

MINUTES
BOARD OF COMMISSIONERS and BOARD OF EDUCATION
JOINT MEETING – MAY 16, 2006

The Transylvania County Board of Commissioners and Board of Education met in joint session on Tuesday, May 16, 2006, at 7:00 p.m. in the Community Room of the County Library for the purpose of reviewing the Board of Education's proposed budget requests for FY 2006-2007. There were approximately 10 citizens that attended the meeting, including Stephen Sacco representing the Transylvania Times.

Board of Commissioners: Chairman David Guice, Vice Chairman Jeff Duvall, Commissioners Jason Chappell, Ray Miller and Kelvin Phillips. County staff present included Manager Artie Wilson, Finance Director Gay Poor, and Clerk to the Board Kimberly Conover.

Board of Education: Chairman Teresa McCall, Vice Chairman Mike Rogers, Bill Cathey, Shelia Norman and Jenni Pogue. School staff present included Superintendent Dr. Sonna Lyda, Finance Director Norris Barger and Administrative Assistant Jenny Hunter.

Chairman David Guice welcomed those present and convened the board of commissioners at 7:00 p.m. Chairman Teresa McCall convened the board of education. Commissioner Ray Miller led the group in prayer and Mrs. Jenni Pogue led the Pledge of Allegiance. Chairman McCall thanked the board of commissioners for the opportunity to meet jointly a second time to continue discussions on the school's FY 2007 budget. Mrs. McCall said that due to the number of unknown and anticipated actions coming from Raleigh, changes have been made from the earlier draft. The budget has been updated and presented to the joint boards for consideration. This budget is reflective of the needs of the Transylvania County School System. Chairman Guice stated that these are challenging times, especially since the state legislature has been presenting new challenges for the school systems and the counties. He requested the any questions be put on the table for discussion.

BUSINESS ITEMS

FY 2007 PROPOSED CURRENT SPENDING BUDGET

The two boards reviewed the latest draft of the school system's projected budget needs for FY 2006-07. The budget was unanimously approved by the board of education on May 15, 2006. This budget represents a substantial increase over previous years. The summary below pulls out the changes that have been noted from the previous budget:

<u>FY 07 Budget Needs:</u>	<u>Current Expense</u>
• Teacher supplements to increase to 6.44%	\$126,152
• Local COLA increase *	168,188
• Federal COLA increase *	115,000
• State minimum salary for local and federal	70,000
• Utilities/Fuel	60,000
• SRO's COLA increase	14,612
• Health insurance increase	8,685
• Coaching supplement step increase	5,000
• Security system maintenance agreement	4,416
• Additional instructional supplies (workbooks, etc.)	45,000
• Sales tax rebate rescission	81,000
• State discretionary cut (?)	39,643
• Medical reimbursement plan	220,000
• Title XX cut	<u>5,000</u>
Total	\$962,696

- * Certified – 2% mid-year FY06 increase + 8% for FY07
School-based Administrators – 7%
Non-certified – 4%

The group discussed teacher supplements in detail, noting that the step increases were put in place as a way to become

more competitive. There are two years left for these increases. There is a proposed 8% increase from the state; however, because the governor's budget has not been acted upon yet, this is subject to change. The federal COLA increase is for those employees funded by federal dollars, especially in the exceptional children programs. The group discussed the differences in the federal and local funding. They also discussed minimum salaries and non-certified positions (bus drivers, cafeteria workers, etc.) The school board will provide the board of commissioners a list of the different positions and the dollar amounts. It was noted that these figures are contingent on the governor's budget passing, but will be adjusted if the proposed budget changes.

The group reviewed each item on the list in order. Among items noted were:

- SRO cola increase = calculated on 5%
- Health insurance increase: The premium did not increase, but they will have to pay for twelve months at the increased premium set last year. Last year's budget included ten months of premiums at the higher rate.
- Security system maintenance agreement = cameras and lighting maintenance
- Additional supplies: It has been five years since there has been an increase in this line item. Paper and associated costs have increased during that time. Mrs. McCall agreed that this item was negotiable.
- Sales tax rebate rescission: Representative Walend has co-sponsored a sales tax rebate bill; but this issue has not been decided yet. The school board requested help in contacting representatives in Raleigh for help.
- Items 2, 3, 4, 11 and 12 are all items that we have no control over and they equal 49% of the budget.
- The medical reimbursement plan is an item the school board would like to institute, but this is negotiable also. This plan would be used as a reimbursement of the deductible that is incurred each year, and would also cover other medical expenses, including expenses for over-the-counter medications. The school believes this is a more cost efficient way to help employees than providing a 401(k) plan. There was considerable discussion about this plan. The school board will provide to commissioners a written description on how this program would work and be administered.
- Title XX cut = after school programs

Dr. Lyda stated that the board of education would like to continue the tradition of a top-quality school system for Transylvania County. Transylvania County finds itself in a unique situation with regard to the state funding formulas. While we are small enough for small county funding, because of the tax base we are disqualified. That same tax base causes us to be disqualified for low-wealth funding, as well. In addition, our lower tax rate penalizes us in the current funding formula for the distribution of lottery proceeds.

FY 2007 PROPOSED CAPITAL BUDGET

The proposed FY 2007 capital outlay budget is \$2,243,135, (a 32% increase over last year) consisting of:

• Category I items (buildings, land improvements, capital repairs)	\$998,840
• Category II items (furniture and equipment)	862,295
• Category III items (vehicles)	77,000
• Contingency (reserve for renovation/repairs)	20,000
• Athletic facilities	<u>285,000</u>
Total	\$2,243,135

There was considerable discussion about the capital outlay priorities recommended by the board of education. The highest priority items are those that have to do with safety issues (listed first on the priority sheet and without a system priority number). These items have been recommended by the Safe School Report as items that must be done. The total of these items is \$308,000. After the safety-issue items are items of lesser need. Chairman Guice questioned the criticalness of some of the projects (listed as Priority 25 and above). Those items amount to \$354,750. Pushing those items out to another fiscal year would bring the capital outlay budget to \$929,090. Chairman McCall agreed that some of the items of lesser importance could possibly be pushed to later years.

Multimedia classrooms will help our students become technologically up-to-date in order to meet the challenges they will face in the future in our global economy. Dr. Lyda explained that the school system plans to phase-in multimedia classrooms into every classroom in Transylvania County, at about 80 classrooms per year. The technology will include cameras, VCRs, laptops and other equipment.

The group discussed the Brevard High School field house. Mr. Barger stated that the \$75,000 budgeted for the project will cover paint, lighting, finishes, plumbing repair/replacement, retrofitting handicapped fixtures, the replacement of a

couple of doors, HVAC repairs and other items. The school board will provide additional information about what will be done to the field house. Brevard College will not be using the facility, but will play at the stadium.

STATUS OF MAJOR CAPITAL PROJECTS

The group discussed in detail the status of the following major capital projects:

- o Rosman Field House: The completion date is scheduled for July 10, 2006. The facility will be complete before the season begins.
- o Restrooms – Brevard High School: The restrooms are underway and should be completed on schedule. They have been relocated to the lower end of field at the stadium.
- o Security Cameras and Lighting: The project will be ready before the start of the next school year. At this point the project is about 90% complete.
- o Brevard High School Stadium: This project is scheduled to start on May 22nd and, if everything goes as scheduled, should be complete in nine weeks.

Chairman Guice asked for questions from the board members and staff. No questions or comments were made.

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CLOSING COMMENTS

Chairman McCall commented that the board of education appreciated the opportunity to meet a second time with the board of commissioners to bring everyone up to speed on school system issues. Although there is no choice about many of the items, they have provided a budget that reflects the needs of the school system. She stated that the school board members would be available to answer questions and would be willing to attend one of the budget workshops to do so. The school board appreciates that the county recognizes the importance of education and has stepped up to provide funds that are needed to provide quality education to students. They look forward to continued openness and dialogue between the boards. Mrs. McCall thanked the board of commissioners for its interest and for the opportunity to address the board's concerns. She feels the Transylvania County School System is a benefit to the entire county and provides a draw to the county that also benefits economic development. She also thanked the board of commissioners for meeting the needs for the Brevard High School stadium.

Chairman Guice expressed his appreciation on behalf of the board of commissioners for the opportunity for open dialogue. He stated that the boards should meet more often in order to ask questions, discuss issues and get answers. As a result, we better understand some of the challenges that are faced by the school system which educates our students in a manner that we can all be proud of. He assured the group that the commissioners would keep the needs of those students in mind as they deliberated.

No action was taken by either board.

There being no further business, **Commissioner Miller moved to adjourn the board of commissioners' meeting, seconded by Commissioner Chappell and unanimously carried.** Jenni Pogue moved to adjourn the board of education meeting, seconded by Shelia Norman and unanimously carried. The joint meeting adjourned at 8:45 p.m.

W. David Guice, Chairman

ATTEST:

Kimberly T. Conover, Clerk to the Board