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The Carroll County Board of Supervisors held a meeting on, April 23, 2012 in the Board Meeting Room of the Carroll County Governmental Center.

Present were: David V. Hutchins
 W.S. "Sam" Dickson
 Dr. Tom Littrell
 Joshua A. Hendrick
 Phil D. McCraw
 Ralph J. "Bob" Martin
 Gary Larrowe, County Administrator
 Nikki Shank, Assistant Administrator
 Jim Cornwell, County Attorney

Mr. Dickson called the meeting to order at 6:38 p.m.

Mr. Keith Hommama led in invocation and pledge.

SCHOOL BUDGET

Mr. Dickson told that we are ready to take a final look at the school budget. He ask for Dr. Smith to tell what changes were made from last time for clarity.

Dr. Smith told that it is a pleasure to wind this process down. He told that the original request from the School Board was \$11,304,898 and the allocation from the Board of Supervisors based on motion made was \$10,826,863 and that is a difference of \$478,035 which they have reconciled through the addition of two revenue lines indicated by the budget and they are assistance with teacher retirement at \$122,397 and non recurring educational assistance at \$165,733. He told that also they have plans to reduce two bus routes, a reduction of an additional library position based on retirement and elimination of the energy crisis coordinator for a balanced budget in the amount of \$39,418,456. He told that since the budget numbers came to them on Thursday they have been working through them and have realized that there is a continued shortfall of \$146,270 so they did not receive as much as they thought. He told that he believes that they can reconcile it but they are going to need some assistance. He told that they can work within this if they continue to seek savings but the Board respectfully requests that to assist them that they be funded through a lump sum instead of categorical which limits some flexibility.

Mr. Dickson ask what the total amount is that we have been able to save by the recent cuts.

Dr. Smith told that he does not have that number. He told that they are able to reconcile it through the lines that were added which were \$122,397 for assistance with teacher retirement and the \$165,733 which was non recurring educational assistance. He told that they are eliminating the bus routes, not filling through attrition the additional

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librarian position and the crisis coordinator position but he does not have specific numbers for them.

Mr. Dickson ask if we received more than we had anticipated from the State from what was marked in the last one.

Dr. Smith told that they did not.

Mr. Dickson told that the budget that he has went up.

Ms. Quesenberry told that it is because we added the two revenue line items. She told that they were anticipating \$288,000 and that is the draft budget that was brought down.

Dr. Smith ask if they remember the conversation that we had during the presentation which they anticipated \$288,000.

Mr. Dickson told that was not in the last one.

Ms. Quesenberry told that it is in the new one.

Mr. Dickson ask if they did not get it and they just anticipated it. He ask if the State has committed to give that amount yet.

Ms. Quesenberry told that the State has committed to give them one of those line items and it doesn't look like the second line is coming through and that is where the \$146,000 is coming from. She told that they funded a little over on the first line item but didn't fund the second line item.

Mr. Martin asked if they thought they can make it through some budget savings and make up the difference.

Dr. Smith ask if he was talking about the \$146,000. He told that if the Board will assist them with some flexibility of being able to have a lump sum amount they believe that would give them maximum flexibility to be an efficient organization and to bridge the shortfall of \$146,000.

Mr. Hutchins told that even though they do categorical funding, that doesn't prevent you to come back and ask for a readjustment. He ask where the net \$150,000 gain coming from in categorical verses lump sum.

Dr. Smith told that he is unsure of the question.

Mr. Hutchins told that you said if the Board would allow flexibility you could do it.

Dr. Smith told that they would hope to see some savings in some various categories.

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Mr. Hutchins told that his question was if you come back to the Board and tell them that they need more money, isn't that permissible.

Dr. Smith told that they could if the Board will allow that.

Mr. Hutchins told that up until now he doesn't think they have ask for anything.

Dr. Smith told that is correct. He told that typically they will realize many of those savings upon the last stage of funding for the March 31st numbers and that level of revenue which is very large comes in at the end of the school year plus any type of savings you see within the categories. He told that generally they will find that at the end of the school year. He told that there is a quick turnaround before the end of June where they don't have a lot of time to take advantage and see some of those savings.

Mr. Hutchins told that he would make a point that we could still do categorical funding with the agreement that we would work with you because that is what we do with Sheriff's Department and everyone else now and he would want you to do that because that is prudent management.

Mr. Martin ask if they expect to have any carryover funding, a couple million dollars.

Dr. Smith replied no.

Mr. Martin ask if there would be any.

Dr. Smith replied not at this time. He told that they may notice some later this year, but not at this time.

Mr. Dickson asked if this budget has a 1% increase.

Dr. Smith replied yes and that is for compliance issues of VRS.

Mr. Dickson asked if it is for all employees.

Dr. Smith replied yes.

Mr. Dickson asked if they still have a step raise.

Dr. Smith replied yes, just to maintain the salary schedule.

Mr. Dickson asked if they would be able to afford it. He told that some counties have had to take it out.

Dr. Smith told that there is a price to pay for that and then it costs more to go back and catch it up. He told that many of the superintendents that he speaks with and they regret it because it costs them more to get back on track.

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Mr. Dickson told that he is just glad we can do it. He asked on the positions that are being cut like custodian, teacher and library are they through attrition.

Dr. Smith replied yes.

Mr. Dickson ask if they were all leaving and going somewhere else all the way down to the energy coordinator.

Dr. Smith told that is correct.

Mr. Dickson asked if they would no longer be employed by the school system.

Dr. Smith replied no. He told that some would be reassigned.

Mr. Dickson asked how many would be reassigned.

Dr. Smith told that the energy crisis coordinator will be considered by the Board to be reassigned to an existing vacancy.

Mr. Dickson ask if all the others would be through attrition.

Dr. Smith replied possibly so.

Mr. Martin told that he knows that guy that does the energy crisis coordinator and he ask for a transfer back to a school situation way before we ever got into budgets.

Dr. Smith told that he understands that he further volunteered to contribute his salary to the shortfall.

Mr. Martin replied that he needs to work until his son and daughter can retire.

Mr. Dickson told that it makes him wonder, we have 16 principals and 10 schools. He asked if we are losing any of those. He ask if some were retiring or are you letting some go.

Dr. Smith told that he doesn't see any reduction in the school leadership staff.

Mr. Dickson ask if all individuals would be offered contract.

Dr. Smith told that he believes so.

Mr. Gardner told that one is retiring.

Dr. Smith told that there will be some movement but the numbers will be the same.

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Dr. Littrell asked if they were able to attain the bus drivers at full time with benefit.

Dr. Smith replied yes.

Mr. Dickson asked how much savings there would be by closing Woodlawn School.

Dr. Smith told that is a difficult assessment. He told that right now and these are guessing, but they do anticipate seeing some staff members that have stated but not officially that they do not want to transfer to a new school so those who are qualified to retire may retire. He told that they have heard some of those conversations. He told that they will receive some benefit of savings in regard to the closure but they will probably not be realized until they completely close the facility in the fall of 2013.

Mr. Dickson told that he heard a discussion about whether to change in the middle of the year because the school may possibly be done.

Dr. Smith told that they are moving quickly and the winter weather gave them the flexibility to do some construction.

Mr. Dickson ask if they would consider moving in the middle.

Dr. Smith told to make a change like that he would have to consult with the School Board. He told that those transitions are tough.

Mr. Dickson asked if there are any more monies that they anticipate that wasn't listed that might come in.

Ms. Quesenberry told that the only thing would be the K12.

Dr. Smith told that the Board approved that at the beginning of the year for that separate account and they may have additional funds coming through there. He told that they plan to allocate that to textbooks and other supply materials for the classrooms and the staff.

Mr. Dickson asked if the water is fixed at the school.

Dr. Smith told that Mr. Larowe was working the whole weekend getting that done. He told that he thinks they are good for tomorrow.

Dr. Smith told that you have the construction, food service, and the text book budget to approve separately.

Mr. Hendrick told that he has a question for the budget committee. He asked what the details were that were involved with the \$1.8 pledge and he still has not received any information from the budget committee or administration in regards to a draft budget or the \$1.8 details which he thinks this school budget hinges on. He told that he doesn't

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know the details as to where the \$1.8 comes from and he thinks that is critical at this point.

Mr. McCraw told that the \$1.8, they are going to try to pay some things down that would actually be in next year's budget. He told that they have had a little bit of revenues this time and they are going to try to take some of those extra revenues and pay some things down to free up some money for next year's budget.

Mr. Hendrick ask if there has been \$1.8 in additional revenue.

Mr. Dickson told that in reality they have not gotten a draft yet and they are working on it. He told that we could delay this until we got it and approve this later because we have got plenty of time.

Mr. Hendrick told that in his opinion he would feel more comfortable. He told that the school gets everything they need and they may be able to come back and say they can have the \$146,000, he doesn't know. He told that he has not seen anything to make a decision on if he would feel comfortable with \$1.8 without seeing the details and where it comes from and something on what the rest of the County budget looks like. He told that if we bite off more than we can chew on the School budget.

Mr. Dickson told that from what he understands the finance people are working on it and we are in line. He told that it is doable or they wouldn't have put it out.

Mr. Hendrick told that he is sure it is.

Mr. Dickson told that the school requires by State law that we do theirs quicker so they can get their contracts out. He told that ours is the one that lays back. He told that if those numbers don't match and we don't have enough money you know what the alternative is, since we have already committed to it you have to cut something that we have or raise the tax levy and that is not going to happen.

Mr. Hendrick told that he still doesn't have the details on the \$1.8 but he know what the process is and we have to adopt the school budget before we adopt the county budget. He told that he still wants to see something on the county budget before he adopts the school budget.

Mr. Dickson told that our draft should be ready on the 14th.

Mr. Hendrick told that he has one draft that was dated March 7th.

Mr. Dickson told that was the preliminary.

Mr. Hendrick told that was all he ask for, whatever you have got so he can see it. He told that he knows that it might change and the State budget was done Friday so it probably did change. He told that he got nothing for two weeks.

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Mr. Dickson told that none of us have.

Mr. Hendrick told that he knows he was asking. He told that was his personal concern and he hopes the school budget gets that and more but until he can see the numbers he doesn't feel comfortable voting on it. He told that he can't speak for the Board and that would be up to the other members.

Mr. Dickson ask Dr. Smith if he feels comfortable with this and does he think that he will need the other \$146,000 or can he work it out.

Dr. Smith told that right now they feel they can work it out through some additional savings and that would be mainly in personnel. He told that as attrition continues they would look critically at every single one and how they could manage.

Mr. Dickson asked if Ms. Shank and Ms. Smith feel comfortable that we can come up with the \$1.8 and still balance our budget.

Ms. Shank replied absolutely.

Ms. Smith told that she does as well.

Mr. Dickson told that they are the experts on finance and we rely on them heavily so he will take them at their word.

Mr. Martin told that he was going to go way ahead and bring up something that nobody wants to talk about. He told that the last couple of census that we have had there is growth in the County in the 58 corridor between Hillsville and Galax and that is Pipers Gap and Sulphur Springs. He told that if you will look at those elementary schools they are either at capacity or very near. He told that he would like to see both boards put their heads together on the Woodlawn property before we decide what to do with it because within the next 10 years based on the census and the growth in that area, the logical place for an elementary school is at Woodlawn. He told that for the future we need to hang on to that property because the lack of elementary space and growth in that area is going to come back to bite us. He told that we need to be cognizant of it.

Mr. Dickson ask how long it has been since the school realigned their districts.

Dr. Smith told that it has been a while. He told that it was before 2007 and what Mr. Martin said is exactly true, that is something that we don't want to discuss. He told that it is not an issue that their board has discussed at this point. He told that the population in the schools in the Gladeville area, there are sometimes more student numbers than there is space. He told that it works out but it is something that concerns them. He told that there are larger class sizes within that area. He told that to this point it has not been sufficient to begin to redraw the attendance boundaries. He told that is a conversation and it is a serious one.

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Mr. Dickson told that countywide we did gain some people on the census. He told that more people died than were born.

Dr. Smith told that the Construction budget is \$8,425,025 for usage during this next year. He told that the Food Service budget revenue is \$2,527,595 and the Textbook budget is \$305,400 and it is the smallest amount they have had in it in a while and they are a little concerned about it.

Mr. Martin asked if he could repeat the first number.

Dr. Smith told that in the Construction budget is \$8,425,025.

Mr. Hutchins told that we have been funding construction as you submit requests.

Dr. Smith told that has been working out very satisfactorily. He told that how we have been doing it on a monthly basis has been working well.

Mr. Hutchins asked if we need to approve the construction budget in order to do this.

Dr. Smith told that for it to be utilized this year he would request that the Board approve it. He told that they would still follow the same procedures. He told that it keeps you up to date with the reports that you receive.

Dr. Littrell asked if that is the remainder of the QSCB.

Dr. Smith replied yes.

Dr. Littrell told that he knows that there were several reasons why our local funding increased significantly this year and he believes that you had said this is a onetime thing for the most part.

Dr. Smith told that this was a reconciling year in terms of the shortfall. He told with the financial crisis that hit in 2009 this year was the one year in which many school systems are reconciling that decrease in State funding. He told that is causing the locality to have to fund what was previously provided by the State. He told that he would anticipate that the most severe problems that this Board is going to have to deal with is this year. He told that if that comes to fruition that would be great and if it doesn't they may continue to have these levels of conversations. He told that it behooves us all contact our State representatives. He told that voice needs to be spoken very loudly and clearly.

Mr. Dickson asked if he saw the cartoon in the Roanoke Times. He told that it showed a picture of the courthouse of local government and they were having prayer before they met and said, please help us find the funds to restore the stimulus and help us to keep from being tarred and feathered if we have to have a tax increase.

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Dr. Smith asked if they had seen the article in regards to the Montgomery County Schools. He told that almost exactly the conversation that we have had this year. He told that they have larger numbers but we are all feeling the same pain.

Mr. Dickson told that the school system can be thankful that we have managed the money well the last four years and we have been very conservative and that is why we are able to do what we are doing. He told that it is very possible that they couldn't have done it without a tax increase and he has already heard from three of these guys that they would not raise taxes.

Dr. Smith told that they are certainly thankful for the Board doing those things. He told that feel that they also contributed to that through the cost savings that they have realized since 2007.

Mr. Dickson told that they have used their money wisely.

Dr. Smith told that they felt that they needed to do that to help this Board and it would have been much more challenging had they not done those things.

FY13 SCHOOL BUDGET

Upon motion by Mr. Hutchins, seconded Dr. Littrell, the Board approved and appropriated the FY13 Carroll County Public School budget by category as follows: Instructions, \$27,770,566, Administration-Attendance-Health, \$1,662,382, Pupil Transportation, \$2,967,695, Operation and Maintenance Service, \$3,952,811, School Food Services and Other Non-Instructional Operations, \$1,395,025, Facility, \$0, Debt Fund, \$0, Technology, \$1,669,977 for a sum total of \$39,418,456 and that the Board will work with the School System at the end of this year to realign funding as they do with other agencies and constitutional offices to work within their budget.

VOTES

Mr. Hendrick	No
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Abstain
Dr. Littrell	Yes
Mr. Martin	Yes

NOTE:

Before voting, Mr. Martin declared that based on advice of legal council that he has an interest in this matter and are employed by the Carroll County Public School System and is able to vote contentiously.

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Before voting, Mr. Hendrick told that he wanted everyone to understand why he votes where he votes the way he does. He told that it is not on the school budget number, it is on the fact that in his opinion he doesn't have the information to make this vote.

Before voting, Mr. Dickson told that he is also employed by the Carroll County Public School System and makes more than \$10,000 per year driving a school bus and it doesn't affect him any more than it does any other bus driver.

(Order)

FY13 FOOD SERVICE BUDGET

Upon motion by Mr. Hutchins, seconded by Dr. Littrell and passing, the Board approved and appropriated the Food Service Budget in the amount of \$2,527,595.

VOTES

Mr. Hendrick	No
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

Note:

Before voting, Mr. Martin declared that he has an interest in this matter and he is employed by the Carroll County Public School System and is able to vote contentiously.

Before voting, Mr. Dickson declared that he is an employee of the Carroll County Public School System making more than \$10,000 per year. He told that for the sake of an appearance of a conflict of interest he makes the disclaimer although he has nothing to do with the Food Service portion of the budget.

(Order)

FY13 TEXT BOOK FUND BUDGET

Upon motion by Mr. Hutchins, seconded by Dr. Littrell and passing, the Board approved and appropriated the Text Book Fund budget in the amount of \$305,400.

VOTES

Mr. Hendrick	No
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes

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Mr. Martin Yes

Note:

Before voting, Mr. Martin declared that he has an interest in this matter and he is employed by the Carroll County Public School System and is able to vote contentiously.

Before voting, Mr. Dickson declared that he is an employee of the Carroll County Public School System making more than \$10,000 per year. He told that this does not affect him and he can vote without any personal gain.

(Order)

FY13 CONSTRUCTION BUDGET

Upon motion by Mr. Hutchins, seconded by Dr. Littrell and passing, the Board approved and appropriated the Construction budget in the amount of \$8,425,025 and the funding for that will continue to be done with monthly draws as submitted.

VOTES

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

Note:

Before voting, Mr. Martin declared that he has an interest in this matter and he is employed by the Carroll County Public School System and is able to vote contentiously.

Before voting, Mr. Dickson declared that he is an employee of the Carroll County Public School System making more than \$10,000 per year. He told that this does not affect him and he can vote without any personal gain.

(Order)

CITIZENS TIME

No one was signed up to speak.

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ADJOURNMENT

Upon motion by Dr. Littrell, seconded by Mr. Martin and passing, the Board adjourned.

VOTES

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

Chairman

Clerk