the Commissioners during these trying times. He added that the Board does not want to lose a single staffing position. He reported that the Board has decreased its capital request by 44%, postponing many capital needs, including the Morris Education Center facility. Should the state provide more funding than anticipated, some of the postponed projects could possibly be funded. He emphasized that the Board had already cut its budget request from an initial increase of 7.15% to a decrease of 3.0%. He stated that the Board is willing to make sacrifices if it means not losing jobs, including not increasing teacher supplements this year.

Chairman Chappell noted that, like Transylvania, none of the neighboring school districts plan to increase teacher supplements this year. He expressed appreciation for the Board's prioritization of capital projects.

County Manager Wilson expressed hope that any stimulus funding received by the school district would be used to save positions. This would give some relief to the county by reducing line 1 on the list of current expense needs.

Commissioner Bullock thanked the Board for its efforts to help the county by limiting its requests to only those items that are absolute necessities.

Chairman Rogers requested an opportunity to make a presentation during the Commissioners' budget workshops regarding the Board's school facility needs and budget requests. In the meantime, Commissioners were invited to contact Board members with any questions about the budget requests.

5. Closing Remarks

Chairman Rogers thanked the Board of Commissioners for meeting with the Board of Education and for supporting education in Transylvania County.

Chairman Chappell thanked the Board of Education for the information they provided, noting that education is and has always been a priority for the Board of Commissioners.

The Boards thanked the assembled guests for coming out.

There was no further business, and ON A MOTION BY MR. BULLOCK, SECONDED BY MR. PHILLIPS, the meeting of the Board of Commissioners was adjourned. ON A MOTION BY MRS. MCCOY, SECONED BY MR. WHITMIRE, the meeting of the Board of Education was adjourned.

Respectfully submitted,

Chairman

Secretary