

EDENTON-CHOWAN BOARD OF EDUCATION
Monday, April 4, 2011, 6:30 pm
Central Office Conference Room

M I N U T E S

The Edenton-Chowan Board of Education met in regular session on Monday, April 4, 2011, 6:30 pm, Central Office Conference room with the following members present: Chairman Ricky Browder, John Guard, Gil Burroughs, Jean Bunch, Win Dale, and Kay Wright. Others present were: Superintendent Allan Smith, Michelle Maddox, George Davis, Lois Lassiter, Becky Bunch, Will Crowe, and Harriet Sawyer.

The meeting was called to order by Chairman Ricky Browder. The invocation was given by John Guard.

PUBLIC/BOARD DIALOGUE: None.

CONSIDER:

1. **NC 457 Plan.** George Davis from Prudential Insurance presented the 457B NC Deferred Compensation Plan as an additional benefit option for school employees to help save for retirement. The NC 457 Plan is sponsored by the State of North Carolina. Benefits of the plan would be access to retirement funds without penalty and participation offered to all full time, part-time, and temporary employees, elected and appointed officials, and rehired and retired employees. Benefits for the employee includes an automatic pre-taxed payroll deduction, multiple custom investment choices, investing made easy with GoalMaker, ability to take loans/hardship withdrawals, penalty-free withdrawals if employment terminates, flexible distribution options, and online account access and retirement planning tools. The contribution limits up to \$33,000 per year and if age 50 or older \$44,000 per year limit. A motion to approve the addition of the NC 457 Plan for employees of Edenton-Chowan Schools was made by Gil Burroughs, seconded by John Guard. The motion passed unanimously.

REPORT:

1. **Energy Conservation.** Dr. Smith, Win Dale, and Gil Burroughs updated the Board from their meeting with Linc Service on Tuesday, March 29, 2011. Linc Service offers a plan to save the school system on energy costs. The goals of the plan is to reduce energy and utility costs; be responsible conservationist of natural resources; and the educational merits (model for our students and community). With this plan the savings would be used to pay for energy saving improvements over a 15 year period and we would not be liable for any additional costs during the 15 year period. The plan is design through state law 143-64.17 so that the contracted firm is bonded to guarantee all costs would be paid through the savings and if not, the firm would be required to pay the difference. In

order to qualify the following must apply: (1) term of the contract does not exceed 20 years; (2) the government unit finds that the energy savings resulting from the performance of the contract will equal or exceed the total cost of the contract; and (3) the energy conservation measures to be installed are on an existing facility. The school system will need a resolution by the County Commission but the school system will pay debt from energy savings. If the Board decides to approve the program and the resolution is approved by the County Commission we will put out for bid. At least 2 bids are required. Board members requested that Linc Service make a presentation to the Board on their program. Board members also recommended that we check with other school systems to see if they are participating in a program for energy conservation.

2. **Budget Update.** The House and Senate are working on resolving their differences in the budget. There are reports that the House may have a version of the budget next week. We are expecting state appropriations to be reduced as much as 10%.
3. **April 18, 2011 Quarterly Board of Education Meeting.** The Board has scheduled their quarterly meeting on April 18, 2011, 6:30 pm, Central Office Conference Room.

CONSIDER:

2. **Implementation of Reduction in Force Policy.**

Ricky Browder commented on the Reduction in Force agenda item:

"I usually do not comment on agenda items until after Dr. Smith and other board members have had an opportunity to weigh in on the subject at hand. However tonight I feel compelled to make a brief comment. The matter we are about to address causes me great pain and distress. The decisions we will be forced to make, not of our own choosing, but rather out of necessity, will greatly alter the lives of many of our school family as well as the face of this community. Some will potentially no longer be able to pursue the dreams they have had since their early teens of being a classroom teacher, while others will be unable to continue to serve in their current capacities within our school system. Every single job at Edenton-Chowan Schools is just as important as the next because they all impact the same people, our students and other staff members.

While it is our job to make these tough decisions, I encourage us to make them as has always been our practice, with our students and school family in our foremost thoughts".

Dr. Smith stated that the recommendation to authorize the implementation of the Reduction in Force is one of the most difficult decisions he has faced as Superintendent.

Superintendent Smith briefed the Board on the process for the Reduction in Force. There will be reductions in state and federal funding. The state budget has not been approved but we are expecting state appropriations to be reduced by as much as 10% or more. The federal dollars received through the American Recovery and Reinvestment Act will end at the end of the current school year. These dollars have funded approximately 26 positions. The local county appropriations have decreased since 2008 due to the economy and the county's financial crisis. The county commission increased the 2010-2011 appropriation by \$270,000 but the allocations are still at the 2003-2004 funding level. The Board of Education has anticipated and prepared for the possibility but further adjustments will be necessary. In 2008 the Board took steps to reduce operating costs by the reduction of personnel by 26 positions, 7 licensed 19 classified, travel, field trips, salary reductions, and professional development. The goal of the school system is to protect instructional services for students. Dr. Smith stated that after accounting for known resignation and retirements, up to 14 licensed and 28 classified staff positions may have to be reduced through the application of the school system's reduction of force policy for the 2011-2012 school year.

Dr. Smith made a recommendation to the Board for authorization to enact a reduction of force of employees for the 2011-2012 school year. The final decision of how many and who will be affected by the reduction of force will be made within the next couple of months. A motion was made by Gil Burroughs, seconded by Kay Wright to authorize the Superintendent to implement the reduction in force due to loss of funding and resulting in reorganization of licensed employees for the 2011-2012 school year. The motion passed unanimously. **(Attachment #1)**

APPROVE:

A motion was made by Jean Bunch, seconded by Win Dale to approve the Following items by consent agenda:

1. Minutes
2. Personnel **(Attachment #2)**
3. Financial Report **(Attachment #3)**
4. Overnight Trip Notifications **(Attachment #4)**

Chairman Ricky Browder requested a motion to enter into closed session pursuant to NC General Statutes 143-318.11 (a) (5) to discuss the material terms of a potential contract. Kay Wright made the motion to enter into closed session, seconded by John Guard and passed unanimously.

The meeting returned to open session.

No action was taken.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Ricky Browder, Chairman

Allan T. Smith, Secretary