

**MINUTES**  
**JOINT MEETING OF THE TRANSYLVANIA COUNTY BOARD OF**  
**COMMISSIONERS & TRANSYLVANIA COUNTY BOARD OF EDUCATION**  
**March 19, 2009 - Transylvania County Library, Rogow Room**

The Transylvania County Board of Commissioners met jointly with the Transylvania County Board of Education on Thursday, March 19, 2009 at 7:00 p.m. in the Rogow Room at the Transylvania County Library.

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

Board of Education members present were Tawny McCoy, Sheila Norman, Cindy Petit, Chairman Mike Rogers, and Vice-Chairman Chris Whitmire. Also present were Superintendent Dr. Sonna Lyda and Finance Director Norris Barger, and filling in for the Clerk was Dian Brewton.

Media: *Hendersonville Times News* – Leigh Kelley  
*Transylvania Times* – Lenora Moody

There were approximately 40 people in the audience.

**WELCOME/CALL TO ORDER**

Chairman Jason Chappell presiding called the Board of Commissioners' meeting to order at 7:05 p.m. and welcomed everyone to the meeting.

Chairman Mike Rogers presiding called the Board of Education meeting to order at 7:05 p.m. and welcomed everyone to the meeting.

**INTRODUCTION OF BOARD MEMBERS & STAFF**

Chairman Rogers introduced the members of the Board of Education and staff in attendance. Chairman Chappell introduced the members of the Board of Commissioners and staff in attendance.

**OVERVIEW OF FINANCIAL SITUATION**

The Manager presented an overview of the County's financial situation, noting that the County's operational budget has been reduced twice this year. Operational budgets were first reduced in October by approximately \$800,000, or 2%. The financial situation has continued to worsen for the County and in January operational budgets were reduced further. As a result of the cuts in January, County employees did not receive cost of living adjustments or pay for performance increases this year; however no full time positions were lost. Employees have also been shifted to other departments where

needed which avoids the hiring of any part time staff. The Manager pointed out that the FY 2008-2009 operational budgets remained at the same level as the FY 2007-2008 operational budgets.

The new Public Safety Facility will open in July or August of this year. 22 additional staff has been proposed for the new facility, which is a huge expense for the County. Commissioners are currently working with the Sheriff to determine staffing abilities. The Manager reported that staff has been instructed to include no increases in their operational budgets for FY 2010. Over two years, this equates to a 7% reduction in operational budgets. Capital has been reduced to only those projects that are absolutely necessary. Based on all these assumptions, the County is facing a \$1.6 million deficit entering FY 2010. The Manager noted a 4 cents tax increase would be needed to make up the shortfall but it would be very difficult to raise taxes in the current economic situation. He further noted that Transylvania County's unemployment rate in January was 9.8%.

Staff has been looking at a number of ways to make up for the projected shortfall in FY 2010. Commissioners are considering not hiring all the positions recommended to operate the new Public Safety Facility. A reduction of four to seven staff would generate a savings of \$150,000 to \$200,000. Further reductions can be realized by reducing operational hours at the landfill, library, and recreation department, all of which are discretionary departments. Staff has also proposed reducing capital expenditures and current expense for the Schools as the County has done with its budget. Some of the projected shortfall can be made up by drawing down the fund balance; however this is only a temporary fix. The Local Government Commission requires counties to keep a minimum of 8% of their budget in fund balance. Lastly, Commissioners may have to consider raising taxes to make up for the shortfall.

Staff is currently preparing two budgets for Commissioners' consideration. The first budget has a 0% increase in operational expenditures, along with reductions in travel, etc. The second budget includes a 5% across the board reduction, including salaries. Under the second proposal, County services would be reduced significantly.

The Manager further reported the Governor has withheld ADM funds from counties. Transylvania County uses ADM funds to pay debt service for the Schools. The Governor announced that lottery funds and ADM funds would be restored to counties next year, but a bill has been introduced to withhold the funds for the next two years. If that occurs, the County would be facing an additional shortfall of \$250,000 and the County's projected deficit going into FY 2010 increases to \$1.8 million.

### **PRESENTATION OF DRAFT SCHOOLS REQUEST**

Dr. Sonna Lyda, Superintendent of Transylvania County Schools, presented a draft of the Schools' requests. She noted that the Board of Education is aware of the current economic situation which is so noted in their draft budget proposal.

### FY10 Budget Needs

Dr. Lyda reported that the current expense budget does not include increases in teacher supplements this year. They also removed any new positions they had intended to fill. The Board of Education does not know if they will receive federal stimulus monies.

Cost of living adjustments for certified staff is anticipated at 2%, which will proportionately increase teacher supplements. Dr. Lyda reported that a 7.8% increase has been included for health insurance costs. Also included was \$9,202 for retirement increases.

Dr. Lyda reported they are not receiving adequate revenues to fully fund the Child Nutrition Program. They have requested \$100,000 to help meet their budget. They plan to increase meals by 25 cents per plate per student. Dr. Lyda noted that 50% of students are on free or reduced lunch programs.

### FY10 Capital Outlay Program Expenditures

Dr. Lyda presented the program expenditures portion of their capital budget. Program expenditures include furniture and equipment, allotments to schools, system wide science equipment, equipment for the central office, etc. This portion of their capital budget was slightly decreased over last year's budget.

### FY 10 Capital Outlay Board Priority – DRAFT

Dr. Lyda presented a list of 57 items to include in their capital outlay budget. She noted that the list has not been prioritized; however the first 10 items are a must for this year. The first 10 items total approximately \$319,200.

### FY10 Local Budget

Dr. Lyda reported that their initial draft budget included an increase of 7.15%. Because of the current state of the economy, they amended their draft proposal which decreased capital expenditures by 3%. Their capital requests include the program expenditures, the first 10 prioritized capital outlay items, and an activity bus, totaling \$1,046,963 in capital expenditures.

Commissioner Phillips inquired about the impact an increase in school lunches would have on students. Dr. Lyda said the proposed increase is 25 cents per plate, noting that 50% of students pay full price for lunch. She reported that the School system receives \$2.87 per plate from the federal lunch program; however the cost to build a plate is \$3.11. Dr. Lyda said she hopes they will see some relief from the State or federal government. Commissioner Phillips commented that, particularly in the secondary grades, school lunch is the best meal of the day for some kids. He said he hopes Commissioners will do whatever is necessary to maintain the cost of the program. Commissioners Bullock and Hogsed concurred with Commissioner Phillips' statements.

Chairman Chappell said Governor Perdue recently announced she would be giving school systems guidance regarding how she wants stimulus monies to be used, specifically focusing on assistant principals and teacher assistants. Dr. Lyda said they

have yet to receive any information regarding stimulus monies. She noted that she expects \$500,000 in cuts from the Governor's budget. She further noted that much of the stimulus monies will be used to expand school programs, many of which Transylvania County does not have.

Mr. Whitmire reported that food costs increased 30% and labor costs increased 18.5% this year alone. Furthermore, this year 94 out of 115 school districts are operating their child nutrition programs in the red. This is the first year they have asked for assistance in funding the program, which, he said is a credit to the program.

Commissioner Hawkins inquired further about their current expense budget, noting that their current draft proposal is the same as their draft proposal from January. Dr. Lyda said they are trying to put together a budget proposal without any guidance; however if they receive additional information, their current expense budget may be modified.

### **PUBLIC COMMENT**

Rhiannon Matson: Ms. Matson is a teacher at Brevard Middle School. She said School staff has been made aware that the County is considering cutting SRO officers. She pointed out that the slogan for Transylvania County Schools is "teaching everyone takes everyone", and part of that "everyone" includes SRO's. Ms. Matson said SRO's are certainly needed for truancy, disciplinary, and safety issues, but they also make connections with some students that others have been unable to make. She asked the Board to reconsider their position and not reduce SRO's.

Alan Justice: Mr. Justice thanked the Board of Commissioners for their support over the years for helping Transylvania County Schools become what they are today. Although he understands the financial situation the County is facing, he asked the Board to reconsider reducing SRO's in the Schools because they are a positive influence on kids.

Chairman Rogers read a letter from Lenore Kempfer with Rosman Elementary School. In her letter, she asked the Board to keep the SRO's because they are a positive influence to kids.

### **DISCUSSION OF SCHOOL REQUESTS**

Chairman Rogers thanked Commissioners for their support over the years. He said the Board of Education recognizes the state of the economy and they want to be a partner in this situation. Furthermore, they do not want to lose a single position in their School system.

Chairman Rogers reported a decrease in capital projects by 44%; however they have many needs that must be met in the future, including the Morris Education Center, that he hopes will be funded. He further reported their first pass at the budget included a 7.15% increase. They have since reduced their draft proposal by 3%, which is a total decrease

of 10%. He said they are willing to make sacrifices in order not to lose any positions, including not increasing teacher supplements this year.

Chairman Rogers said the latest report indicates the Child Nutrition program was \$148,000 in the red. He thanked the Board for their verbal support for this program.

Chairman Rogers said if the State does better for the schools, the Board of Education would be willing to transfer any stimulus monies to capital outlay, still giving the County a current expense budget with a 3% reduction.

Chairman Chappell said the purpose of teacher supplements is to retain and recruit teachers. Because of the economy, other counties are not increasing teacher supplements either so Transylvania County is not losing ground there. Chairman Chappell asked the Board of Education to submit a prioritized list of capital outlay items. Chairman Rogers pointed out that the first 10 items listed in their capital outlay are top priority.

The Manager said he would hope the Board of Education would consider using any stimulus monies to fund the first line item in their current expense budget which would provide some relief to the County. He also encouraged them to present a capital budget of items that are only necessary for the coming year.

Chairman Rogers requested to make a presentation during the Commissioners' budget workshops regarding their school facilities and budget requests.

### **CLOSING REMARKS**

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

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

### **ADJOURNMENT**

There being no further business to come before the Board of Commissioners, **Commissioner Bullock moved to adjourn the meeting, seconded by Commissioner Phillips and unanimously carried.**

There being no further business to come before the Board of Education, **Ms. McCoy moved to adjourn the meeting, seconded by Mr. Whitmire unanimously carried.**

ATTEST:

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Jason R. Chappell, Chairman  
Board of County Commissioners

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Trisha D. McLeod  
Clerk to the Board