

**PITT COUNTY BOARD OF COMMISSIONERS
GREENVILLE, NORTH CAROLINA
May 10, 2004 MINUTES**

The Pitt County Board of Commissioners met in a Joint Meeting with the Pitt County Board of Education on Monday, May 10, 2004, at 6:00 PM in the Rock Springs Center, Greenville, North Carolina. A dinner was provided to both boards and staff.

Commissioners present:

Eugene James, Chairman
Mark Owens, Jr., Vice Chairman
Tom Coulson, Commissioner
Jimmy Garris, Commissioner
John Minges, Commissioner
Beth Ward, Commissioner

Commissioners absent:

Glenn Bowen, Commissioner
David Hammond, Commissioner
Randy Royal, Commissioner

Staff present:

Scott Elliott, County Manager
JoAnne Burgdorff, County Attorney
Susan Banks, Clerk to the Board
Melonie Bryan, Deputy Manager/Financial Services
John Bulow, Deputy Manager/Human Services
Thomas Lynch, Public Information Officer
Jessica Davenport, Office of Public Information

Board of Education Members Present:

Jill Camnitz, Chairman
Michael Dixon, Vice Chairman
Mary Grace Bright
Barbara Owens
Mike Barnette
Walter Gaskins
Richard Tolmie
Betsy Leech
Delano Wilson
Sidney Scott
Ralph Love
Don Carson, III

The dinner began at 6:00 pm with Michael Dixon asking the blessing.

The meeting began at 7:00 pm with Eugene James calling the meeting to order and welcoming everyone. He noted the commissioners that were absent.

Ms. Jill Camnitz called the Board of Education to order.

Motion:

Motion to approve the agenda as presented.

Motion made by Commissioner John Minges.

Motion seconded by Commissioner Garris.

Both Boards voted unanimously to approve the agenda.

Mr. James spoke about how important these two boards are and how they can effect jobs and the future of Pitt County. It depends on how the two boards work together. He thanked members of the Board of Education for what they do and stated that the two boards should work together for the betterment of all citizens of Pitt County.

Ms. Jill Camnitz thanked Phil Flowers for the use of the facility and Tim Balance and Wachovia for hosting the dinner tonight.

Mr. Mark Owens spoke about the troops and the turmoil that they are dealing with. He then led in the Pledge of Allegiance.

Mr. Mike Barnette thanked the Board of Commissioners for their willingness to meet so they can present their budget to the Board. He said this budget is dependent upon over \$500,000 of internal redirections in the school system in addition to the \$1.9 million from the fifth year of the Compact funding. He thanked the Board of Commissioners for the funding from the education compact which has been \$7.5 million up to now. He congratulated the school system for coming up with the \$2.9 million redirected funds in the school system. He said the Boards have worked together and they need to maintain this momentum.

**The Education Compact
5 Year Funding**

<u>Year</u>	<u>Appropriated</u>
2000-01	\$ 2,400,000
2001-02	1,600,000
2002-03	1,700,000
2003-04	1,800,000
2004-05	1,900,000
	<u>\$ 9,400,000</u>

**Year 2004-05 - \$1,900,000 is requested funds at this time.

Aaron Beaulieu made a presentation of the 2004-05 Fiscal Year budget. He also thanked Michael Cowan, the new Finance Officer, for his work on this presentation.

With the proposed Education Compact funding of \$1.9 million for this coming year, it will bring the County appropriation to \$28.2 million which is quite an accomplishment for Pitt County Schools. The year before the compact, the County increased funding by \$1.5 million. They have been able to redirect and increase some local funds and with the appropriation of \$2.9 million, they have a local contribution of just under \$12 million during that time period. He presented where these funds have been expended. They have gone into the needs of the schools and the goals of the compact. He explained that they have been able to increase personnel, benefits and other educational programs with these funds.

**Pitt County Schools
Expense/Revenue Increases
Fiscal Year 1999-2004**

Additional County Appropriation

1999-00	Before Compact	\$ 1,512,887
2000-01	Compact Funding	\$ 2,400,000
2001-02	Compact Funding	1,600,000
2002-03	Compact Funding	1,700,000
2003-04	Compact Funding	1,800,000
	Total Compact Funding	7,500,000
	*Board of Education Appropriation	2,942,812
		<u>\$11,955,699</u>

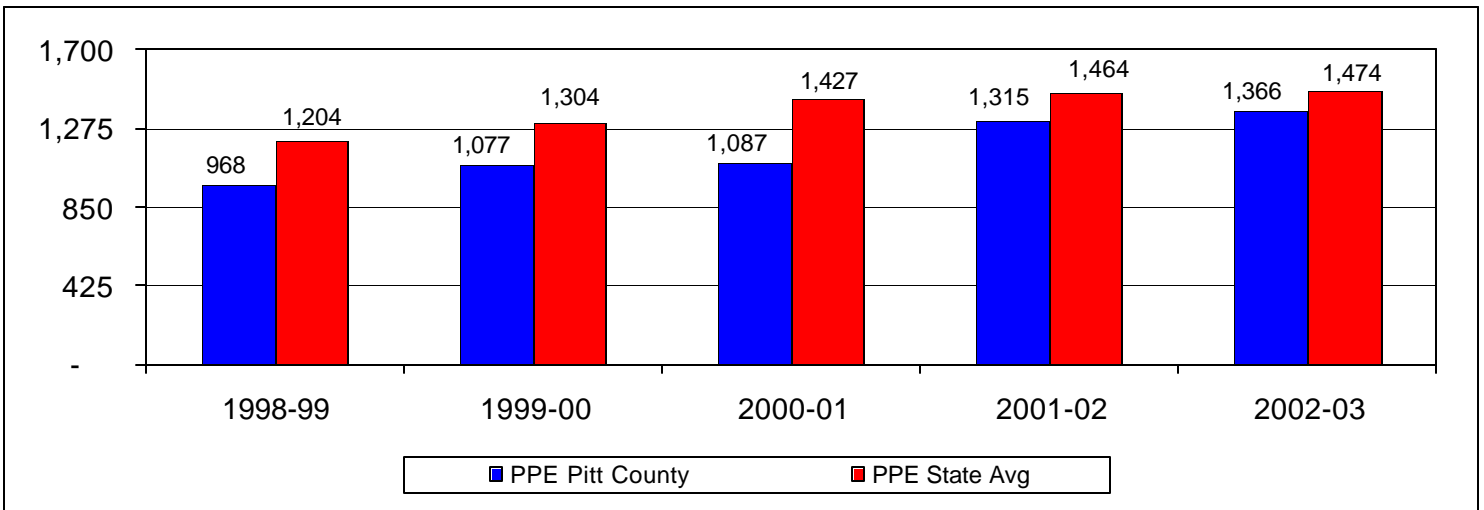
**Additional Appropriation Accomplished Through Internal Redirections and Increases in Other Revenue*

A brief overview for 2003-04 budget, was just over \$166 million, with 72% from state and 16% from the County. He said 86 cents of every dollar spent is on instructional or support services.

Pitt County Schools has made tremendous strides in per pupil funding over the last four years. Pitt County has gone from 57th in the State at \$968 per pupil to 33rd in State with \$1,366 with local dollars. The local funds help the schools be great. He said that the school system has continued to grow by 2100 students over these four years. He said the State average is \$1,474 per child while Pitt County's is \$1,366.

**Pitt County Schools
Pupil Statistical Information
Pitt County PPE Compared to State Average**

Year	PPE Pitt County	PPE State Avg	PPE Difference	ADM	Expenditure Difference
1998-99	\$ 968	\$ 1,204	\$ 236	19,778	\$ 4,667,608
1999-00	1,077	1,304	227	19,912	4,520,024
2000-01	1,087	1,427	340	20,286	6,897,240
2001-02	1,315	1,464	149	19,970	2,975,530
2002-03	\$ 1,366	\$ 1,474	\$ 108	20,661	\$ 2,231,388



Mr. Beaulieu provided the list of how the \$639,820 in new monies is to be allocated. He also provided a brief overview of the capital budget. He reviewed the sales tax \$4.8 million for next year projected. There is a \$700,000 for corporate income tax funds and \$750,000 for capital expenses from the County. Category I, II, and III total \$750,000. All the remaining funds will go to debt service which is short of the \$34.6 million for capital projects. Next year \$5.8 million is being expended for existing debt payments out of revenues for school construction. He provided the small projects for these funds. He provided a list of what has been used out of sales tax for major repairs. There is no money budgeted for those type of categories. There will be a very tight year for fixing roofs and paving improvements. He said the budget is \$1 million less this year than last year in this category. Corporate income tax funds are down 45%. Sales tax is down almost \$500,000 from the projections made five years ago. The economy has had a drastic impact on their sources for funding capital projects.

**Pitt County Schools
Proposed 2004-2005 Budget
Net Increase in Operating Revenue**

County Appropriations	1,900,000.00
Redirection of EC Salary/Benefits	300,000.00
Increase in Textbook Revenue	24,672.50
Increase in Indirect Cost Reimbursement	45,000.00
Increase in E-Rate Revenue	286,798.00
Decrease in NC Medicaid Revenue	(96,000.00)
Net Increase- Operating Revenue	<u><u>2,460,470.50</u></u>

**Pitt County Schools
Proposed 2004-2005 Budget
Net Increase in Operating Expense**

Increase in Salaries	623,599.93
Increase in Benefits	413,408.68
Increase in Instructional Support	51,746.50
Increase in Plant Maintenance Expense	658,060.78
Increase in Other Operating Expense	112,251.61
Increase in New Money Requests	639,820.00
Net Increase- Operating Expense	<u><u>2,498,887.50</u></u>

**Pitt County Schools
Proposed 2004-2005 Budget
New Money Requests**

#	Proposed Budget	Short Description
1.	\$ 58,500	Exceptional Children Transition Center Expansion to full year in order to provide more options for SWD (3 teaching positions).
2.	120,000	3 New Reading Coaches provided to all K-8 Schools (Avoid Supplanting Title I Funds Where Coaches Are Currently in Place).
3.	21,000	Math/Science Manipulatives and Resource Materials to Increase Participation in Advanced Math Courses Beginning in Grade 7.
4.	140,000	New/Additional Textbooks, Materials, and Supplies for New High School Courses to Support Block Sceduling Development.
5.	188,070	Request for Curriculum Assistance Teachers to Maintain Caseload for Exceptional Children Curriculum Assistance Teachers.
6.	62,250	3 New Job Coaches for Exceptional Children Community Training Requirements.
7.	50,000	Human Resources Request for Initial Licensure Training, HOUSSE Training, and National Board Certification Fee for Non-State Employees
	\$ 639,820	

**Pitt County Schools
Long Range Educational Plan
Immediate Needs Already Funded**

Project	Funding Status	Amount
PK-5 School	Fully	\$ 8,225,500
PK-8 School	Fully	11,620,200
Chicod	Partial	3,000,000
Wintergreen K-8	Fully	2,400,000
Science Labs 6-8	Fully	800,000
A/C Gyms	Fully	800,000
DH Conley	Partial	3,000,000
Athletics	Partial	1,350,000
Auditoriums	Fully	1,680,994
Technology	Partial	1,000,000
Deferred Maintenance	Partial	800,000
		\$ 34,676,694

**Pitt County Schools
Long Range Educational Plan
Immediate Needs Unfunded**

Project	Funding Status	Amount
Ayden Elementary (6 classrooms)	None	\$ 900,000
Chicod Replace 1929/36 Bldg	None	2,900,000
Farmville Middle (3 classrooms)	None	800,000
DH Conley Cafeteria	None	400,000
H.S. Science Labs	None	2,400,000
Technology	Partially Unmet	3,500,000
Deferred Maintenance	Partially Unmet	6,000,000
Facility Svcs Land and Design	None	400,000
		\$ 17,300,000

**Pitt County Schools
Long Range Educational Plan
Short Term Needs Unfunded**

Project	Amount
PK-5 School in JH Rose	\$ 9,900,000
Ayden Elem-Multipurpose Room	1,500,000
Sadie Saulter	3,900,000
AG Cox	6,900,000
DH Conley Auxiliary Gym	2,900,000
HS Media Expansions	1,700,000
HS Athletics	3,800,000
HS Vocational Labs	4,600,000
Technology K-5	3,800,000
Deferred Maintenance	14,000,000
	\$ 53,000,000

The original \$34.6 million projects that was approved last year are having to have adjustments because of changes in steel costs, fuel increases and other increases. He provided a list of unfunded needs. Short term projects totaling \$53.0 million are not funded.

Mr. Barnette thanked Mr. Beaulieu and Mr. Michael Cowan for their presentation. Mr. Walter Gaskins asked about the projects that are coming in overbid. Mr. Beaulieu said the projects in the \$34.6 million are being funded entirely by the County. Mr. Gaskins said if a roof leaks, it will have to be fixed.

Mr. Garris asked if there is any indication where the County will fall for the per pupil allocation for the 2003-2004 Fiscal Year since these per pupil figures tonight are for 2002-2003. Mr. Beaulieu stated the preliminary projections indicate the high 20's or rather the 20th out of 117 systems. Short term needs are for five years. Mr. Minges asked if the \$1,366 includes the in-kind for space being used by the Board of Education and if that does include the sales tax. Mr. Beaulieu said it does not include any cost differential for the rental of space for the offices. Mr. Minges said if that was added in it would be closer to the State average. Mr. Beaulieu said they use expenditures. Mr. Elliott asked about the funds in Category I, II, and III. Mr. Beaulieu said these categories include small repairs, furniture and vehicles. Mr. Elliott asked what the schools would do if those funds are not provided locally. Mr. Beaulieu said they would have to look within the schools budget for those funds. Mr. Minges asked if the funds cannot be appropriated from the County for the 2004-2005 budget, how would they meet the needs for the funding of the \$1.9 million in expenses. Mr. Barnette said he understood that this would cut into new money request. Mr. Tolmie spoke about the 4% increase stating this has to be done across the board. Mr. Beaulieu said that the Governor has indicated a 2% increase plus a \$250 one time bonus.

**Pitt County Schools
2004-2005 Expenditures**

Category I

DH Conley Sewer Line	\$ 50,000
Tie in Whitfield sewer to GUCO	25,000
Conley Athletic Field fencing replacement	20,000
Moving/reestablishing mobile units	30,000
Mobile unit repair and relocation	30,000
Replace Boiler at Wahl Coates	45,000
Belvoir HVAC renovations	40,000
Roofing	60,000
	<hr/> \$ 300,000 <hr/>

**Pitt County Schools
2004-05 Budget**

Category II

Classroom furniture-new teachers	\$ 34,000
Equipment allotment to school (\$10 per ADM)	215,000
AS400/SIMS/Bookkeepers/Payroll	96,000
	<hr/> \$ 345,000 <hr/>

Category III

Maintenance-new trucks	\$ 40,000
Trans 1 activity bus SCHS	65,000
	<hr/> \$ 105,000 <hr/>

Dr. Priddy addressed both boards stating that this is the ninth time the boards have come together to discuss the education compact. This meeting is about operating budget or current expense budget. He suggested that the fifth year of the compact is as important as the first year because expectations have increased. Further changes need to be made. They are touching about 85% of the children. The children's needs that have not been met are non-English speaking children. He spoke about the new money requests for

exceptional children with programs for reading, math/science, new textbooks, new job coaches, etc. He spoke about the Governor's budget. He said the new money requests are to be added in to the \$1.9 million. He spoke about program improvement and quality. He said when you add in the growth and the needs that remain to be met, it is imperative that the momentum needs to be maintained. There were several million requested in the amount of \$5 million which was reduced to the \$639,000. This \$639,000 would address the most imperative needs and would be manageable. The teachers, principals and staff very much appreciate the funding from the County and they hope to maintain the funding of that budget.

Mr. Elliott said the budget is prepared and they are in the process of putting it in presentation format. He spoke about revaluation and that there will be a 30% average increase in property values in Pitt County. He said the County has relied on fund balance over the past three years and there is no fund balance left to appropriate. The County's portion of current expense for the schools is 16% of their budget as stated tonight but for the County's overall ad valorem property taxes it constitutes 63%. Mr. Elliott further stated that there are 140,000 residents in Pitt County who have needs that the County will have to address. There is over \$10 million a year in debt service which is being paid off. Mr. Elliott said this is a tough budget year. The goal of the compact has been a great goal and many accomplishments have been achieved. The \$7.5 million has allowed the County to move up to the 28% percentile in the State but that figure is for 2002-2003. He said when this year's \$1.8 million is added. The school system should move to a 18% funding level and place the Pitt County school system at a placement of 20 out of 117 school systems. Mr. Elliott added that the rent that is provided for the School Board offices is not credited to the County per pupil expenditure (PPE) benefit. He proposed that once these figures are added in, the per pupil allocation will increase \$340,000 and the County would be credited with these funds towards the per pupil allocation. Mr. Elliott said he is trying to justify all the needs throughout the County with the Board of Education's needs being a top priority. Other funding sources are needed for capital needs for facilities. He stated he would present the budget to the Board of Commissioners next week.

Mr. Owens said that the compact goal was to be the best in the State and they hoped to reach that within the five year period of the compact. The County does not need to stop at the top third in the State. The State spending of \$1,474 compared to the County's \$1,366 is good but to be the best, the County has to spend more. He stated that the results are seen when you invest in the Schools. He said last year a 2% increase was spent for building schools. The City has already come out with the revaluation with an equivalent tax increase of five cents and the County's is estimated at seven cents, so the taxpayers have already had a burden. He said he has spoken to legislators and the County needs to push the lottery so it can fund the schools.

Mr. Don Carson said that the School System has put \$2.9 million in the budget. If the \$2.9 million was removed, would the Schools still be at the 33% ranking in the State. Mr. Beaulieu stated that the \$2.9 million did contribute to the schools moving up in the ranking. Mr. Minges said the \$2.9 million is still taxpayers money so how can they

differentiate those funds. Mr. Beaulieu said that some of those funds are fines and forfeitures and some funds are interest income. Grant money has also risen almost three times during the same time period. He added that \$2.7 million will not be reflected in the percentile but added to budget. Mr. Elliott asked if the fines and forfeitures have not always been received and budgeted as local dollars. Mr. Beaulieu said there have been significant increases in the past few years. Some of those funds have been redirected towards State and Federal dollars. Mr. Coulson said that there have been some \$16 million in supplies. This would come out to about \$800 per student or \$12,000 per classroom. Mr. Coulson asked why the teachers are always saying they don't have funds for supplies. Mr. Beaulieu said that includes technology, copiers, and all encompassing everything within the schools. He said the classrooms allocation is decided by the school administration. The State allocates \$49 per student for instructional supplies, while the Schools Administration allocates \$28 for 9-12 and \$20 for K-8 for a total of about \$75 per child. Mr. Coulson said the teachers do not see those funds. Mr. Beaulieu stated that they see it in running copies and other processes. Mr. Walter Gaskins spoke about layoffs in the industrial area. These people that are laid off are going to have tax increases because of revaluation. He is supportive when things can be paid for and the people that are laid off do not need more tax burden. He spoke about the lottery and said that only so much tax burden can be put on the people. He suggested doing a referendum and let the people decide if they want the added taxes for this cause.

Dr. Priddy said that the first seven items would total the \$1.9 million and the \$639,820 new money for improvements would total the \$2.4.

Mr. James thanked everyone for the questions and stated this was very informative. He said they would know more once the County's budget had been presented.

Ms. Camnitz noted that tomorrow the 3rd through 8th grade students will be taking end of grade testing which is the culmination of the work over the previous four years of the compact. She said there is a pay off everyday in the classrooms and the goal is to make the school system the best.

Mr. James stated with no other comments, the meeting was adjourned at 8:20pm.

Respectfully submitted,

Susan J. Banks, CMC
Clerk to the Board