

Special Meeting  
Wednesday, May 27, 2009  
6:00 pm  
**\*\*COA Dining Hall and Community Conference Room\*\***  
**824 North Oakum Street, Edenton NC**  
**(Behind the former DF Walker Elementary School)**

**MINUTES**

The Chowan County Board of Commissioners held their regular meeting on Wednesday, May 27, 2009, at 6:00 pm in the COA Dining Hall and Community Conference Room.

Present, Chairman Eddy Goodwin, Vice Chairman Emmett Winborne, Commissioner Jimmy Alligood, Commissioner Louis Belfield, Commissioner Kenny Goodwin, Commissioner Ralph Cole and Commissioner Keith Nixon. Staff Present: County Manager Peter Rascoe, Finance Officer Lisa Jones and Clerk to the Board Susanne Stallings.

Chairman Eddy Goodwin called the meeting to order and led the group in the pledge. Commissioner Louis Belfield then offered the invocation.

Chairman Eddy Goodwin asked the citizens to provide constructive comments. He then opened the floor to public comment on the proposed budget.

**Public Comment**

Frances Layden, 3027 Rockyhock Rd. stated she was the mother of a former employee and stated her concern on the demotion of her daughter. She stated that she felt that her daughter was demoted because she told the truth to management.

Gil Burroughs, 303 Queen Ann Dr. stated that he did not come to Chowan County for cheap taxes. He said that he was here for the duration but did live on a fixed income. He urged the Board to consider the children and schools in their budget planning. He stated that he did not feel the cuts to the school were fair. He stated the Board's responsibility was to maintain the community and schools.

Craig Miller, 109 Church St and Chairman of the Shepard Pruden Memorial Library stated his concern on cuts to the library and its working hours. He said that the proposed cuts to the library will be devastating to the services it provides.

Rosalie Miller, 206 Country Club Drive, and Librarian of the Shepard Pruden Memorial Library stated that the Library has numerous collaborations with local non-profits and any reductions in funding would seriously impact the youth programming.

Jim Brock, 1101 Arrowhead Trail, stated his concern over funding cuts to the Senior Center Nutrition program. He stated that of the 42 participants, the program would be cut in ½ and that would be devastating to the program for home delivered meals. He said the program utilizes over 80 volunteers that deliver the meals. He stated that there is a tremendous need for the service and urged the Board to restore the program in the budget.

Bob Zimbrowski, 109 W Queen St., stated his displeasure with the salaries of County employees as compared to surrounding counties with similar or greater populations.

Rich Halbert, 412 Phillips St. , stated that he didn't want to see people lose their jobs or taxes go up. He said he felt at the 2008 budget amendment hearing that the County entered into a contract to eliminate 17 positions. He said to date, he was not aware if those cuts were ever made. He then referred to the 4 Commissioners who were serving in 2008 as "clowns who raised the taxes".

Chairman Eddy Goodwin reminded the public to be courteous with their comments and asked the Board to do the same.

Bill Elliott, 1625 Rockyhock Landing Road and a member of the Recreation Advisory Board. He stated he understood the Board of Commissioners had a big challenge with preparing the 2009-10 budget and added that he was concerned about losing funding to the Recreation program. He stated his concern about losing participants in the process.

Norman Brinkley, 206 N Mosley St., stated his concern over the Public Safety Building being locked after hours. He also stated his concern for the limited number of African Americans working for Chowan County. He added he feels uncomfortable when he enters a building and there aren't people working that look like him.

Mark DeHart, 112 Horniblow Point Rd, stated his concern for cuts in working hours not being made to all departments. He said he was of the understanding that Fair Labor Standards would not allow hourly cuts to be made to certain departments and not all departments.

Ricky Browder, 809 W Queen St., Read the following statement into the record:

TO: Chowan County Board of Commissioners  
FROM: Ricky Browder, Chairman - Edenton-Chowan Board of Education  
DATE: May 27, 2009  
Re: Proposed Budget Reductions

I believe that since July of 2008, when the true financial state of this county was revealed, every citizen has been keenly aware of the difficulties that were facing the County Commission. This coupled with the appointment of a new County Manager, the election in November and those newly elected commissioners not having time to settle into their roles before tackling the budget has made this spring even more difficult.

In a spirit of co-operation, the Board of Education agreed last summer to defer allocations of county funds for five months in order to provide time for a thorough evaluation by county officials as to the state of their finances. The schools received no local funds until December. This resulted in a loss of approximately \$90,000 of income from our budget. As a board we no longer have the ability from a financial standpoint to provide this option due to the ever decreasing fund balance.

In an attempt to help shorten the learning curve from the education side of this complex equation, The Board of Education initiated an informal meeting of sub-committees with representatives of each board present for the purpose of providing information on such things as, the budget process, long range goals, and immediate concerns that needed to be addressed. The meeting was both cordial and informative; all left having a greater appreciation for the difficult issues facing the respective boards.

Since this meeting I have tried to remain in contact with Eddy on a regular basis so that this important line of communication would remain open. This ability to communicate paid dividends as the two boards worked through the recent budget shortfall that we all wish could have been avoided. The Board of Education agreed to return \$513,000 of that delayed allocation, which represents more than half of the shortfall, to assist the county in closing a gap of more than \$970,000.

Once again as the budget process has unfolded, Eddy and I have had numerous conversations regarding the Board of Education's role and responsibility in helping to resolve this seemingly insurmountable crisis. Mr. Goodwin has been assured on many occasions that it is the Board of Education's desire to be a part of the solution to the current budget difficulties in an equitable way.

At the May 18<sup>th</sup> work session, a summary of the challenges that the board would face with a reduction of (\$665,000), or half of the currently proposed budget reduction (\$1.2 million) was presented for your consideration. The reduction included the loss of all technology monies (\$200,000), as well as over \$80,000 in desperately needed capital outlay money, not to mention \$383,000 in current expense dollars. This is a tremendous reduction, but through fiscal responsibility can be managed in a manner so as not to adversely affect the classroom. This must be the Board of County Commissioners' and the Board of Education's primary concern.

If local reductions remain at the proposed level, the school system will not be able to absorb them without drastically reducing its reserves. A reduction of \$1.2 million, as proposed, would have dire effects on our schools, especially when combined with the drastic cuts being made in state funding. We may lose up to 26 school system positions through state cuts alone. A reduction this large would mean even more school system employees would be at risk. The board believes it has already covered a disproportionate share of the burden to help the county weather this financial crisis. Services to children will inevitably suffer; many school employees will lose their jobs, and our school system will not be able to maintain its high level of quality.

We stand at the ready to do our equitable part; however, we can not and will not allow the future of Chowan County, our children, bear the burden of balancing the budget on their backs.

The Edenton Chowan Board of Education asks that the cuts to our local allocation be limited to \$665,000. In your deliberations, please consider the disproportionate impact the proposed scenarios will have on the schools, their employees, and the long-term effect they will have on the services schools provide for the boys and girls of Chowan County.

Respectfully,

Richard A. Browder Jr.  
Chairman, Edenton Chowan Board of Education

Dr. Alan Smith, 122 Country Club Drive, read the following statement into the record:

The members of the Edenton-Chowan Board of Education have repeatedly and publicly expressed their desire to work with the Chowan County Board of Commissioners in an effort to resolve the financial dilemma in which the County finds itself. This desire has been evident since the onset of the crisis as the Board absorbed a financial loss by deferring receipt of this year's allocation until December in an effort to assist the County with cash flow difficulties. The Board of Education does understand that if Chowan County is to emerge fiscally sound, it will require the concerted effort of all citizens and agencies within the county. Everyone must sacrifice equably toward this common goal.

However, the Board of Education is now compelled to forcibly voice its deep concern regarding the proposed 2009-2010 budget allocation for the public schools. To do otherwise would be a dereliction of our responsibilities as elected officials and a violation of the trust to the children we are sworn to serve. If this budget is approved, Edenton-Chowan Schools will experience a reduction in allocations from the Chowan County Board of Commissioners of more than \$1.7 million since March of this year. When the County discovered they were \$970,648 short of meeting their obligations for the 2008-2009 fiscal year, the Board of Education agreed to return \$513,000 from this year's appropriation which accounted for more than half of the County's shortfall. Now the Board is asked to concur with a further reduction of \$1.2 million below the 2008-2009 funding level.

The Board of Education must object on two accounts. First, this reduction combined with an estimated \$1.9 million reduction in state funds will decimate the quality of educational services for the students of Chowan County. The net effect of state and local reductions of more than \$3 million will sorely cripple an already strained operating budget. The proposed local reduction would decrease the current expense budget by \$800,000 and completely eliminate funds for technology and capital outlay of \$200,000 each. A loss of \$1.2 million dollars will result in a loss of more than \$500 per boy and girl in our schools. For a class of 25 students that would mean there would be \$12,500 less to support the classroom. Edenton-Chowan Schools currently ranks 47<sup>th</sup> out of the 115 North Carolina school systems, or slightly above the median, in the amount of local funds allocated to the schools on a per pupil basis. If the proposed reduction is approved, that ranking would drop to 100<sup>th</sup>.

Second, the schools are asked once again to shoulder a disproportional share of local budget cuts. As stated earlier, the schools contributed more than half of the reductions in March in order for the County to realize a balanced budget for this year. The proposed school reductions for the 2009-2010 budget of \$1.2 million is by far the largest reduction of any funded agency or County department and represents a decrease of 28.22% of local revenue from the current budget year. No other agency or department (with the exception of recreation) with an operating budget of more than \$400,000 is expected to receive a reduction remotely as drastic. This year's County budget is \$17.2 million compared to the latest proposed budget for next year of \$15.3 million. The schools are asked to absorb \$1.2 million of the \$1.9 million difference between this year's and next year's budgets. In other words, the schools which account for approximately 24% of the County's budget is asked to make up over 60% of the total reductions. Even when expenditures for new debt are factored, the cuts to the schools are half of the reductions in the County's budget for next year.

The Board of Education understands its responsibility to be a willing partner in resolving the County's financial situation but strongly opposes the inequitable burden placed upon the schools. To compound the severe impact on the school system's budget, the House Appropriations Subcommittee on Education released their budget proposal last week. The proposal reflects an 11% reduction in K-12 expenditures. The schools have been informed there will be additional state cuts of \$467.5 million above this 11% to be addressed by the federal recovery stabilization funds.

The Subcommittee's reduction would increase class size limits thus reducing the state's allocation of teacher units to Edenton-Chowan Schools by an estimated 9 to 10 teachers. This is in addition to an earlier state reduction of 3.5 teachers, bringing the total state reduction to 12.5 to 13.5 teachers. Other anticipated personnel cuts include an additional 4.5 licensed staff and 8 classified staff (teacher assistants, clerical, custodial, etc.). Finally, the cuts included in the House plan would reduce the school's appropriation by another estimated \$185,000 in allocations such as textbooks, at-risk student services, transportation, and other cost items.

There are several other budget cuts included in the House plan that will create additional financial burdens for the schools but at this time the Board is unable to estimate a dollar amount. Currently the More At Four pre-kindergarten program is funded at a level less than the actual cost. Next year the program is slated to receive a 10% reduction in funding. Even the after-school program at the middle school, Save Our Students (SOS), has been targeted for elimination.

The removal of state support for the Learn and Earn on-line and other Early College opportunities will create a significant cost for Edenton-Chowan Schools to replace. Currently, high school students are able to enroll in these courses at no cost to the school or to the students. The only cost to the school has been textbooks, supplies, and transportation to and from COA. Next year John A. Holmes students have enrolled in 385 courses for college credit either on-line or at COA and other on-line courses. Unless alternate provisions to pay the tuition are found, a large number of students, many first generation college students, will no longer have this opportunity. As a result, these students will now have to find replacement courses on the John A. Holmes campus, increasing class sizes and profoundly narrowing the curricular offerings available to our students.

Unfortunately, it does not appear the governmental funding problems will be short lived. Even the most optimistic forecasts predict the 2010-2011 fiscal year to be another year with extremely lean revenue and continued budget reductions will be necessary. This may best be illustrated in the

House Subcommittee's budget proposal. In addition to the reductions described earlier, the House budget proposal will reduce the length of the school year from 180 instructional days to 175 for the 2009-2010 school year. Another five days will be lost in 2010-2011 as the school year would be further reduced to 170 instructional days.

The depth and magnitude of the reductions to the public schools of Chowan County are enormous. There has been consideration by the County Commission of mitigating the reduction in school appropriations to approximately one-half of what is proposed in Scenarios A and B and the current version of the County's budget. Chairman Goodwin suggested a figure of \$665,000 a couple of weeks ago. Even this compromise will require the Board of Education to exercise its reduction in force policy and terminate many positions and services for students. It is estimated that by: (1) easing the local budget reduction from \$1.2 million to \$665,000; (2) making acute staff cuts, elimination of selected programs, and reductions in student services of approximately \$1 million; and (3) appropriating \$800,000 from the fund balance the school system will barely be able to operate within a balanced budget.

This scenario is not desirable but may be the best option considering the present circumstances. The result will be the loss of instructional and extra-curricular programs, elimination of student services, increases in class sizes, and reduction of student and staff support programs. To make this option work, the Board of Education has committed to reducing its fiscal reserves to a dangerously low level leaving itself vulnerable and unable to respond to future economic misfortunes.

In closing, I wish to thank the County Commission for this opportunity to bring the concerns of the Board of Education to your attention. While the Board remains committed to being an active participant in resolving the current financial crisis, they must also be diligent in carrying out their responsibilities to protect the quality of educational services for the boys and girls of Chowan County. It is our desire that the Chowan County Board of Commissions reconsider the proposed budget. The budget, as presented, will create a massive disruption in instructional services for students and drain the financial resources of the school system to a point whereby the Board will be unable to adapt to the ever changing economic conditions.

Katrina Rogerson, 906 Gliden Road, stated her concern in cutting schools. She said that children are the future and that the Board should think as parents do, when looking for cuts in their own budget, they cut from themselves first. She said she felt it was not fair for the children of Chowan County to have to pay the most for the budget shortfall. She asked the Board to re-evaluate the proposed cuts to the school system.

Brian White, 803 White Oak Dr. , and Cycle Speedway director said that he felt Chowan County's recreation program was more than just baseball or football and thanked the Board for taking a closer look at the proposed cuts in recreation.

Barbara Burroughs, 303 Queen Ann Dr., said that she is proud of Chowan County's school system. She said that any cuts to the school system and their impact are no fault of the teachers. She said that the monies to the school provide needed resources and stated her disappointment in the amount of reduction proposed for the school system. She urged the public attending to call their Commissioners and ask them to not cut school funding.

John Mitchener, 1000 W Queen St., and former Board of Education member said he agreed with the previous comments on the importance of funding the school system. He said another concern was the lack of monies for contingency. He said that the Board should consider uncontrollable forces that could impact Chowan County such as a Hurricane. He stated that he felt the Board should budget more in contingency and plan for the future of building and enhancing Chowan County for the future.

Lori Knapp, 100 Crestwood Ln., stated that as a young business owner in Chowan County she felt that the fees for recreation are not enough. She described instances where local businesses have provided sponsorships for recreation and stated her concern for the future of the recreation department.

The Board recessed for 10 minutes.

Chairman Eddy Goodwin called the meeting back to order and opened the floor for public comment.

Sue Brown, 924 Indian Trail Rd., said she felt the Board has done a good job in combing through the budget. She urged the public to volunteer and expressed concern for the need for coverage in the Tax office.

Carol Pennick, 205 North Granville St., stated her concern over budgetary cuts to the Animal Shelter and Animal Control. She described an instance where she utilized Animal Control and stated that now she volunteers at the shelter. She said she felt the animals are victims in the proposed budgetary cuts and stated her concern over cuts in law enforcement. She said that Public Safety is another important service provided by the County.

Gwen Brown, 108 Paxton Ln., stated that she advocates for the children and the elderly. She stated her concern over proposed cuts to the school system and the recreation departments. She said she also was concerned over proposed cuts to the meals on wheels program for the elderly. She said that while she lives on a fixed budget, she is willing to pay more taxes to help with the youth and senior programs.

Roy Kirkman, 143 Gum Pond Rd., stated that the elderly and children should not suffer. He said he felt the County should look at the payroll of the employees and added he felt that was the problem.

John Guard, 211 Wake Ave., and member of the Board of Education said he has lived in Chowan County for 40 years. He said that he was proud of the school system that Chowan County has. He noted that he is involved in prison ministry and has learned that the cost of housing an inmate in NC for 1 year is \$40,000. He said the cost of educating one child in Chowan County is \$11,000. He stated he supported the ¼ cent sales tax that was proposed in 2008. He asked the Board to find other sources of revenue, but not cut their way out. He stated he respected the job before the Board, but urged them not to cut as a solution.

Bill Miller, 100 Blount St., and Senior Center Advisory Board member urged the Board to support the Meals on Wheels program. He said that any cuts in the program would decimate the mission of the program and urged the Board to reconsider any proposed cuts.

Linda Abbott, 106 Hickory Ln., said that she could see a need for increased taxes. She said the Board should consider the needs of the children and the elderly. She asked the Board to come up with a tax increase that the citizens could live with and make the right decision.

Debra Goodwin, 1651 Ocean Hwy., stated that she has been an educator for 20 years. She said that working with DPI she saw various schools with little income and those that were high income. She said the children in Chowan County should come first. She said that cuts to the school would move the County school system backwards. She asked the Board to find other cuts, but not in the school system budget.

Tom Abbott, 106 Hickory Ln., said that daily, working in the prison system as an educator, he sees the cost of indifference of society. He said that cutting funding to the schools would leave Chowan County with children who were "left out of the loop." He asked the Board to go back and look hard. He said he felt the audience was willing to pay more taxes. He asked the Board to give cuts to the school system, careful consideration.

Tom Baumgartner, 310 E. King St., asked the Board to consider that cutting 1 position equals ¼ of 1 cent on the tax bill. He provided the Board with figures he prepared on the costs of cutting jobs vs. not raising taxes. (a copy of the presentation is in the meeting file labeled May 27, 2009 Board of Commissioners meeting file).

Jean Bunch, 954 Sandy Ridge Rd., stated she felt the proposed school cuts would be an injustice to the children and should not be tolerated.

Being no further business Commissioner Alligood moved that the meeting be adjourned. Chairman Eddy Goodwin asked for all in favor, the motion carried unanimously (7-0).

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Eddy Goodwin  
Chairman

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L. Susanne Stallings  
Clerk to the Board

(SEAL)