

**PASQUOTANK COUNTY, NORTH CAROLINA  
APRIL 24, 2017**

The Pasquotank County Board of Commissioners met today in a budget work session on Monday, April 24, 2017 in the Community Room at the Public Safety Building.

**MEMBERS PRESENT:** Cecil Perry, Chairman  
Jeff Dixon  
Lloyd E. Griffin, III  
Joseph S. Winslow, Jr., (*arrived 9:45 am*)  
Frankie Meads  
Bettie Parker

**MEMBERS ABSENT:** Dr. William R. Sterritt, Vice-Chairman

**OTHERS PRESENT:** Rodney Bunch, County Manager  
R. Michael Cox, County Attorney  
Sheri Small, Finance Officer  
Lynn Scott, Clerk to the Board

The work session was called to order at 9:00 AM by Chairman Cecil Perry. He welcomed members of the Board of Education, as well as school staff and thanked them for all they do for the children and citizens of the County. He thanked Dr. Cartner for his progressive ideas in moving our schools forward. He assured him that the Board will do all that they can to address the school's systems request. He noted that we live in a Tier I county and money is not easy to come by.

**1. BUDGET WORK SESSION:**

Chairman Perry called on Dr. Larry Cartner, Superintendent of Elizabeth City-Pasquotank Public Schools, to present the Board of Education's budget request for 2017-18. Dr. Cartner thanked the Board for allowing him to present the school's budget. He said the things that need to be said today are not said in any spirit of malus or anger. He stated that he is simply trying to paint a picture of where we are as a school district.

Dr. Cartner said they have forward momentum and he is grateful for that. A principle has been hired for the early college. Staff will begin work by May 1, 2017. The 1:1 rollout this year was very successful. In February, they were reaccredited. He reported that a number of statewide level career and technical education awards were received. A number of STEM grants were received. On May 6<sup>th</sup>, a group of churches will come to all twelve campuses and perform cleanup.

Dr. Cartner stated that he comes today as the largest employer in the county. He said the cumulative effects of less than adequate school funding are being felt and are increasing in severity. They believe they are at a tipping point where the future of the district is in danger. He said they are asking the Board to fulfill their promise from last year that they would do more. He stated that as the largest employer in the county, they have 61 buildings across 18 campuses, totaling 1,079,618 square feet. The school system employs 28 maintenance employees and 58 custodial staff. Each custodian covers 18,614 square feet and each maintenance employee covers 38,557 square feet. He guessed that the County's numbers are substantially less. He said the school system has 700+ team members, 100 of which are paid locally, 64 of which are paid from federal funds, and 541 are paid by the state. He said you cannot operate a school district with \$300,000 or less and expect to have a quality program.

Dr. Cartner said the cumulative deficits over the past two years are \$3.2 million in Capital and \$4.1 million in Current. He noted that they have reviewed proposals from a cost savings analysis firm. They also employed a firm for grant-writing efforts and increased business partnership efforts. Salaries have been cut back (substitute pay, transportation savings, and sharp reduction in overtime). Volunteer efforts have increased as a result of relationship and trust building. He said they have increased Legislative coalition efforts, as well as reduced Board and Superintendent resources. In addition, they have made instructional sacrifices, such as not having instructional specialists at the secondary level.

Dr. Cartner said there are several things that they cannot control such as current supplements, utilities and insurance, matching salary and supplement increases, increased costs in retirement and hospitalization, guaranteed benefits payout, fixed state bonuses for locally paid employees, state mandated programs requiring additional local funds, and local portions of grants. He stated that from 2010-2011, ECPPS was required to use \$2,131,000 of fund balance to balance the budget. Over the same period, ECPPS was required to spend down their fund balance, the total county fund balance increased by \$2,119,211. He said this is an average increase of \$353,202 per year going into the county's fund balance. He noted that ECPPS's fund balance is depleted. He said the majority of their state funding is restricted in use. Of the \$37 million state budget, all but \$5 million is pre-directed. Of that \$5 million, personnel costs take \$4.7 million. He said this leaves approximately \$300,000 to meet all other needs.

Dr. Cartner stated that the local allotment made to ECPPS from local funds includes charter school funding. In other words, whatever local allotment ECPPS receives, that figure must be reduced for charter school payments, effectively reducing the local budget for ECPPS. He said their budget request does not include any funding for class size reduction, which is estimated to be \$1.27 million. He noted that class size reduction is listed as a separate item. He added that there are many unknowns such as, state budget reductions, class size mandate, salary increases requiring local match, increases in hospitalization, and federal allotment reductions.

Dr. Cartner said ECPPS is facing several significant issues for 2017-18. He noted their fund balance is depleted. The 1:1 Expansion will cost \$487,004 for grades 4, 8, and high school Science. School requests total \$2.88 million. If the Class Size Mandate passes, it will cost an additional \$1.27 million. He said they resist going backwards and hopes that the County fulfills its promise to do better.

ECPPS requested \$12.4 million in the 2016-17 budget. The County funded \$10 million, leaving a deficit of \$2.4 million. ECPPS reduced its budget by \$1.261 million and used \$1.139 million of its own fund balance. He said the total current expense for 2016-17 is \$11.139 million. ECPPS unassigned fund balance is currently \$717,000.

Dr. Cartner summarized the 2017-18 ECPPS requested local budget as follows: \$15.78 million – Operating, \$1.38 million – Capital Outlay. The top ten capital outlay requests include HVAC's, roofs, window replacement, and painting. The total request for Operating and Capital Outlay totals \$17.17 million. He said this budget request seeks to fulfill a promise to do more and to do better. The budget request represents a true picture of need for our district in order to be progressive. He added that this budget request asks our county to embrace and advocate for the progress of our public schools. He said without the County's embrace, they will struggle to compete with other options presented to parents for their children's education.

After discussion; the Board assured Dr. Cartner and members of the Board of Education that education is a high priority to them and they will do what they can to fulfill ECPPS's request. They noted that every county in the state is receiving large school funding requests this year and the boards are going to have to make some hard decisions.

Chairman Perry said unfortunately the County does not have enough funds to do everything it needs to do. He said education is a high priority in Pasquotank County and they will work hard on the budget.

Finance Director Sheri Small reviewed the proposed budgets for the Water and the Solid Waste Departments. She said they both remain relatively flat and she does not anticipate rate increases for either department in this year's budget.

Motion was made by William Sterritt, seconded by Frankie Meads to adjourn the meeting. The motion carried unanimously.

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CHAIRMAN

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CLERK TO THE BOARD