

PERSON COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

APRIL 27, 2009
OTHERS PRESENT

Johnny Myrl Lunsford
Jimmy B. Clayton
Kyle W. Puryear
B. Ray Jeffers
Samuel R. Kennington

Heidi York, County Manager
Brenda B. Reaves, Clerk to the Board
Amy Wehrenberg, Finance Director

The Board of Commissioners for the County of Person, North Carolina, met in joint session with the Board of Education on Monday, April 27, 2009 at 6:00 p.m. in the Gallery Room at the Person County Public Library.

Margaret Bradsher, Person County School Board Member led the group in invocation.

Person County Schools Superintendent, Dr. Larry Cartner welcomed both boards and their respective staff members to this opportunity to share information and learn about each boards' perspectives and challenges and commented on the good working relationship between the Superintendent's and County Manager's office noting they are meeting at least once a month as well as the Finance Officers are meeting regularly.

County Manager, Heidi York thanked everyone for their attendance noting she and Dr. Cartner crafted the agenda with the intention to facilitate meaningful discussion between the two boards and share information around budgetary issues. Ms. York thanked the School Board and Dr. Cartner for their budget submission at the requested 5% cut from the allocation of last year. Ms. York stated all school capital funding requests are presently included in the Person County Capital Improvement Plan that is being considered by the Board of Commissioners.

Statement from the Chairs:

Gordon Powell, Chairman, Board of Education as well as the Chairman of the Board of County Commissioners. Johnny Myrl Lunsford gave the group brief statements welcoming the joint meeting opportunity to discuss issues very important to the citizens, especially the children of Person County. Both Chairs noted education as a top priority.

Chairman Lunsford called the Board of County Commissioners meeting to order at 6:33 p.m.

Open Dialogue Between the Boards Facilitated by Chairs of Both Boards:

The group discussed and clarified information outlined in the questions submitted and answered by other governing boards.


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Both boards agreed to explore other ADM funding purposes, i.e. technology, in addition allocating to school debt.

Overview of the Person County Schools' Budget Request:

Dr. Larry Cartner, Superintendent presented the Person County School Current Expense & Capital Budget Request for 2009-2010. Associate Superintendent, Dave Bennett, Assistant Superintendents Maggie Whitt and Sandra Davis as well as School Finance & Business Officer, Julie Masten presented and explained the school revenue sources other than advalorem taxes and budgets for personnel, human resources, K-5 instructional, 6-12 instructional, technology, NC Wise, media, testing and accountability, student support, operational, maintenance, custodial and bus garage.

4/21/2009



**Current Expense &
Capital Budget
Requests for 2009-2010**

Person County Board of Education
Person County Board of Commissioners
April 27, 2009

4/21/2009



State Board Objectives

*Produce Globally Competitive Students
Led by 21st Century Professionals
Healthy and Responsible Students
Leadership Guides Innovation
Governed and Supported by 21st Century
Systems*

This we believe ...

The Person County School System
has a commitment to excellence as it stresses the
intellectual, personal, social and physical
development of all students.

Consistent efforts by the Board of Education and a well
qualified staff of administrators, teachers and
support personnel advance the mission of the
school system -- to offer children a quality education
that will enable them to function effectively within a
complex society.

That is the most important gift a school system can
give its citizens, and is what our citizens expect.

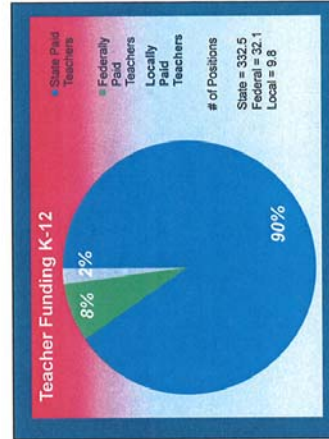
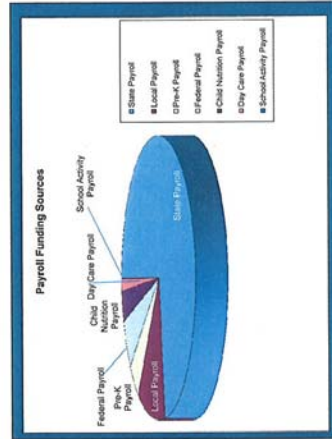
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Individual Schools

North End = 243	Helena = 682	Northern Middle = 520
North = 317	Oak Lane = 274	Southern Middle = 613
Stories Creek = 410	South = 455	PHS = 1585
Woodland = 219		
Early Intervention = 41		
Earl Bradsher = 178		

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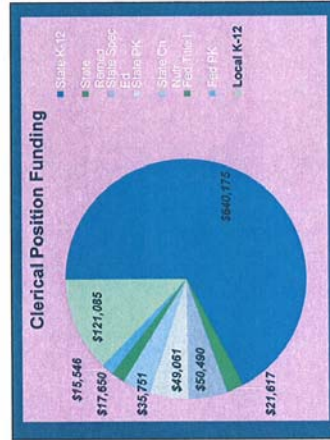
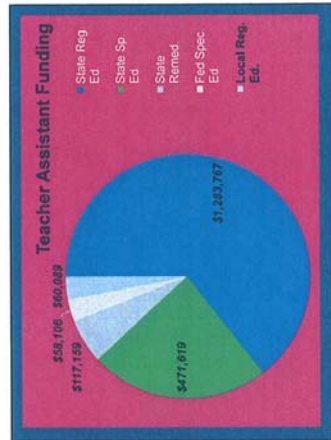


FC5 Average Monthly Operating Costs	
Salaries & Benefits	\$2,979,026
Instructional Supplies	\$292,243 (containing books)
Contracted Services	\$348,182 (Water Testing, Annual Fire Insurance, Security, SRO, Electricity, Legal, Audit, Security)
Insurance & Memberships	\$32,465
Staff Development	\$28,260 (Registration, Subj. Materials, K-14)
Operations	\$209,895 (Utilities, Postage, Printing, Phone, Maintenance & Transportation Costs)
Charter School	\$94,186
Pre-School	\$206,670 (Meal At Four, ERF, ELPs, Headstart, Social Staff)
TOTALS	\$4,100,929

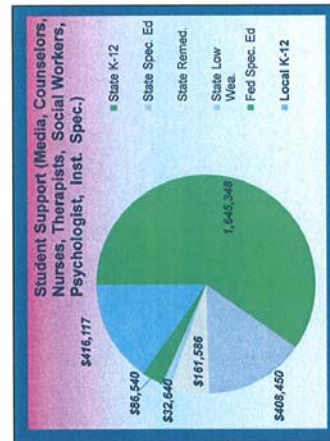
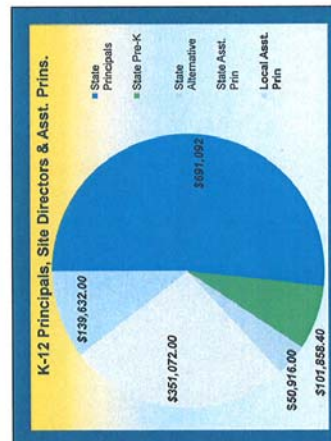


Person County Schools

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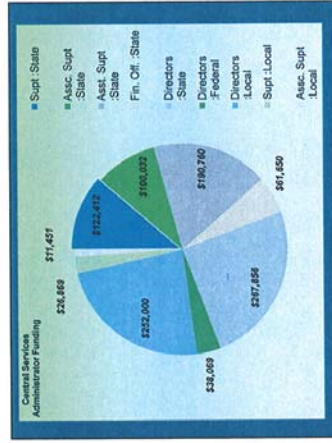
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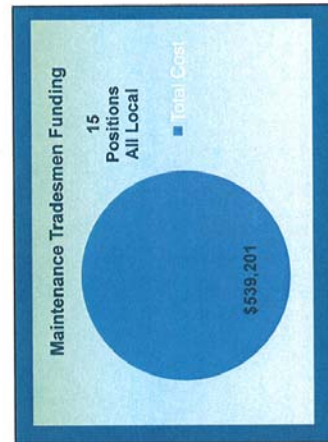
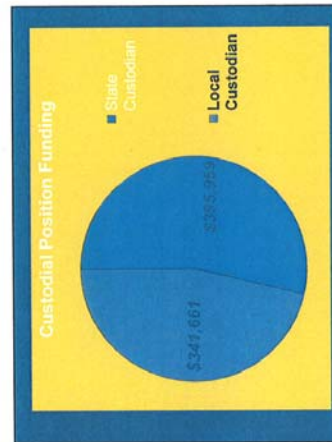
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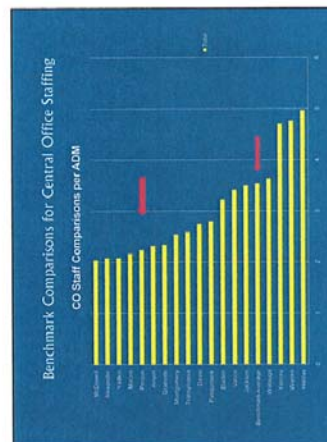
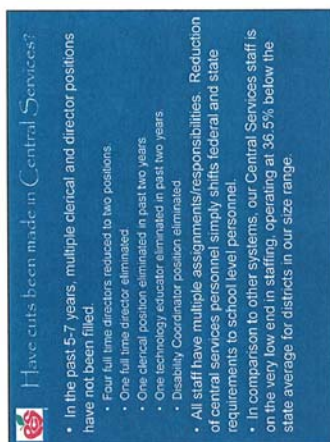


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Based on current
state allotments,
and local funding
at \$8.8 million,
what will happen
to these current
employees?

Employee Reductions	TOTAL			
	Local Funding @ \$1.5	State Allocation \$150,000	State Allocation \$150,000	TOTAL
Teachers	2	6	0	8
TAs	2	3	7	12
Custodial/Clerical/Maintenance	1	3	0	4
Nurses & Social Workers	2	1	0	3
Asst. Principal	0.5	0.5	0	1
CTE	0	1	0	1
Central Services	0	0.5	0	0.5
AIG	0	0.5	0	0.5
At-Risk Teacher	0	1	0	1
At-Risk TA	0	1	0	1
TOTAL	7.5	17.5	7	32

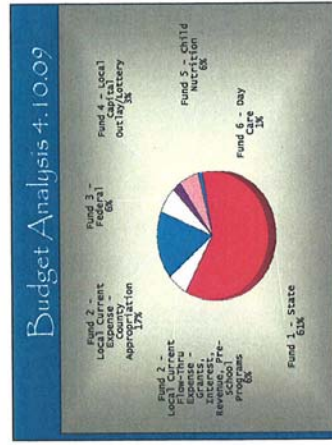
How do we receive funds?

LOCAL FUNDS
(GREATEST FLEXIBILITY)

BOARD OF COMMISSIONERS

STATE FUNDS — GENERAL ASSEMBLY
(SECOND GREATEST FLEXIBILITY)

FEDERAL FUNDS — GRANT FUNDS
THAT ARE PRE-DIRECTED
(LEAST FLEXIBILITY)



PCS Budget as of 4.10.09

- Fund 1 – State = \$32,170,456.00
- Fund 2 – Flow-Thru Expense = \$3,145,238.00
– (Grants, Interest, Revenue, Pre-School Programs)
- Fund 2 – County Appropriation = \$9,048,000.00
- Fund 3 – Federal = \$3,459,026.00
- Fund 4 – Local Capital/Lottery = \$1,379,845.00
- Fund 5 – Child Nutrition = \$3,055,000.00
- Fund 6 – Day Care = \$632,910.00
- TOTAL = **\$52,890,475.00**

Including all fund sources, how is the entire budget spent categorically?

- 80% in salaries & required benefits
- 8% in materials & supplies
- 2.5% in contracted services
- <1% in fees & insurance
- <1% in staff development
- 5.5% in operations

<i>How Budgets Are Spent</i>	State	Local	Federal
Salaries & Benefits	90%	48%	80%
Supplies & Materials	7%	9%	11%
Contracted Services	1%	6.5%	4%
Fees & Insurance	0%	3%	0%
Staff Development	0.4%	1%	3%
Operations	1.6%	20%	1%
Charter Schools		12.5%	

 **Federal Budget = \$3.459M (6%)**

- Grant based – renew each year
- Directed to specific populations
- Normally not available until late October

Cash flow issues from July – November

Carry-Over funds

- Stimulus Funds – Not sufficient to offset
 - No firm guidelines
 - Good for only 2 years (Perhaps 1 year)
 - Cautious in using them for recurring expenses

 Why can't the school district operate on the state and federal budget allocations?

Pre-directed funds
Matching funds

State & Federal Requirements

Not sufficient to meet demands of the 21st century (Leandro)

PCS Federal Budgets (Through State)

	2008-09	Planning 2009-10
Vocational	\$112,500.00	\$76,629.00
IDEA VI B Handicapped	\$1,408,427.00	\$1,177,058.00
Safe & Drug Free Schools	\$18,543.00	\$16,531.00
IDEA Pre-School Handicapped	\$80,696.00	\$45,684.00
ESSEA Title 1	\$1,342,729.00	\$1,125,203.00
Abstinence	\$3593.00	\$0
Title II	\$302,438.00	\$265,592.00
ESL (includes carryover)	\$59,329.00	\$19,439.00
Education Technology	\$10,870.00	\$TBA
Headstart (Flows through local funding and requires a 25% match.)	\$ 803,042.00	Same




Position Allotment

- REGARDLESS OF EXPERIENCE OR DEGREE THE STATE WILL PAY ALL SALARY AND BENEFITS ASSOCIATED WITH THE POSITION.
- THE **STATE SALARY** OF ANY TEACHER IS THE SAME REGARDLESS OF WHERE THEY TEACH.
- LOCAL SUPPLEMENT** IS THE ONLY FACTOR THAT MAKES A DIFFERENCE IN A TEACHER'S SALARY IN NC. LOCAL SUPPLEMENT MAY BE HIGHER IN ONE COUNTY THAN IN ANOTHER.



Months of Employment

- Regardless of the expense, State pays the salary for the total number of months allotted to the district.
- Examples: CTE (vocational) teachers, principals and assistant principals.



Since the bulk of our funding is from the state, how does state funding come to us?

FORMULA DRIVEN POSITIONS DOLLAR CATEGORICAL



Formulas for Funding

FROM GENERAL ASSEMBLY OR FROM DPI

BASED UPON AVERAGE DAILY MEMBERSHIP (ADM)



Dollar Allotment

- Personnel hired for a specific purpose
- Cannot exceed the total allotment, which must include all required benefits
- LEA must stretch the dollars allotted
- Examples: Teacher Assistants, Textbooks, Classroom Materials & Supplies, Central Office, Staff Development, Technology, Clerical & Custodial staff



State Budget

- Governor's Budget & Senate Budget both have significant reductions to public schools
- Difference in state planning allotment from last year is **\$1.146 million**. (Based on reduced ADM)
- Loss of Remedial Funds (\$175,000.00)
- Loss of At Risk Funds (\$161,000.00)
(These reductions are confirmed)
- **Bulk of state reductions are yet to come**
- Discretionary Reduction = **\$519,708.00**



Categorical Allotment

- Address specific disparity issues or specific populations.
- Can use funds for all services related to that specific population.
- Examples: AIG, EC, ESL, Driver Education, Transportation

PCS State Allotments

- Review of state allotment sheet

What is the purpose of local funding?

What sets us apart – Excellence Factors

State Funding is not adequate to meet the requirements of the NC Constitution (Leandro)

- Smaller Class Sizes
- Additional Supplies
- Additional Technology
- Additional Support Personnel
- Additional Non-Certified Staff

How Are Local Funds Spent?

- Salaries & Benefits 48%
- Supplies & Materials (Schools) 9%
- Contracted Services 6.5%
- Fees & Insurance 3%
- Staff Development 1%
- Operations 20%
- Charter School 12.5%

730 Person County

		Fiscal Year 2008-09			Fiscal Year 2009-2010			DIFFERENCE
PRC #	PRC Name	Positions	Months of Employment	Allotment Amount	Positions	Months of Employment	Allotment Amount	
000	Textbooks			\$ 385,951.00			\$ 389,492.00	\$23,541.00
001	Classroom Teachers	299.18			249.00			(10.18)
002	Central Office Administration			\$ 778,408.00			\$ 777,048.00	(\$1,358.00)
003	Non-Instructional Support			\$ 1,534,938.00			\$ 1,447,096.00	(\$87,842.00)
005	School Building Administration							0.00
	Principal	120			120			(4.00)
007	Instructional Support	27.7		\$ 1,770,854.00	27		\$ 1,685,988.00	(84,866.00)
012	Driver Training			\$ 145,524.00			\$ 140,054.00	(\$5,470.00)
013	CTE Month of Employment	284.9			278			(6.90)
014	CTE Program Support			\$ 81,023.00			\$ 78,963.00	(\$2,060.00)
015	School Technology			\$ 110,464.00			\$ 36,091.00	(\$74,373.00)
027	Teacher Assistants			\$ 1,889,848.00			\$ 1,811,859.00	(\$77,989.00)
028	Staff Development			\$ 87,326.00			\$ 53,356.00	(\$33,970.00)
031	Low Wealth Supplemental			\$ 639,031.00			\$ 962,182.00	\$ 323,151.00
032	Children with Disabilities			\$ 2,799,819.00			\$ 2,678,663.00	(\$121,156.00)
034	Academically Gifted			\$ 256,572.00			\$ 245,424.00	(\$11,148.00)
054	Limited English			\$ 120,838.00			\$ 136,874.00	\$ 16,036.00
056	Transportation			\$ 960,515.00			\$ 1,359,630.00	\$ 399,115.00
061	Classroom Material			\$ 330,776.00			\$ 318,862.00	(\$11,914.00)
069	At Risk Student Services			\$ 986,358.00			\$ 825,492.00	(\$160,866.00)
072	Improving Student Accountability			\$ 175,040.00				(\$175,040.00)
TOTALS				\$ 30,323,942.00	276	464	\$ 29,177,754.00	(\$1,146,188.00)

Notes: The initial allotment does not include reductions for charter schools. REQUIRED DISCRETIONARY REDUCTION

\$519,708.00

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PCS 2008-2009 Local Funding

- Requested **\$11.3 million**
- Received **\$9.3 million**
- 3% Reversion in November 2008 reset operating budget to **\$9 million**
- Request for additional 2% reduction for 2009-2010 results in an operating budget of **\$8.8 million**

Employee Reductions	Local Funding @ S.S.R.	State Aid Reduction	Funds \$500,000 Reduction	TOTAL
Teachers	2	6	0	8
TA's	2	3	7	12
Custodial/Clerical/Maintenance	1	3	0	4
Nurses & Social Workers	2	1	0	3
Asst. Principal	0.5	0.5	0	1
CTE	0	1	0	1
Central Services	0	0.5	0	0.5
AIG	0	0.5	0	0.5
At-Risk Teacher	0	1	0	1
At-Risk TA	0	1	0	1
TOTAL	7.5	17.5	7	32


Category	Current Expense			Difference
	2008-2010 Request	2008-2009 Projected		
Personnel	\$4,410,179.00	\$4,721,950.00		\$311,771.00
Human Resources	\$88,000.00	\$88,700.00		\$700.00
Technology	\$390,000.00	\$400,000.00		\$10,000.00
Operations	\$3,568,252.00	\$3,521,056.00		\$65,196.00
Maintenance	\$312,025.00	\$318,857.00		\$6,832.00
Custodial	\$248,111.00	\$255,687.00		\$7,476.00
NCWSE, Media, Student Support, Accountability, Bus Garage	\$156,000.00	\$179,850.00		\$23,850.00
TOTAL	\$9,339,567.00	\$9,638,000.00		\$298,433.00

Capital Funding Review
Two Sources

 Person County Schools

ADM Funds Require 3:1 Match
and may be used for 7 Purposes

Lottery Funds Require No Match
and may be used for 6 Purposes



What can Lottery Funds be used for?

Uses of Lottery Funds

1. Purchase Land for Public School Buildings
2. Planning/Design Fees
3. Construction
4. Renovation
5. Enlargement
6. Repair

Uses of ADM Funds

1. Purchase of Land for Public School Buildings
2. Planning/Design Fees
3. Construction
4. Renovation
5. Enlargement
6. Repair
7. School Technology*

*No local match is required for projects approved for school technology with the monies being transferred to the School Technology Trust Fund.





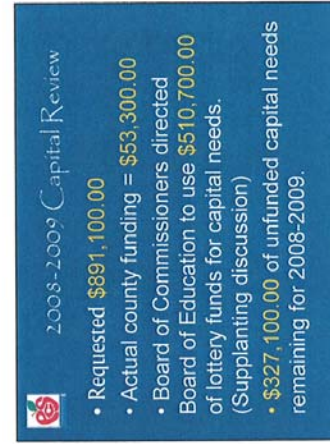
2009-2010 Categories in Capital Request

- Lottery Funding
- Health & Safety Issues
- Construction & Repair
- Replacement of Furniture & Equipment
- CIP Requests
- Roof @ NMS



Budget Sections

Revenue & Summary	Julie Masten
Personnel & HR	Dave Bennett
K-5	Maggie Whitt
6-14	Sandy Davis
Technology, NOWISE & Media	Sandy Davis
Testing & Student Support	Maggie Whitt
Operations	Julie Masten
Maintenance	Dave Bennett
Custodial, Bus Garage	Dave Bennett
Capital	Dave Bennett

2008-2009 Capital Review

- Requested \$891,100.00
- Actual county funding = \$53,300.00
- Board of Commissioners directed Board of Education to use \$510,700.00 of lottery funds for capital needs. (Supplanting discussion)
- \$327,100.00 of unfunded capital needs remaining for 2008-2009.

Q & A as submitted to the Superintendent & Manager:

Questions & Responses

Joint Meeting of Board of Commissioners & Board of Education

April 27, 2009

Questions Submitted by Board of Commissioners

Answers Provided by PCS Staff

1. *What was the student enrollment for the school system and a breakdown of each school per grade level at the end of the first month and the end of the 10th month for the school years: 2005 – 2006, 2006 – 2007, 2007 – 2008?*

What was the student enrollment for the school system and a breakdown of each school per grade level at the end of the first month and the end of the 6th month for this school year - 2008 - 2009?

Information attached.

2. *What are the number of professional (teachers) staff; the number on non-professional staff; and the number of administrative positions; at each school for the following school years? Please break it down in state, federally or locally paid. 2005 – 2006, 2006 – 2007, 2007 – 2008, 2008 – 2009*

Information attached.

3. *What was the number of administrative positions, directors, other professional staff, administrative assistants, office personnel at the central office for the following school years and what was there salary? Please break down the number and salary in state, federally, or locally paid. 2005 – 2006, 2006 – 2007, 2007 – 2008, 2008 – 2009*

Information attached.

4. *What is the future of the old Helena (High) Elementary School?*

The alternative education program (state-required) for the district is housed in the three buildings on the left side of the drive. Parks & Recreation uses the fields and the gym. The costs to re-open the facility as a school are conservatively estimated in the 2.5 to 3 million dollar range at a minimum. Re-modeling a school building that has been vacant requires that the facility be brought up to existing code. Some issues include:

- Given the major portion of wood structure, bringing into compliance to meet current fire codes would be extremely expensive.
- Abatement of existing asbestos would be required to meet code.
- Will require new Heat and AC systems to meet code.
- All plumbing must be replaced to meet code.

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- All electrical wiring must be replaced to meet code.
- Handicap accessibility would be required.
- Replacement of all windows and doors would be required for energy efficiency.
- Strong likelihood that a complete tear-out of interior walls and ceilings would be required.
- Floor system is in poor condition and mostly likely will have to be replaced.
- The building has been vacant for 8 years; concern for mold and mold abatement would be high.
- Building has no insulation.
- There are several structural issues.
- Parking and traffic concerns would conflict with the new school.
- Cafeteria building would require complete update to meet code and nutrition standards.
- The 2.5-3 million dollar estimate does not include the small buildings currently used by PCLA.

Given these challenges and funding concerns, there are no current plans to use the facility for an educational purpose. (Larry Cartner)

5. *What is the future of the old bus garage location? Was not the original plan to dispose of that property and consolidate services at the new bus garage?*

Maintenance remains at the Leasburg Road site, and the areas vacated by Transportation are used by Maintenance and for storage. We have also considered other projects for the space. The property on Virgilina Road is graded and ready for construction of a new maintenance facility which was on long range plan for 2015. The Board of Commissioners originally asked for both maintenance and transportation facilities to be combined. Funding for a joint facility was declined when bids came in at \$7 million dollars. (Larry Cartner)

6. *Technology seems to be concentrated at the high school right now, can some of it be spread among all the schools?*

Technology appears to be concentrated at the high school because of the considerable volume of equipment needed in the building. The high school also has the Career and Technical Education division which has different funding sources to purchase equipment. When the high school needs classroom projectors we are talking about 94, as opposed to a small elementary school which only needs 12. This can lead to the impression that funds are unequally distributed.

We are currently trying to outfit every classroom in the district with 21st century learning systems including projectors, interactive whiteboards, teacher laptops, document cameras and quality educational software. We are making great progress as funding becomes available. All schools have some of the necessary components for 21st century learning but no school has enough equipment for each classroom. All schools have independent computer labs and 80% have mobile labs. Wireless has now been installed in all buildings.

The leadership team in each building is responsible for including technology in their school improvement plans. The district technology staff looks at these plans to see where our funds can complement school priorities. As funding becomes available and equipment becomes cheaper, we will be able to equip classrooms better regardless of the location. (Debbie Smith)

7. *Concerning the activity buses, why are they parked? Could you all consider selling them or surplusing them?*

With the high school and middle athletic programs, as well as fieldtrips, our activity buses are all needed and used. The only exceptions would be for those needing maintenance that has been postponed because of the tight budget. It should be noted that when we have sold activity buses at auction in the past, we have received less than \$2000 on average. (Dave Bennett)

8. *How many teachers have been let go?*

Since June 2007, twenty-nine teaching positions have been frozen and not refilled as they became vacant. (Dave Bennett)

9. *What amount of your fund balance was left over from last year?*

The audit report of June 30, 2008 notes:

Total Fund Balance \$1,219,117

Unreserved, undesignated amount \$806,102

An additional \$100,000 in fund balance has been appropriated for use in fiscal year 2008-2009, leaving \$706,102.00. (Julie Masten)

10. *When is the next opportunity for Early College?*

To our knowledge, there are no additional opportunities. (Sandy Davis)

11. *Have you cut operations other than personnel?*

FY 2008-2009 reductions other than personnel:

\$26,000 in athletic security and officials

\$20,000 in district wide maintenance supplies and materials

\$25,000 in insurance premiums

\$47,000 in contracted services, supplies, materials, advertising and membership fees

\$25,000 in media AV equipment and computers

\$15,000 in technology equipment

\$10,000 in Leadership development

\$45,633 in utilities

\$25,000 in school bus fuel
\$2,500 in custodial supplies and materials

FY 2009-2010 reductions other than personnel:
\$7,000 for maintenance professional development
\$700 in Human Resource development
\$10,000 in AV supplies and materials
\$400 in student support services
\$5,000 in district wide maintenance supplies and materials
\$14,500 in custodial supplies and materials
\$1,500 in bus garage supplies, materials and staff development
\$37,450 in NC Wise expenses (Julie Masten)

12. Concerning maintenance trucks, do you allow them to be taken home by employees?

No. On rare occasions when severe weather is predicted, the director of maintenance may take his truck home in anticipation of being called out to a school site before the next work day. Mr. King is our first responder for emergency maintenance calls. (Dave Bennett)

13. What projects will you be using Lottery funds for in the coming year?

The following projects are requested for lottery funds in FY 09-10:

Earl Bradsher	Grease trap for kitchen-City requirements	\$ 5,000.00	EPA and health inspector requirement
Woodland	Grease trap to help meet DENR regulations	\$ 5,000.00	EPA and health inspector requirement
PHS	Older Tennis courts repaired	\$ 40,000.00	Surfaces are becoming heavily cracked and unsafe.
Northern Middle	Replace telephone system	\$ 45,000.00	System in use breaks down constantly. Replacement parts are not available. System does not meet needs.
	Bleachers for football field	\$ 30,000.00	Current seating is insufficient for the attendance creating unsafe conditions at events.
	Handicap lift motor replacement	\$ 6,000.00	Current motor is not working and is too old to be repaired adequately again.
PHS	Replace carpet media, offices, guidance	\$ 49,000.00	Carpet has reached its life expectancy and is unsightly, worn and unsafe.
South	Toilet partitions replaced	\$ 10,000.00	Partitions are old and in disrepair

North	Replace several large windows	\$ 2,000.00	Windows have been broken by vandals but have not been replaced because of cost.
North End	Refinish stage floor	\$ 5,000.00	Floor is badly in need of refinishing.
North	Office carpet replaced	\$ 8,000.00	Carpet has reached its life expectancy and is unsightly, worn and unsafe.
Earl Bradsher	Refinish stage floor	\$ 6,000.00	Floor is badly in need of refinishing.

Due to budget freeze on state funds issued on April 9, 2009, the following lottery projects have been placed on hold until further notice, and will not begin before June 30, 2009:

Custodial Services	Carpet replacement at Southern Middle School	\$ 150,000.00
Earl Bradsher Preschool	Roof replacement for 25 year old section	\$ 75,000.00
North Elementary	Carpeting for Media Center	\$ 9,700.00
North Elementary	Carpeting for Resource Room & Office Area	\$ 9,000.00
Oak Lane Elementary	Re-carpet office, workroom, media center	\$ 15,000.00
Person High School	Stadium Improvements	\$ 150,000.00
Person High School	Greenhouse (Will also lose a \$25,000 federal grant towards this project)	\$ 67,000.00

April 27, 2009

Report to Commissioners 4-27-09

Based on March Payroll Data each year.

	Helena Elem.	North Elem.	Noth End Elem.	Oak Lane Elem.	South Elem.	Stories Creek Elem.	Woodland Elem.	SMS	NMS	PHS	Totals	
2005-06												
Teacher/Professional- State	41.6	20.7	18.6	17.7	28.5	26.8	17.4	53.3	48	110.2	382.8	
Teacher/Professional- Federal	1.25	8	5	1.25	10.25	8	1	4.25	3	5	47	
Teacher/Professional- Local	2.1	6	0	0.1	1.9	3	0	4	3	8.8	28.9	458.7
Non-Professional (omit bus drivers, café)												
Non-Professional -State	18	8	8	6.4	12	15.6	5	4	5	11	93	
Non-Professional -Fed	0	3	0	1	3	0	0	0	0	1	8	
Non-Professional - Local	0.4	0.6	0.4	0	0.6	0	0	6.6	1.6	3.4	14	115
School-Based Administrators-State	2	1	1	1	1	1	1	2	2	4	16	
School-Based Administrators-Fed	0	0	0	0	0	0	0	0	0	0	0	
School-Based Administrators-Local	0	0	0	0	0	0	0	0	0	2	4	20
2006-2007												
Teacher/Professional- State	43	19.1	16.7	18	30.4	30	15	54	46.5	118	390.7	
Teacher/Professional- Federal	1.25	9.25	5.25	0.9	10.3	7.25	0.9	4.25	3.75	5	48.1	
Teacher/Professional- Local	2.8	6.9	2.2	1.25	4	3.4	1.2	0	3	7	31.75	470.55
Year of CFST grant implementation												
Non-Professional (omit bus drivers, café)												
Non-Professional -State	18	8	8.4	6	11	15	6	5	5.6	12.6	95.6	
Non-Professional -Fed	0	2	0	1	1	1	0	0	0	1	6	
Non-Professional - Local	0.4	0.4	0	0.4	1.6	0.6	0.4	6.6	1	2	13.4	115
School-Based Administrators-State	1	1	1	1	1	1	1	2	2	5	16	
School-Based Administrators-Fed	0	0	0	0	0	0	0	0	0	0	0	
School-Based Administrators-Local	0	0	0	0	0	0	0	1	1	1	6	21
2007-08												
Teacher/Professional- State	36.35	20.9	18.4	18.4	27.7	30.1	16.3	50.9	46.1	113	378.15	
Teacher/Professional- Federal	2	8	5.4	0.6	8	5.1	0.8	3	3.6	4.6	41.1	
Teacher/Professional- Local	6.3	3.7	0	0.5	4	2	0.5	2	1	4.5	24.5	443.75
Non-Professional (omit bus drivers, café)												
Non-Professional -State	20.7	10	8	8	12	18	8	9	9	21	123.7	
Non-Professional -Fed	0	2	0	0	1	0	0	5.5	0	1	9.5	
Non-Professional - Local	2.4	0	1.9	2	1.6	0.4	1.2	4	2	6	21.5	154.7
School-Based Administrators-State	2	1	1	1	1	1	1	1	2	5	16	
School-Based Administrators-Fed	0	0	0	0	0	0	0	0	0	0	0	
School-Based Administrators-Local	0	0	0	0	0	0	0	1	1	1	3	19
2008-09												
Teacher/Professional- State	41.5	21.1	18.4	21.6	31	30.5	17.3	45.8	39.5	110.6	377.3	
Teacher/Professional- Federal	3	9.4	4.4	0	7	4.4	0	4.2	2.3	3.4	38.1	
Teacher/Professional- Local	4	0.8	0.8	0	1.4	2.6	1.4	2.4	2.5	4	19.9	435.3
Non-Professional (omit bus drivers, café)												
Non-Professional -State	21.1	10.2	9.4	8.4	11.6	17.4	8.4	8.6	8.6	22	125.7	
Non-Professional -Fed	0	2	0	0	2	1	0	5.5	0	1	11.5	
Non-Professional - Local	2	0	1.5	1.6	1	0	0.6	0	1	4	11.7	148.9
School-Based Administrators-State	2	1	1	1	1	1	1	2	1	6	17	
School-Based Administrators-Fed	0	0	0	0	0	0	0	0	0	0	0	
School-Based Administrators-Local	0	0	0	0	0	0	0	1	2	0	3	20

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Questions for Joint Meeting of 4.27.09

Submitted by Person County Board of Education

Answers Provided by Board of Commissioners and County Manager

- 1. We are no longer an agricultural/manufacturing based community. What is your vision for education in Person County? What do you expect of our school system? Give specific examples; lower dropout rate, increase graduation rate, increase teacher retention, industry involvement with schools to insure job ready students, internships, improved alternative school option, prepared for job market or post secondary schools etc.**
- 2. What questions do you have of prospective industry representatives regarding their involvement in our school system? What expectations do you have of new industry participation in PreK-12 activities and curriculum development in Person County?**
- 3. What is the position of commissioners regarding involvement in educational needs of our county concerning new terms such as “green collar” jobs that require new programs and closer involvement with post secondary institutions?**
- 4. What viable formulas could be explored for school funding in Person County? What are some obstacles to developing/using a formula for school funding?**
The Board of Education could bring forward some research on potential formulas that other counties are currently using and a proposal that the Board of Commissioners could consider implementing.
(Heidi York)
- 5. Considering the fact that ADM funding comes from the state and doesn’t cost the county anything, what is a feasible method of allocating a portion of these funds to school system on an annual basis?**
The cost to the County is the amount of debt paid for past financings done on the schools behalf for school construction, roofing, paving, and most recently, the bus garage. In the current FY09, the County’s debt for schools alone totaled \$3.05M. In FY10, the County’s debt will be \$2.98M. Commissioners have the option to use ADM monies to pledge against school debt, OR they can choose to fund additional school capital. In the past, schools have indicated to Commissioners during budget time if there were any eligible projects that ADM monies would fund. To my knowledge, the last time the BOE made a request from the Commissioners to fund some capital using these funds was in 1998, the year before we did the \$10M school construction financing in 1999 and the \$10M we did in 2000. Since then, we have used the proceeds in the ADM fund to pay the school debt without a request from the BOE indicating that they had any eligible projects for ADM use. I think the misunderstanding stems from a new administration on both sides and a lack of known procedures in how and when to make this request. I would suggest that procedures be put in place, whether it is to be part of their budget

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request, or at a separate time. I believe this would result in better communication and understanding between the two Boards on the anticipated and desired use of these funds.
(Amy Wehrenberg)

6. **What is the commission's position on fair distribution of employees, work load, employee compensation, etc. for all county employees?**
7. **List all county building leases, i.e. social services building, tax office, etc. and terms of lease (length of lease, costs, re-negotiation agreements, maintenance costs, move in costs. etc. What factors determine whether to lease or buy/build a facility?**

During 1990 the County entered into an operating lease for land on the corner of N. Madison Blvd. and Walker Street (location of old Byrd's building currently occupied by Person Industries) which requires monthly payments of \$542 and expires May, 2025.

On April 15, 1996 the County entered into an operating lease for land and a building located at 26 Court Street in Roxboro, NC. The lease expires on April 30, 2016 and required monthly payments of \$300 through April 30, 2001. Beginning on May 1, 1997 and each succeeding May 1, the base rent of \$300 per month was to be adjusted by the percentage increase or decrease in the Consumer Price Index. Beginning May 1, 2001 and every fifth year thereafter, the County shall pay an increased annual base rental equal to the then fair market rental as determined by two appraisers, one appointed by the County and one by the Lessor. According to this provision of the lease, and after a protracted period of negotiations, the monthly rental increased to \$1,132 retroactive to May 2001. The County is also responsible for paying the Lessor's ad valorem property taxes on the property. The County agreed to make certain renovations to the property in the amount of \$125,063 which were completed during the year ended June 30, 1996.

On December 16, 2004, the County entered into an operating lease for the land and a building (former Wal-mart) located on South Madison Boulevard in Roxboro, NC. The lease expires on August 1, 2025, twenty years from the commencement date of August 1, 2005. The monthly payments for the first five years are \$77,144.37 and are scheduled to increase in 5 year increments until the end of the lease term. The monthly payments are spread between the three departments that occupy them as follows, Department of Social Services \$37,646.45, Health Department \$24,609.06, and Mental Health \$14,888.86. The County is not responsible for paying any taxes on this lease, nor any repairs or maintenance to the building or lots.

On October 10, 2008, the County entered into an operating lease for land and a building located at the corner of South Main Street and Abbitt Avenue in Roxboro, N.C (known as the old Maxway building). The lease expires on March 9, 2023 and requires monthly payments of \$10,154. The Parties may renegotiate this lease at the end of its term.

Determining whether to lease or buy a facility is at the Commissioners discretion as to which one would be the better future investment. Many factors can influence this decision such as eligible reimbursement costs by the State when leasing a building,

maintenance, utility, and other impact costs if buying, advantages/disadvantages of location, property tax, and weighing these various items against an adjustable lease payment in the future. Each case would have to be weighed in possibly different ways since each situation is unique depending on the intended use of the building.

(Amy Wehrenberg)

- 8. The school board continues to seek an open/congenial relationship between respective boards. How do you believe we can deepen this relationship for the benefit of all?**

The Board of Commissioners continues to desire an open and congenial relationship between the two boards as well. This joint meeting as well as the opportunity for the full Boards to discuss budget needs and challenges together is a good step towards that goal. Direct communication between the boards rather than through the media or other avenues will go a long way in deepening the relationships. We are committed to meeting together during the year and sharing information between the two boards.

(Heidi York)

- 9. Provide list all projects for years 2004 - 2009 and corresponding costs which were not on counties approved budget.**

All budget amendments and their costs are reflected in the MD&A and the Supplemental Statement in the Comprehensive Annual Financial Report for Person County for each FY.

(Amy Wehrenberg)

- 10. List newly created county positions by year from 2004 to present; list, if any, reduction in county workforce for the same time period.**

- 11. What is considered appropriate use of county fund balance as well as separate contingency funds? List fund balance and contingency fund balances.**

G.S.159-13 clearly lays out the guidelines for what you cannot appropriate from fund balance or contingency. This statute is specific to the restrictions much more so than the allowances. Fund balance is typically an area where Boards are encouraged to budget for one-time purchases only (ie. capital) versus recurring expenses (ie. operating). However, in times of economic downturns, there has been a history of counties using fund balance to balance the budget when no other resources could be attained at Board's discretions. Counties typically amend fund balance for new unanticipated revenues or anything that comes up during the fiscal year that requires budgetary action for which there is no other supporting stream of funds. Examples are significant emergency repairs, capital projects, unanticipated expenditures that exceed appropriations, carry-forward encumbrances, etc. Contingency is used to budget for items that are both anticipated and unanticipated. Some examples of the anticipated are items that we expect to pay but don't receive an accurate estimate for until later in the year such as unemployment insurance, auto insurance, information technology, etc. Once known, these costs are distributed to the appropriate department(s) using a budget amendment. Undesignated contingency is a

set-aside amount for those smaller emergencies that occur from time to time that are unanticipated. The only restriction for contingency is in G.S. 159-13(3) that states a limitation of not exceeding 5% of the total of all other appropriations in the same fund with the exception of public assistance programs. Fund balance appropriations are listed in each Annual Budget report for the County. The uses and actual costs are included in the County's CAFR (can now be accessed via web at Person County's website, www.personcounty.net) in the MD&A section under the budgetary highlights and in our permanent detail that we keep from year to year.

(Amy Wehrenberg)

12. List total county debt, including school capital debt, and projected payoff dates for all debt.

I do not currently have the County's debt split out. I do have the schools debt portion as it's presented below: (Amy Wehrenberg)

Year Ending June 30	General Obligation Bonds- Principal	Installment Purchase Agreements Principal			General Obligation Bonds- Interest	Installment Purchase Agreements Interest			Total Debt Payment
	2004 Refunding Bonds	2006 Inst. Fin. Sch	2007 Inst. Fin. Sch	2008 Refinancing	2004 Refunding Bonds	2006 Inst. Fin. Sch	2007 Inst. Fin. Sch	2008 Refinancing	
2009	230,000.00	109,305.00	325,700.00	1,881,000.00	7,475.00	85,742.51	95,903.03	316,230.44	3,051,355.99
2010	-	124,920.00	423,410.00	1,885,500.00	-	81,373.06	82,780.78	385,636.50	2,983,620.35
2011	-	124,920.00	423,410.00	1,885,500.00	-	76,551.16	66,902.91	318,701.25	2,895,985.32
2012	-	140,535.00	586,260.00	1,678,500.00	-	71,771.35	49,631.33	253,603.13	2,780,300.80
2013	-	140,535.00	488,550.00	1,849,500.00	-	66,154.32	28,434.61	192,498.75	2,765,672.68
2014	-	140,535.00	390,840.00	2,029,500.00	-	60,729.67	11,022.50	125,244.00	2,757,871.17
2015	-	140,535.00	-	2,007,000.00	-	55,305.02	-	50,720.63	2,253,560.64
2016	-	156,150.00	-	-	-	49,862.20	-	-	206,012.20
2017	-	156,150.00	-	-	-	43,702.71	-	-	199,852.71
2018	-	265,455.00	-	-	-	36,623.41	-	-	302,078.41
2019	-	249,840.00	-	-	-	26,527.12	-	-	276,367.12
2020	-	249,840.00	-	-	-	16,922.93	-	-	266,762.93
2021	-	249,840.00	-	-	-	7,239.47	-	-	257,079.47
2022	-	-	-	-	-	-	-	-	-

13. How many full time employees did the county have on its payroll for

2005 – 2006 364
2006 – 2007 385
2007 – 2008 372
2008 – 2009 408

14. What was the number of administrative positions, directors, other professional staff, administrative assistants, office personnel at all the county offices for the following years and what was their salary?

2005 - 2006
2006 – 2007
2007– 2008
2008– 2009

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15. How much did has Person County been reimbursed from the State of North Carolina on the county Medicaid budget as of April 15, 2009?

\$243,282.55—The Medicaid Relief Swap only impacted ADM Fund receipts in 2007-08. The Medicaid hold harmless payment is now based on actual performance minus actual Medicaid savings versus actual foregone sales taxes and is calculated on a cash basis. In addition, counties are required to continue to hold the ADM funds harmless for the loss in Article 42 sales tax receipts which will be less under the point of delivery allocation change in October 2009. We won't actually see the effect of this until January 2010. For further information on Medicaid hold harmless, please refer to the Memo dated March 31, 2009 from Rebecca Troutman on the NCACC website, <http://www.ncacc.org/links-budget.html>.

(Amy Wehrenberg)

16. How much did the County spend on upgrading technology for each of following years?

2005 – 2006	\$250,000
2006 – 2007	\$83,595
2007 – 2008	\$217,500
2008 – 2009	\$88,689 spent to date

17. What amount of your fund balance was left over from last year?

At June 30, 2008: \$19,235,135

(\$6,607,330 of this total is reserved, \$12,627,805 is unreserved)

18. The county publishes percentages of money spent on education for grades k-12. How much of that money included in this percentage is actually pass through money which comes from the State of North Carolina and is directed to be used for education?

I do not see where we separate the Grades K-12 out, but I know that we show a % of the General Fund in the budget ordinance for Education in general. This would include the pass-throughs and the amount that is appropriated for PCC. The amount that is showing in the budget ordinance for 2008-09 for Education is \$10,983,897 at 19.8%. The breakdown is as follows:

9,381,135	Current and Capital Expense for Schools	16.8%
1,082,062	Current Expense, Small Business Incubator, and Capital Expense for PCC	2%
520,700	Pass thru funds for Schools (Terrell Sch Fd & Lottery funds)	1%

(Amy Wehrenberg)

19. How much of the school debt is paid by state funds and how much is paid by local funds?

In FY 2008: \$1,820,446.78 in state funds and \$1,009,905.22 in local funds. The total debt service for schools in FY 2008 was \$2,830,352. The state funds come from the set-aside portion of sales tax in Articles 40 and 42 to be used by counties to meet their

statutory obligations regarding the debt for school construction and maintenance. The remaining portion is supplemented by the County. In FY 2009, this ratio will likely switch, and more of these funds will be supplied by the County and less by the State since the sales tax is projected to be much lower.
(Amy Wehrenberg)

Funding Formula Discussion:

Members of both boards agreed to allow the Superintendent, the County Manager and their respective Finance Officers to meet and work on a funding formula that is mutually acceptable.

Both governing boards agreed to have follow up meetings to create a shared vision on education for Person County as well as continue discussions on other items not a part of the budgetary process.

Commissioner Kennington stated NC Public School Forum Report, Dept of Public Instruction Profile, NC Governors Report Card and NC Association of County Commissioners, NC School Board Association report different figures for per pupil expenditures. Commissioner Kennington noted that in the 2008 local school funding as noted from the NC Public School Forum Report, Person County ranks 38th out of 100 in actual effort and 48th in relative effort.

Items of Agreement:

Heidi York, County Manager summarized the following items are listed for action and follow up:

- Explore the use of ADM funds for other items than school debt,
- Administration from both boards are to meet and review other system's funding formula and recommend a proposed funding formula to both boards, and
- Set up a joint follow up meeting to discuss items other than a budget including a shared vision on education

Dr. Larry Cartner, Superintendent agreed with the items of agreement Ms. York noted.

ADJOURNMENT:

A **motion** was made by Commissioner Kennington, **seconded** by Commissioner Puryear, and **carried** to adjourn the meeting at 8:21p.m.

Brenda B. Reaves
Clerk to the Board

Johnny Myrl Lunsford
Chairman