

The Stokes County Board of Education met in a work session on Monday, May 2, 2016, at 8:30 a.m., at the Administrative Office in Danbury, North Carolina.

Board Members Present: Mrs. Sonya Cox, Chairperson; Mrs. Pat Messick, Vice-Chairperson; Ms. Becky Boles, member; and Mr. Bill Hart, member. Mr. Jamie Yontz, member, was absent.

Administration Present: Dr. Stewart Hobbs, Interim Superintendent; Mr. Tony George, Assistant Superintendent; Mrs. Ann Robertson, Administrative Assistant; Ms. Ann Sliger, Director of Student Information/Student Reassignment; Mr. Brad Lankford, Director of Transportation; Mr. David Burge, Executive Director of Operations; Mr. Doug Rose, Director of 6-12 Education; Ms. Kristen Bealler, Director of School Nutrition; Ms. Lanette Moore, Executive Director of Finance; Mrs. Marsha Erskine, Director of K-5 Education; Ms. Melisa Jessup, Executive Director of Human Resources; Mr. Michael Sands, Director of Testing and Accountability; Mr. Ricky Goins, Director of Maintenance; Mrs. Sarah Wood, Director of Media and Technology; Mrs. Tina Dalton, Preschool Coordinator; and Mrs. Traci Royal, Director of Special Programs.

At 8:30 a.m., Chair Cox called the work session to order.

Presentation

Mrs. Johnna Cheek, principal at Walnut Cove Elementary, presented videos she had prepared for a program she is enrolled in that will also help Stokes County Schools. The videos will be used to assist Stokes County in teacher recruitment and marketing.

Good News

Good News items on the agenda for the May 16th board meeting were reviewed with board members. Due to the large number of students being recognized, this meeting will be moved to a school.

Consent Agenda

Board members reviewed items on the consent agenda for May 16, 2016. Those items included budget work session and regular session minutes from April 18, 2016; fund raiser requests; summer activities and camp requests. Board members had no questions.

Discussion Agenda

Discussion of Proposed Revisions to the 2016-2017 Student and Parent Handbook:

Board members received the proposed revisions at their meeting on April 18, 2016. Mrs. Cox asked if there were any questions regarding the proposed revisions. Board members had no questions.

Mrs. Cox questioned the deletion of the media release form. Mrs. Sarah Wood, Media and Technology Director, responded that the media release had been combined with another form and was still a part of the handbook.

The 2016-2017 Student and Parent Handbook will be on the action agenda at the May 16, 2016 board meeting.

Discussion of Projects Update:

Mr. David Burge, Executive Director of Operations, shared the following projects update with board members:

North Stokes Fuel Oil Tank Replacement: Installation is complete. The system will be up and running after the factory startup scheduled on May 6, 2016.

Piney Grove Detention Pond: New erosion control plan has been approved by NC-DENR. Work began on the repair to the dam on April 21, 2016. With all of the rain we're experiencing, it will probably be close to 4 weeks before completion. A site visit is scheduled on April 27th with NC-DENR, Pyramid Environment and Neal Grading to review and discuss methods to remove the dam sediment from the stream. Options include vacuum pumping the sediment with a "super-vac" pump truck or manual removal with buckets and shovels or a combination of the 2 methods. An additional site visit is scheduled the week of May 2nd to determine if the pump truck method is a viable option and the cost involved.

Chestnut Grove Roof Project Timeline (revised): May 5, 2016 – Advertisement for Bids; May 11, 2016 – Pre-Bid Meeting; May 25, 2016 – Bid Opening; June 6, 2015 – Board of Education Approval of Bids; June 13, 2016 – Construction Begins; August 26, 2016 – Substantial Completion of Classroom Building and Cafeteria Building; September 9, 2016 – Substantial Completion of Gym.

Mr. Burge stated this project needs to be started as soon as possible. Mrs. Cox stated the Board of Education would do whatever they need to do to get the Chestnut Grove roof project bid approved so the project could be started.

Discussion of Golden LEAF Grant Award Acknowledgment and Agreement:

Mrs. Sarah Wood, Director of Media and Technology, shared a letter from the Golden LEAF Foundation stating Stokes County Schools has been approved for a \$200,000 grant for Phase 2 of our project – Charting the Course for Engaged Literate and Future Ready Students. This is a two year grant and Stokes County Schools gets to select the start date.

In order to receive this grant, the Board of Education will have to agree to match the \$200,000.00 and also hire an additional instructional technology coach or facilitator with a cost of approximately \$73,000.00.

This grant is to provide funds to purchase devices for the students at South Stokes High School and West Stokes High School. Mrs. Wood reminded board members that a current Golden LEAF grant has provided teachers with classroom workstations and students with chromebooks at North Stokes High School to implement a 1:1 initiative.

Additional discussion on this agenda item was held as part of the budget discussion.

Discussion of the 2016-2017 Local Budget:2016-2017 Proposed Capital Outlay Budget

Ms. Lanette Moore, Executive Director of Finance, presented the following proposal for the 2016-2017 Capital Outlay Budget. She stated these recommendations are priorities or have tos. Projects are listed in priority order and are things the committee felt needed to be requested. She added that the board might have a different opinion.

1. Chestnut Grove Middle School - Roof	\$1,250,000.00
2. Emergencies	\$ 100,000.00
3. Boilers London – Reseal/Southeastern – Reseal/South Stokes – New Burner	\$ 50,000.00
4. Piney Grove Middle School Sewer system control panel replacement	\$ 25,000.00
5. Fall Protection for Playgrounds (insurance mandate)	\$ 25,000.00
6. Refinish Gym Floors (middle & high)	\$ 16,000.00
7. West Stokes High School correct two drainage/erosion problems	\$ 100,000.00
8. South Stokes High School new security camera system	\$ 24,000.00
9. Southeastern Middle School awning at Main Office entrance to extend to EC bus drop-off area	\$ 20,000.00
10. North Stokes High School 6 pole replacement and new lights at baseball field. (NCHSAA requirement and safety issue)	\$ 100,000.00
11. Meadowbrook Academy replace VCT tile in the pod – safety	\$ 24,000.00
12. London Elementary School pave parking lot – safety	\$ 35,000.00
13. Activity Bus safety/liability issues for curricular activities and athletics; parts no longer available for aging fleet	\$ 100,000.00
14. Underground Storage Tank Assessments South Stokes – 3 tanks/Pine Hall – 1 tank	\$ 32,000.00

Ms. Moore stated this capital outlay request is \$1,901,000.00, but includes the Chestnut Grove roofing project. At this point the board needs to discuss the proposal and decide if there are things we need to add or priorities we need to move around.

Assistant Superintendent Tony George stated the roofing project at Chestnut Grove has already been given to us. We're only asking for \$650,000.00 more. We feel that is a fair request from the school system.

Ms. Moore stated that County Manager Rick Morris agreed to move the due date for the school's budget to after the Board of Education's May 16th meeting. The request is now due on May 17th.

Mrs. Cox stated she would like to see the softball field at Chestnut Grove added to the request, even though we're not requesting any funding for it. The school is not able to use their athletic field and that is pretty significant. We don't know what it's going to cost, but it is something we're going to have to address sooner or later.

Ms. Moore stated we would try to have something on that, before the budget is approved. She added that the budget will have to be approved at the May 16th meeting. Board members need to decide, if a budget work session should be called.

Action Agenda

Approval of Proposed Revisions to Policy 3470/4305 Alternative Learning Programs/Schools:

Board members had no questions or concerns regarding proposed revisions to Policy 3470/4305 Alternative Learning Programs/Schools. This policy will be on the action agenda on May 16, 2016.

Approval of Proposed Revisions to Policy 4402 Student Attendance K-12 Requirements:

Board members had no questions or concerns regarding proposed revisions to Policy 4402 Student Attendance K-12 Requirements. This policy will be on the action agenda on May 16, 2016.

Approval of School Nutrition Bids for 2016-2017:

Ms. Kristen Bealler, School Nutrition Director, presented proposed School Nutrition bids for the 2016-2017 school year. Ms. Bealler recommended a roll-over of the following bids with current terms and conditions:

- Chemicals- A.L.C.O Soap and Supply (Final year renewal)
- Milk – H&S Dairy (PET) (First year renewal)
- Produce – Foster-Caviness (First year renewal)
- Grocery – US Foods (First year renewal)

Ms. Bealler stated that both US Foods and Foster-Caviness have agreed to renew their contract. At this time she is still waiting on a response from A.L.C.O and H&S Dairy.

This item will be on the action agenda on May 16, 2016.

Ms. Bealler provided the following information to board members:

**Financial Facts for Stokes County Schools Nutrition Program
2015-2016**

The State average cost to produce a meal in North Carolina based on financial information provided to the State agency is currently \$3.42. In addition, the average percentage of revenue used for food and supplies is 44.47%; for salaries and benefits, it is 48.69%.

In Stokes County, it costs \$3.45 to produce a school lunch.

Revenue generated for the School Nutrition programs in Stokes County Schools comes from 98.24% Federal sources and 1.76% local sources.

The percentage of revenue paid for labor and benefits in Stokes County Schools is 48.94%.

Benefit costs include those established by NC General Statutes:

- 10.75% paid for Hospitalization
- 6.21% paid for Retirement
- 1.56% paid for 2015 Bonus Pay

The percentage of revenue paid for food and supplies is 43.86% in Stokes County Schools.

Student participation in School Lunch Programs in Stokes County Schools is 60.47%.

Student participation in School Breakfast Programs in Stokes County Schools is 27.81%.

In Stokes County Schools, the percent of students eligible for Free or Reduced-Priced meals is 51.34%.

School lunch prices in our district are:

- Elementary- \$2.40
- Middle- \$2.50
- High- \$2.50

The district has employed the following strategies to reduce costs in our district:

- Joined the North Carolina Procurement Alliance in an effort to reduce food and food supply costs.
- Re-bid milk services which saved approximately \$.08 per milk purchased (estimated savings of \$87,806.00 per year).
- Continuously looking at school staffing needs and reducing labor through attrition. Reducing number of positions with benefits to help reduce labor and benefit costs.
 - Established Meals Per Labor Hour guidelines for each school and working with each team towards their goal.
- Modifying menus to stabilize or increase student participation while attempting to reduce food costs.
 - Hosted online student menu survey.

- Manager's Advisory Group (MAG) in place.
- Completed taste testing on some breakfast items.
- Introduced new menu items for breakfast and lunch.
- Utilizing commodity dollars by processing items that have high student participation.
- Utilizing whole-grain waiver for products that aren't accepted by students in their whole grain form (i.e.- macaroni noodles, crackers, and biscuits).
- Increased catered meal prices for HeadStart Program.
- Continuing to look for new a la carte ideas that meet Smart Snack Guidelines.
- Increase meal prices as required per the Paid Lunch Equity provision in the HHFKA of 2010.
- Require schools to share staff to help fill short term vacancies or in the event of an employee absence.
 - Working with management team to minimized use of substitute workers.
- Promote participation in the Free and Reduced-Priced meal program.
 - Free and Reduced Meal Applications on our menus every month and have an application available online for households to download and submit.
 - Run Direct Certification at least once a week to pull in as many students to the benefit system as possible.
 - Community Eligibility Provision (CEP) re-visited again this school year. Numbers are still not high enough to make it feasible for the program.

Approval of Budget Amendments:

Ms. Lanette Moore, Executive Director of Finance, presented the following budget amendments: Capital Outlay Budget Amendment #2; Federal Fund Budget Amendment #2, Current Expense Fund 2 Budget Amendment #2, and Current Expense Fund 8 Budget Amendment #2.

Board members had no questions. These budget amendments will be on the action agenda for approval on May 16, 2016.

Approval of Senior Summer School Dates:

Mr. Doug Rose, Director of 6-12 Education, recommended offering a ten day junior/senior summer school on the following dates: June 14-16, June 20-23, and June 27-29. The summer school will be held at West Stokes High School, because they have the majority of students who will participate. Transportation will not be provided.

Mr. Rose stated the summer school will increase our cohort graduation rates and help students with credit recovery.

The item will be on the action agenda on May 16, 2016.

Information and Announcements

Board members received an updated End-of-Year Events schedule for all the schools.

Board members were informed that the Board of Commissioners budget public hearing is scheduled for 7:00 p.m., on June 2, 2016, in Court Room A. Mrs. Cox felt it would be good for a few classroom teachers and principals to speak at the public hearing so commissioners could hear from people the school system's budget will impact the most.

The Board of Education scheduled the following meetings:

Regular Session	May 16, 2016	6:00 p.m.	Southeastern Middle School
Joint Session with BOCC	June 14, 2016	10:00 a.m.	Ronald Reagan Admin. Bldg. 3 rd Floor Conference Room

At 9:35 a.m., Mr. Hart made a motion to enter closed session. Mrs. Messick seconded the motion and it was approved 4-0, Yontz absent.

[Closed Session]

At 9:50 a.m., board members returned to open session.

Discussion Agenda

Discussion of the 2016-2017 Local Budget:

Dr. Hobbs stated after consulting with the board attorney, the decision was made to come back into open session to discuss current expense. He asked everyone to keep in mind anything discussed is only recommendations up for the board's discussion. No final current expense budget has been submitted for approval.

Ms. Moore stated everything being presented is topics for discussion so this board can make some final decisions. She shared the following:

- Salary Increases:
Grand Total: \$97,762.00
05% salary increase for teachers - \$8,750.00
03% salary increase for all other employees - \$70,692.00
Social Security – 7.65% = \$6,072.00
Retirement – 15.43% = \$12,248.00
- Golden LEAF Grant
Matching Cost to receive \$200,000.00 - \$200,000.00
Instructional (10 month) Facilitator Grant Requirement - \$73,037.00
Ms. Moore stated this money is included in the proposed budget total.
- Resource Officer Grant
Matching Cost to receive \$56,000.00 - \$28,000.00
Ms. Moore stated the match is included in the proposed budget.

- Utilities

Ms. Moore stated this is where fund balance was put in 2015-2016 and to balance the budget \$713, 839.00 was appropriated. That left \$312,438.00 unappropriated per the 6-30-15 audit. At this point that amount is budgeted to make the proposed 2016-2017 budget balance. There will be utility savings for this current year due to fuel costs.

Ms. Moore stated as budget meetings have been held, some of the following topics were discussed as possible ways to save money.

- Middle School Media Assistants (3) Positions
Savings if 2 positions are cut and 1 vacant position is not replaced - \$98,863.00
- Principal/Assistant Principal Salaries
Savings if 1 vacant position is not replaced - \$69,184.00
Note: Dr. Hobbs stated an existing AP would be moved into this vacant position from an existing position and a new employee would not be hired.
- Certified/Classified Supplement
2015-2016 Budget (Based on 2013-2014 salaries) \$1,444,898.00

Options:

Budget increase if supplement is figured on 2016-2017 salaries - \$200,937.00 increase
Budget increase if supplement is figured on 2015-2016 salaries - \$152,963.00 increase

- If included in the budget, a County Athletic Director position would be \$12,918.00
Currently this position is not included in the proposed budget.
- The instructional support salaries will be based on what is done for the new superintendent.
- Clerical Salaries (School and Administrative Office)

Savings if months of employment are decreased for 4 elementary school positions from 12 months to 11 months based on consistency - \$11,958.00

Ms. Moore stated over the years as elementary clerical positions became vacant, they were automatically cut back to 11 months. Because of this, elementary positions months of employment are not consistent across the district.

Savings if months of employment are decreased from 12 months to 11 months for 4 middle school positions based on consistency - \$12,757.00

Savings if months of employment are decreased for 6 high school positions from 12 months to 11 months - \$19,680.00

Dr. Hobbs stated his recommendation is to pay clerical over a twelve month period prorated each month. He also recommended allowing principals the flexibility to allow these positions to take off time during the school year or over the summer and not just use the month of July, since a lot goes on that month.

- Power School Data Managers

Savings if 2 middle school data managers' months of employment are decreased from 12 months to 11 months - \$6,283.00

Savings if 3 high school data managers' months of employment are decreased from 12 months to 11 months - \$9,557.00

Ms. Moore stated in the future we might look at consolidating this position so one person might be responsible for more than one school. We do not feel we are ready to do that at this time.

Dr. Hobbs stated in high schools and possibly middle schools it would be really hard to have a consolidated position, because so much depends on the Power School Data Manager being there and running reports.

- Combine job duties and transfer position to vacant elementary school position

Savings - \$33,485.00

In the Administrative Office we have looked at taking one position and combining it with another position.

- Fund Balance

The proposed budget includes unassigned fund balance of 6-30-15 totaling \$312,438.00. Any fund balance we have would be left over from current budget year.

Ms. Moore reminded board members that Student Nutrition cannot end the year in debt. That amount has yet to be determined and will impact the fund balance.

- Custodial Staff

The number of people we have do not need to be cut. If anything, some need to be added. We might need to move some employees around and a few hours might need to be changed. It does not affect money, but it would affect people and some of the schools they are serving.

- School Nutrition

Ms. Bealler is again looking at ways to save money and moving people will probably be a have to. People have not made final decisions on retiring or not coming back and she is still working on getting a handle on what she has staff wise. She will be looking at her staff like we are custodial staff.

Dr. Hobbs stated board members need to keep in mind that we are losing ADM. This year we went from 6,400 to 6,100 as far as planning allotment. When you do that, you still have the same amount of buildings, the same amount of grass to cut, and the same amount of restrooms to clean. It is affecting us in more ways than one. We still have to provide clerical services. We still have to provide cafeteria

workers. Every time we lose a kid we lose funding. When 85% of your total budget is in salaries, you get to a point that is the only place you have to start saving money.

Ms. Moore reminded board members they had already looked at teaching positions and vacancies we would not be able to fill, because of state cuts. That is still going to have to be considered and looked at. That is not included in this local budget and that would affect you locally.

Ms. Moore stated nothing has been discussed with any of the employees. We know we are just in the proposal stage.

Dr. Hobbs stated this was discussed with the principals. They are not going to be happy. They are limited now. We have not discussed the 16 teaching positions that we are looking at.

Mr. Hart stated we're cutting pay of clerical people. It doesn't make a difference, if you give them a month or how you do it. We're not cutting anybody else's pay. We're eliminating positions.

Ms. Moore stated a lot of that had been handled through vacancies and not an actual body. That's why you see some inconsistency currently.

Mrs. Cox asked if we were not cutting the pay of teacher assistants, because we'd talked about not having them work on teacher workdays.

Ms. Moore responded the difference in teacher assistants is that the allotment from the state does not allow any flexibility. That means we cannot take those funds and transfer them in or out. Until we see how that allotment comes in, to cut back hours or days might leave you money at the state level that we can't spend. If what we have fits that dollar allotment, there is no need to look at that.

Dr. Hobbs stated nobody wants to cut anybody's pay. Nobody wants to cut positions. We have got to start looking at how we can minimize and consolidate positions. Our money is dwindling because of our ADM. It is a challenge.

Mr. Hart said ½ of a percent from some people would be more than this 10% you are taking from these people.

Dr. Hobbs stated the issue becomes where the majority of our people are paid out of state funds. Do we cut the supplement? That is basically your option. If you're going to cut everybody, cut the supplement.

Mrs. Messick said the supplement had already been cut. We can't cut it again.

Dr. Hobbs said he understood that, but we are talking about local dollars. The majority of our folks are paid out of state dollars. We can cut positions, but we can't cut their pay.

Mrs. Cox stated as dismal as this is, it is just a reflection of this board with our backs against the wall. We've talked about how over 80% of our budget is in salaries. I don't think people understand we don't have a lot of high paying positions.

Mr. Hart added the state changed their formula and have caused us to have to pay more.

Ms. Moore stated these are just options for board members to look over. The board members may prefer not to match the \$56,000 SRO grant. That would add \$28,000 and not affect anyone's position in the school system. That's what board members have to decide. There's \$35,000 in staff development. That is nothing compared to what directors say is needed, but it's not a body. You will have to have some staff development in the budget.

Dr. Hobbs stated the supplement is low. It has been frozen for several years. Board members also have dental and life insurance benefits they can consider. Do you want to take that away from our employees?

Mrs. Messick responded by saying absolutely not.

Mrs. Cox stated we just need to take some of these recommendations and show the commissioners what it looks like and say if this is what you agree to fund, this is what we are going to have to do. That's how we're going to figure out if we have to do all of this or not. It's going to come back to what level of funding they provide for us. My question is do we propose a budget to them with these cuts already in it? I think there are some adjustments that can be made, before we send it up.

Ms. Moore said that's why we wanted to lay it out so board members could get the picture and decide which direction you felt we should go in.

Dr. Hobbs stated the state funding level is not where it is supposed to be. If HB 539 is passed, we would have to send charter schools their portion of Fund 8 (grants and special programs) money. For example, charter schools would receive their portion of the Golden LEAF grant money.

Mrs. Cox responded that both Bryan Holloway and Kyle Hall are working hard against that for us.

Ms. Moore reminded board members that Special Programs had taken a hard hit from the state level. They are looking at whether we can continue to fund all of the Pre-K programs.

Mrs. Tina Dalton, Pre-K Coordinator, reported that every classroom is \$8,000 or more in deficient. Lawsonville's pre-k classroom is \$24,000 in the hole this year.

Mrs. Traci Royal, Special Programs Director, stated she and Ms. Moore had figured out how to cover the loss and keep the programs open for this year. With the cuts Special Programs is going to have to its program, she will not be able to cover a loss next year.

Dr. Hobbs stated we are open for suggestions. The board can decide what they want to keep in, what they want to take out and what they want to submit to commissioners.

Ms. Moore stated unless board members want to have a special meeting, they need to be ready to approve the budget at their next meeting scheduled on May 16, 2016.

Mr. Hart asked if principals had been told about possible cuts to clerical. Dr. Hobbs responded it had been discussed at length in the Leadership Team Meeting. Nobody wants to get cut.

Mr. Hart stated he was not in favor of a cut in pay.

Middle School Cheerleading:

Dr. Hobbs reported middle school principals have asked if they can cut cheerleading. We are the only district in our conference that has middle school cheerleaders.

Mrs. Cox said if that is the principals' recommendation to go ahead.

Mr. Hart said he had no problem with it.

Mrs. Messick asked if they had cut it in other districts in middle school.

Dr. Hobbs responded Stokes is the only one that has it in our conference.

Board consensus was to allow middle school principals to cut the cheerleading program.

(Note: Following this meeting the superintendent made an administrative decision to reinstate middle school cheerleading.)

At 10:50 a.m., Mr. Hart made a motion to go back into closed session. The motion was seconded by Mrs. Messick and approved 4-0, Yontz absent.

[Closed Session]

At 12:00 p.m., Ms. Boles made a motion to return to open session. Mr. Hart seconded the motion and it was approved 4-0, Yontz absent.

Mr. Hart made a motion to adjourn. Mrs. Messick seconded the motion and it was approved 4-0, Yontz absent.

Chairperson

Secretary