

Draft

**BOARD OF COMMISSIONERS
CALLED MEETING** May 17, 2016

**ALEXANDER COUNTY
STATE OF NORTH CAROLINA**

PRESENT: Ryan Mayberry, Chairman (arrived at 6:55 PM)
Milton H. Campbell, Vice-Chairman
Josh Lail
Ronnie Reese
Larry Yoder

STAFF: Rick French, County Manager
Jennifer Herman, Finance Director
Jamie Starnes, Clerk to the Board

The Alexander County Board of Commissioners held a joint called meeting with the Alexander County Board of Education and School System staff on Tuesday, May 17, 2016 at the CVCC / Alexander Center in Room 103, Taylorsville, North Carolina. Those present from the School System included Board of Education members Caryn Bryzcky (Chairman), Scott Bowman (Vice-Chairman), Sallie Hartis, David Odom, Marty Pennell, Brigitte Rhyne, and Harry Schrum. Staff included Superintendent Dr. Jennifer Hefner, Associate Superintendent Dr. Betsy Curry, Finance Director Sharon Mehaffey, and Debra Watts, Assistant to the Superintendent.

CALL TO ORDER

Vice-Chairman Campbell called the meeting to order at 6:00 PM.

INVOCATION & PLEDGE OF ALLEGIANCE

Commissioner Yoder gave the invocation and School Board Member David Odom led the Pledge of Allegiance to the Flag.

ADOPTION OF AGENDA

Commissioner Yoder made a motion to adopt the agenda as presented. Commissioner Reese seconded the motion, which passed unanimously.

BOARD RELATIONS

Caryn Bryzcky, Board of Education Chairman, reported that both boards were in agreement to hold quarterly meetings between the Chairs, Vice-Chairs, Superintendent / County Manager, and Finance Directors to promote and facilitate communication.

DISCUSSION OF 2016-2017 BUDGET FUNDING

The group discussed the 2016-2017 budget request submitted to the County by the School Board, including the needs at Taylorsville Elementary School. Caryn Bryzcky, Board of Education Chairman, explained that due to approximately \$700,000 being spent from the Fund Balance each year and a continual decrease in enrollment, the School System had 4 choices which included: continue spending Fund Balance until depleted, reduce operating costs, consolidate schools, or obtain increased funding. She added that, even though operational costs had been reduced drastically over the last several years, the School System could not continue operating all 10 schools without depleting the Fund Balance and bankrupting themselves. This led to the decision to begin the investigation of school consolidation to further reduce operating costs and to request additional funding from the County Commissioners.

Brigette Rhyne, School Board Member, asked for suggestions from the Board of Commissioners on ways to improve operations and/or be more cost effective in the future.

Commissioner Lail reported that according to the WPCOG, the population in Alexander County is projected to grow by 18% in the next 20 years; however, this growth is in the 55 and over age group. He did not have a specific suggestion on the best way to cut expense but felt the answer may not be what everyone wanted to hear when considering the continual decrease in enrollment.

David Odom, School Board Member, felt the current situation was a short term problem that called for a solution that would buy some time and allow for the most immediate needs to be addressed. He mentioned the suggestion that the former Head Start and Wittenburg Elementary Schools be sold for revenue, stating that as a citizen, he would prefer that County offices currently located in the former Wittenburg Elementary remain for the time being since no rent was being paid and he offered tours of the former hospital building to demonstrate how a vacant facility deteriorated. He also felt the County Economic Development Office should be the lead agency in promoting the sale of those properties.

Commissioner Yoder urged citizens to pay attention to what goes on in local, state, and federal government, noting that this problem did not occur overnight. He discussed S846 sponsored by Senator Harry Brown that would repeal the \$17.6 million State appropriation to all 100 counties and change the distribution method from county specific rates to rates tied to each county's economic tier designation, which would be detrimental to rural counties. Commissioner Yoder also mentioned how the proposed pay raises for State employees would affect the School System's operating budget. He agreed with Mr. Odom that a solution was needed that would delay any closing/consolidation for two years until it was clear how actions in Raleigh would affect counties and school systems.

Sharon Mehaffey, Schools Finance Officer, explained that funding would be received from the State to cover pay raises for allotted (State-paid) positions. A portion of the low wealth funding increase will be used to cover the pay raises for all other employees.

Commissioner Reese agreed that a temporary fix was needed until the DPI study was completed and plans were put into place for repairs/replacement, etc. He felt out-of-the box ideas on ways to utilize funding was needed, noting that both boards would work together to develop a solution.

Harry Schrum acknowledged that the School System's budget request presented to the Board of Commissioners was not a realistic expectation but stated that slowing the depletion of the Fund Balance definitely needed to be addressed. He also felt that repairs, not new construction, were the best option for Taylorsville Elementary.

Vice-Chairman Campbell felt needed capital improvements for the School System could be accomplished through debt, noting that a bond referendum process was extremely long and expensive and would require County officials to travel to New York to be evaluated for a credit rating. He also pointed out that the current debt on the auditorium would expire in September 2017, funding that could be utilized toward repairs at Taylorsville Elementary. Vice-Chairman Campbell explained that the suggestion to move County offices from the old Wittenburg Elementary was based on that location being the most marketable due to water and sewer access and proximity to Interstate 40.

Sallie Hartis, School Board Member, urged everyone to keep in mind the impact that a school closing would have on children and their families.

Commissioner Lail explained that the School System could not generate its own revenue and that the County only had control of one source of revenue which was property taxes, noting that, when considering the property tax increase imposed last year, property owners had reached their limit.

When asked by Ms. Bryzcky what the Board of Commissioners could do to help, Commissioner Yoder replied that the Finance Committee was scheduled to meet on Sunday night to discuss the amount that could be given to the School System.

Scott Bowman, Board of Education Vice-Chairman, stated that it was not the School Board's intent to close any school but felt both boards may face some hard decisions in the future but would work together and do what was best.

Marty Pennell, School Board Member, agreed that no one wanted to see any school close and felt the best solution was to maintain the current status for a while to allow time to investigate and consider options; however, he stated that it was necessary to inform the public of this possibility unless changed occurred.

Mr. Odom spoke regarding efforts of both boards to promote revenue such as working to obtain grants, saving ARRA funds instead of hiring new teachers, the Buy Local campaign, and work done by the County Economic Development Office. He mentioned the State's funding surplus

generated by increasing license plate renewal fees and eliminating tax exemptions as well as withholding the full amount promised when the NC Education Lottery was enacted. He thanked the Board of Commissioners and felt both boards were committed to stability in the short term.

Chairman Mayberry agreed with Commissioner Reese that out-of-the-box ideas were necessary and felt working together was key to making the right decisions. He stated that he personally did not wish to see Taylorsville Elementary close and felt it was important to have an elementary school located within the county seat.

BUDGET ORDINANCE AMENDMENT #37

Rick French, County Manager, reviewed Budget Amendment #37 to increase the Information Technology capital line item for the purchase of equipment to complete 3 technology projects originally requested in the FY 2017 Information Technology budget as follows 1) \$21,735 to add 11 terabytes of SAN storage due to increased storage demands and to maintain contingency of operations for disaster recovery, 2) \$36,465 to replace 3 servers that are 5 years old and have reached end-of-life with the manufacturer, 3) \$58,869 for the replacement and upgrade of datacenter core network switches that have reached end-of-life with the manufacturer and can no longer be provided warranty or spare parts.

Commissioner Yoder made a motion to approve Budget Amendment #37. Chairman Mayberry seconded the motion, which passed unanimously.

OTHER BUSINESS

Rick French, County Manager, requested the Board's approval of a new contract with Caldwell County for the housing of inmates at the Alexander County Detention Center, noting that Caldwell would begin paying \$40 per day per inmate based on the actual number of inmates housed instead of \$45 per day per inmate for a guaranteed 35 beds as outlined by the previous agreement.

Commissioner Yoder made a motion to approve the new contract with Caldwell County for the housing of inmates. Commissioner Lail seconded the motion, which passed unanimously.

ADJOURNMENT

There being no further business, Commissioner Yoder made a motion to adjourn at 7:44 PM. Chairman Mayberry seconded the motion, which passed unanimously.

Ryan N. Mayberry, Chairman

Jamie M. Starnes, Clerk to the Board