

**JOINT BOARD OF EDUCATION AND CHOWAN COUNTY COMMISSION MEETING**  
**Monday, April 16, 2012, 9:00 am**  
**Chowan County Public Safety Center**

**MINUTES**

A joint meeting of the Edenton-Chowan Board of Education and the Chowan County Commission was held on Monday, April 16, 2012, 9:00 m at the Chowan County Public Safety Center to present to the County Commission the 2012-2013 Budget request for the school system.

Superintendent Allan Smith presented the 2012-2013 budget request to the county commission. Superintendent Smith reviewed the reductions in major revenue sources over the past several years. This will be the last year of the federal Education JOBS funding that was mainly used for salaries. A significant amount of the reductions will come from 3 PRCs: 031 Low Wealth Funding- \$324,802; 069 At Risk Student Services-\$471,758; and the Discretionary Reduction-\$788,065.

Because the Board of Education had anticipated 2012-2013 as potentially the most challenging funding year thus far, the Board has made every attempt to be proactive in preparing for this possibility. The Board has reduced salaries/teaching supplements, Reduction in Force Policy, and reductions in supplies and materials. In 2009 employees received a 2% reduction in salary. This past year 1% was given back to employees with the hope that the other 1% would be given back in 2012-2013. Since 2008 forty-eight positions have been eliminated (20 licensed and 28 classified). While some of the positions were absorbed through attrition of resignations and retirements, many employees were notified their positions were no longer available. The Board of Education has committed to appropriate addition funds to meet the anticipated shortfall in the 2012-2013 operating budget with the use of the fiscal reserves that is mainly made up for recurring costs. The continued use of the reserves for recurring costs will affect the Board of Education's inability to respond to emergencies. A question was asked by the county commission on the Board's Fund Balance at the end of June 2011 and the anticipated fund balance for June 2012. The Fund Balance at the end of June 2011 was \$1.2 million and the anticipated Fund Balance at the end of June 2012 is between \$1.75 and \$1.85 million. A comment was made by Emmett Winborne concerning the amount of fund balance for the Board of Education. It was his opinion that the school system should use their fund balance. Mr. Winborne stated that the cuts from state and federal funds are hard to make up and he appreciated the work of the Board of Education.

In May of last year the school system was informed that the non-supplanting standards to receive Small County or Low Wealth Supplemental Funds were not met. The Board of Education and County Commission worked together to resolve the issue so that the school system could continue to receive the funding totaling \$1.8million. A correction of \$274,164 was issued to the school system by the County before June 30, 2011. The Board of Education reserved the payment, applied the funds to this year's budget, and returned the correction to the County by reducing the 2011-2012 local current expense appropriation by the same amount. This resulted in a zero net loss/gain to the school system and the County.

Superintendent Allan Smith presented the Priority One Current Expense Request. Maintaining core classroom sizes is top priority. Additional classroom teachers will be required at the second and sixth grade levels. Mandated increases in the retirement and health insurance contributions

will be needed from local funds. Funds are also requested to help create an off-campus alternative program at the Boys and Girls Club. The alternative school will provide students that do not function well in the regular school setting with an option to be able to obtain a high school diploma. The Board of Education also feels that it is important to be able to reinstate the 1% reduction in employee salaries. This remains as a top priority but unfilled due to budget restraints.

Dr. Smith presented the Capital Outlay Budget. The Land Transfer Tax projections and carryover totaling \$324,970 will allow for capital outlay projects. A portion of the funds have been used for projects at the high school. Since 2001 the school system has spent \$5 million on renovations at the high school. Projects have been delayed at the high school until more funds are made available. The Board has prioritized projects for the high school as well as needs at the other schools. The County Commission approved the Land Transfer Tax as a revenue source for the school system for capital improvements. Mr. Burroughs commended the commissioners on their decision on the Land Transfer Tax. Mr. Winborne stated that the Land Transfer Tax could be a tremendous amount of money for the school system to use for capital improvements. **(Attachment #1)**

Discussion was held regarding the use of the huts at John A. Holmes and Chowan Middle School. The huts were purchased to accommodate the numbers of students at both schools as a temporary solution. Now with the aging of the huts there is a need to repair the huts. Replacing all huts and modular buildings are long term projects for the school system.

Also discussed was the use of the gym at Chowan Middle School. The middle school utilizes the Northern Chowan Community Center for their activities. Can the gym at the middle school be used for other purposes? A comment was made that this was a duplication of services. The gym at the middle school is used throughout the day. Transporting students from the middle school to the Northern Community Center takes away from instructional time for students. The school system has looked at turning the gym into classrooms.

The county manager requested that Dr. Smith review the current expense needs to see if any of these requests could be used as capital outlay.

During the discussions, a comment was made that the school system was in fact asking for an additional \$500,000 instead of the \$229,100. The request should be the \$229,100 and the \$274,164 (additional funds received from the non-supplanting error by the county). Chairman Eddy Goodwin thanked the Board of Education for their presentation.

Respectfully submitted,

Ricky Browder, Chairman

Allan T. Smith, Secretary