

STATE OF NORTH CAROLINA)
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COUNTY OF STOKES)
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OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
TUESDAY MARCH 7, 2023

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Budget Goals Session in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Tuesday March 7, 2023 at 9:00 am with the following members present:

Chairman Rick Morris
Vice Chairman Brad Chandler
Commissioner Sonya Cox
Commissioner Ronnie Mendenhall
Commissioner Keith Wood

County Personnel in Attendance:
County Manager Shannon Shaver
Assistant County Manager/Clerk to the Board Amber Brown
Finance Director Lisa Lankford
Assistant Finance Director Tracy Aaron

Chairman Morris called the meeting to order and welcomed those in attendance.

INVOCATION

Commissioner Cox delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman Morris invited those in attendance to join the Board in the Pledge of Allegiance.

GENERAL GOVERNMENT – GOVERNING BODY – APPROVAL OF AGENDA

Chairman Morris entertained a motion to approve or amend the March 7th Agenda.

Commissioner Cox moved to approve the Agenda as presented.

Vice Chairman Chandler seconded.

Chairman Morris opened the floor for any discussion/comments/questions.

With no discussion, the Agenda was approved unanimously.

Board of County Commissioners' Priorities for the Fiscal Year 2023-24 Budget

Chairman Morris opened the floor to the Board for comments:

Commissioner Cox commented:

- Have been reviewing my notes from the senior work sessions with department heads
- I hope we can develop this budget without tax increase
- Would like to hold the fund balance around 18 to 20 percent – since we know we may have to go out for debt for some things in the near future
- Would be good to have that fund balance rating as we go into talking with Local Government Commission when decisions are made about the schools, hospital, etc.
- I know one thing that we need to look at in the budget is the overtime and compensatory time pay to see if there are any adjustments needed
- Think fuel prices will stay pretty stable so don't think that will have to be increased dramatically
- Talked a lot about upgrades to technology during the previous senior work sessions in the public safety arena with E911, EMS, Fire Marshal, and Sheriff's Department
- Think that needs to have somewhat of a priority in this upcoming budget because I think we have kind of overlooked some of the upgrades and things that could really help them
- That whole arena touches a lot of people and it is very important when there is somebody's life is on the line
- As well as technology for the Planning Department that will make their jobs easier and help the public interact with them easier
- Department of Social Services has noted that they are about out of room and will possibly be asking for two income maintenance positions in the upcoming budget due to Medicaid expansion
- Hoping that the state will help fund those two positions, but not likely
- Shorthanded in foster care/child protective area, but not sure on the income maintenance side
- Basically, they are out of space even if they don't add more positions
- Director Elmes mentioned in our DSS Board meeting the possibility of using the space currently being occupied by parole (on the hill) when they move into the courthouse once the expansion is completed
- I am sure there will be a lot of people vying for that space, but they really need space – could possibly move a unit into the space, plus they also need space for storage
- Know that Director Eddy McGee has mentioned that he needs storage space, but not the budget year to address that because of not knowing down the road what could happen with the old courthouse when decisions are made about the Board of Education – space could be freed up in that building
- Moratock Park is an area that I am not going to say to put any money in this budget because I don't know what Kyle can do for us on that front, but should he be able to

secure some state money we may have to match or put some money out for that down the road

- One thing about the park area is the unknown about the bridge – when and what will be done with it
- Very interested in the Moratock Park area
- In talking with Kyle, if we want the park area to be considered, we need to put something together in writing for him
- Want to mention mental health, believe the Health Department is going to put a mental health clinician in their budget
- Believe some of the opioid funding could be used for that which could benefit everybody in the county because I think the drug use stems from mental health issues
- Feel we need to make mental health a priority
- Very interested to know what Glenn thinks regarding technology– what he is seeing – ways to save money and where we need to spend money for upgrades

Commissioner Wood confirmed with Manager Shaver that Glenn is evaluating everything and will be providing the Board with a report.

Commissioner Cox continued:

- A report from Glenn would be very helpful when looking at the budget requests from departments
- Have some questions that I will save for later

Commissioner Mendenhall commented:

- First thing, no tax increase for this year
- I am with Commissioner Cox regarding the fund balance, anywhere from 17 to 20 percent
- There have been several items added to this year's budget that will be recurring such as the IT consultant, new positions, etc.
- As evident in our senior work sessions, IT is way behind in that category and we have to do something there
- Could get ourselves in trouble if we don't get caught up on IT
- The Sheriff's Office has already requested salary increases along with the annual growth of the two percent longevity
- The current budget has already been increased and will be looking at funding more before anything new is added this year
- Another large item that can drastically affect the budget will be insurance costs – last year was 5% increase – have experienced larger increases in the past
- Safety issues – EMS, Fire Marshal, and E911
- As I look at the courthouse – money there – know that the courthouse is going to be redone – will have to go out for debt for approximately \$6 million (\$2 million grant)
- I just want to say to the public I am going to stand strong on no tax increase this year for many reasons
- Unfortunately, I feel like the federal government has gotten us into a bind – got groceries yesterday (a dozen of extra-large eggs cost \$7.00)

- Have a lot of baby boomers right now with a lot of people living paycheck to paycheck
- People that are fortunate enough not to live paycheck to paycheck is great, but we serve 45,000 constituents that I know there are many, many thousands of those constituents that are just hoping they can get to their next paycheck to pay their bills (rent, utilities, gas, groceries, etc.)
- Gas has gone up thanks to the energy policy from the federal government
- Reiterated no tax increase
- Do not want to go below 17% regarding the fund balance
- IT is going to be big, I am putting IT as number one
- Public safety is a very high priority for me – look at E911, EMS, Fire Marshal possibilities – probably one of the highest priority
- Have to look at insurance costs and longevity
- Just want to remind everyone about the upcoming debt for courthouse renovations
- That is all I have right now, I am sure when all the commissioners have spoken might have something else

Commissioner Cox commented:

- Would like to add one thing
- Would like to maintain the level of funding for the school budget that we funded last year, if possible, since we don't know what their request will be for capital needs as far as what their plans are for the next 5-10 years
- Once we know more about their plans, we will know more how to plan for capital needs for them
- Even if they consolidate some schools, they may end up building schools, too
- We have kicked that can down the road a long time and at some point we are really going to have to bite the bullet – we have got to just prepare – start with this budget on how we are going to meet those needs for the school system as far as capital is possible
- I think if we can maintain current expense like we did last year, hopefully they will be ok

Commissioner Wood commented:

- Agree with Commissioner Cox regarding maintaining the same level of funding this year for the school system as last year
- Not going to sit here and do a repeat of the first two speakers
- I agree IT being number one, I think that will solve problems in other departments
- I know that we can't do everything that we heard in the work sessions, I am not stupid
- I would like for us to agree on this budget
- Don't want to leave anyone out, so who we don't get this year, we make a list of who we don't get to this year and correct it as we go without killing ourselves
- Need to work smart, have seen some things that I believe could be done different to save money – have already voiced my opinion to those individuals
- Agree with E911 and EMS
- Cost of building is not coming down that drastic
- Tracked a new middle school in Gastonia that bid last week, the winning bid (including athletic fields) was \$51 million which averaged out to \$310 per square foot
- Just got to be smart

- Agree with Commissioner Mendenhall, I don't think it is the year to do a tax increase – keep the same
- Believe we need to have a great campaign to get the additional sales tax – a real campaign
- Want to make sure the county is meeting all deadlines regarding grants
- Agree with maintaining the fund balance between 17 to 20 percent
- I have made this comment, so I need to back it up, we just can't keep throwing money into something that is havoc, it seems to me that we are just wasting money that we could be spending smarter
- I am not against the schools, I am all for them, but if we are going into consolidation, we don't need to be spending a million dollars on something that may be going away the following year
- Back to my statement – we have got to work smart
- I followed last year's budget, could we get the school budget with more detail; have looked at a lot of meetings where there seems to be a lot of money that becomes available - surplus

County Manager Shaver responded:

- The school system does supply additional information with their budget that is not passed along to the Board – such as priorities
- Can include more in the Board package this year
- Can request additional information if needed

Commissioner Wood commented:

- I am not discrediting the school system, would just like to have more details

Commissioner Mendenhall commented:

- School system received \$5.1 million in grant funding for roofs
- Their fund balance has increased tremendously over the past few years
- American Rescue Plan, received approximately \$16-\$17 million

County Manager Shaver responded:

- Last year, county took the remainder of the ARP money which was approximately \$800,000 and shifted it to their current expense line item

Commissioner Wood continued:

- I have questioned the buildings being put up by charter schools versus those being built by public schools which are a lot more expensive – seems no one knows the answer why we are wasting money

Chairman Morris commented:

- As county manager, I often had one on one meetings with Finance Director Moore who can get you the information you need

- I am sure we can get what information you need – she does a breakout budget in detail, but those additional pages are normally not included in the recommended budget given to this Board
- Federal, state, and local funding is complicated with a lot of their funding being estimates which are not finalized until after our budget is already adopted

Commissioner Wood continued:

- New software came up a lot in the work sessions which is fine
- I want to hear the benefits of the software, mainly money savings, such as not having to create a new position

Vice Chairman Chandler commented:

- Went through all the work sessions, obviously, public safety is paramount
- Try to look at what organizations touch all other parts of the organization to allow them to do the best job they can do and be the most efficient
- Included in that area is human resources and IT – they touch almost every department in our government center
- Human resources has a lot of liability, most of their budget in my opinion is really geared towards training especially when it come to personnel law
- Every department has got to do the same paperwork, follow the same pattern, whatever it is
- Can't have fifteen different forms being used for the same action
- Everyday, there are issues involving personnel, it is everywhere, that is just the way it is, it is a moving target
- Not only are human resources going to have to keep operating in the present, but also at some point, they have got to jump out and get ahead of the game
- All the paperwork being done by supervisors, by our staff, in terms of forms, should be in a folder/web
- If someone in a department needs a form from HR, it should be accessible on the web
- It needs to be interactive – could be sent back to HR or to the manager if needed
- Departments could store it or archive it
- It is shocking when you go to all the departments and see the stacks of paperwork
- That in itself, if we can start getting stuff that has been available to the rest of the government for the past 20 years
- Get needed software, get things organized – not only will it save on paper and time but the efficiency level will be leaps and bounds
- Will give you an example, with planning and zoning, if they had interactive software, a request could be completed at any time – not have to wait till the office opens at 8:30 am to come and complete a form – saving time for both the office staff and contractors
- They have so many calls in planning and zoning just for questions
- Want to prioritize IT in this year's budget – need to do whatever is needed regarding new software and that software pushed out immediately
- Would like to see questions/answers that are frequently asked on the website which would probably save lots of telephone calls (I am sure that a lot of the calls are the same questions being asked over and over)

- Things like that will improve efficiency and free up time
- The bottom line is really to become as efficient as we can and cut down on personnel costs
- Personnel costs, the human capital of government, is the number one expense
- It continuously reoccurs, it always gets greater, greater, and greater
- It never decreases
- We have got to look at ways, instead of having five people in an office, we only have three
- It also goes to the field, like what the Sheriff was talking about when he was here, when an officer needs to write a report, they have to go find a hotspot, not just officers, but for our ambulances
- Every minute that is lost, especially in an emergency, can be very, very detrimental – especially in terms of a stroke, heart attack, bleeding out, etc.
- I know money is tight
- I agree with no tax increase this year
- I am willing to look at all options
- We need to know how much we want to keep in the fund balance
- I want to look at a combination of things
- This is kind of how I want to frame it:
 - Do not want to lose our AAA bond rating
 - Need to know the requirements so the AAA rating stays the same
 - Don't want to just look at a specific percentage for the fund balance
- So disjointed as an organization, one area I think we miss out big time on is grants
- There has always been a lot of grant money and continues to be a lot of grant money out there
- A lot of grants don't even have matches
- Would like to see a list of all the county's current grants to include fire departments and the Sheriff's Office
- Want to see where the money is being spent

Commissioner Wood confirmed with Manager Shaver that the county currently has a state grant that the county is receiving and distributing out to the fire departments as a reimbursable grant and that some fire departments do get their own grants. Manager Shaver noted that the outside grants obtained by individual fire departments are included in their audits.

Commissioner Wood noted that he knows a fire department that has a retired individual that goes to the department almost every day and looks for grants.

Commissioner Cox commented:

- There are probably grants that the county manager and the assistant county manager do not know about, but departments head could be aware of since that is their area
- Don't know who would write the grants
- My daughter is on the Arts Council Board, she is actually writing a grant on culture and heritage

- Believe we should remind department heads to be looking for grants for their specific areas
- Know that Director Eddy McGee could possibly help in that area of grant writing

Vice Chairman Chandler continued:

- Agree with Commissioner Cox regarding department heads looking for grants for their specific department
- Need a central area that a department head could go to for questions regarding a grant
- You don't want a department head to waste time filling out a grant application when it has a match that hasn't been approved by this Board
- In most larger organizations, funds are set aside in a separate contingency line item for matches

Commissioner Cox responded that funding could be added to the current contingency line item for possible grant opportunities.

Commissioner Wood responded:

- I used to be the biggest tree killer that there was – used to print out everything
- My company now has gone almost paperless
- I hardly ever print anything out unless it is from my personal computer for my own use
- I have witnessed companies and customers who have gone paperless
- This is a big deal – looking at blueprints, specifications, etc.
- It is possible, but everyone has to work at it
- Know it can't be done overnight but could start reducing the stacks of paper
- Going paperless would also be an additional burden on IT
- Saves a lot of time – searching on the computer is much quicker than a big stack of papers

County Manager Shaver noted that one of Glenn's recommendations is to increase the county's band width to be able to do more with our system.

Vice Chairman Chandler confirmed with Manager Shaver that Goodwill who is currently renting an office at Autumn Square has given their notice to terminate their lease and that InSight still remains in the facility.

Vice Chairman Chandler continued:

- Would like to look at moving Emergency Operations into that space when it becomes available
- Possibly look at eventually (setting a goal) having Autumn Square for Emergency Services – Fire Marshal Office, Emergency Management along with EMS

County Manager Shaver noted that EMS Director Gentry stated that there is a grant available for renovations if he could get that space.

The Board discussed looking at having Autumn Square for Emergency Services at some point along with the backup operations center being in Dobson.

Vice Chairman Chandler continued:

- Want to make sure that programs are being evaluated to make sure we are getting our money's worth out of the program
- Need accountability – not keep a program just because it was started years ago if it is not working
- Do not want this budget to be one that we try to start from scratch
- Money being spent has to have an intend and there has to be results
- Need to make sure all grants are completed properly – possibly contracting (part time) someone that could help with the overall methodology, keeping track of timelines, and making sure that all the grants are executed per their guidelines and requirements
- Grants can be quite time consuming
- Our county manager spends so much time staying in the presence, when a county manager needs to be looking to the future of the county along with being in compliance with things
- There is a need to make sure the county's policies and ordinances are up to date
- We need to start being proactive and not always having to be reactive
- Would like to know how many committees are being formed regarding this opioid issue who wants a piece of the money that is being awarded to the county

Commissioner Cox responded:

- As you know, I serve on the opioid committee
- Don't know of any committee that is scrambling to get that money
- I know the Sheriff's Department has a plan that they might be able to use in the jail for pre-release of inmates – a person who could work with inmates to have some type of plan when they are released, treatment options if needed, where they are going, etc.
- Feel the Health Department would like to use some of the money to help with a new position – Mental Health Clinician
- Been talking with people in the mental health field – there is such a shortage of qualified people
- There is going to have to be incentives for people to go into the mental health field

Manager Shaver noted the possibility of pooling some of the award money with surrounding counties to maximize the resources for specific projects (have spoken to the Rockingham County manager regarding this).

Commissioner Cox noted the need for inpatient centers which is a real issue right now – no facility to send people even when they want help.

The Board discussed the need for mental health services.

Chairman Morris recessed the meeting for a five-minute break.

Chairman Morris called the recessed meeting back to order.

Chairman Morris commented:

- Briefly discussed zero based budgeting
- Agree with other commissioners that there was a lot of requirements and needs identified during the senior work sessions and definitely can't correct all the deficiencies that came up during the first year
- I feel taking a phased in approach to do that will probably be what we will need to do
- Feel it was worth the time and effort it took to the meet with department heads – have a list to work with
- Believe there is some unused ARP Funds (some already set aside for internet)
- Confirmed with Manager Shaver that \$350,000 has been used from the \$600,000 allocated for Elections to purchase the former bank facility and that preliminary drawings are completed for the renovations – then the next step will be bidding the project out
- Would like a clear picture of the ARP funding in the upcoming budget message
- My opinion is keeping any extra ARP funding for internet expansion – that is what we have been promising the folks
- We have a really good program coming that is going to do a lot, but I think there might be other areas that we might need to match funding to do what we need to do regarding internet
- Believe Riverstreet and Wingate are scheduled to update the Board at the first meeting in April which could help us define how we can possibly use the extra ARP funding
- Would suggest since we are only having one meeting for budget guidance that at our regular meetings between now and the presentation of the budget, we have an agenda item to allow commissioners to provide additional budget guidance based on additional, updated information a commissioner has received
- This could be the time we receive information from IT Consultant Glenn Knox and Interim Economic Development Director Eddy McGee
- As a general topic, would like to look at how we expand the use of our local Forsyth Tech campus across all departments (what budget impacts may be)
- As far as the fund balance – would agree with other commissioners - 18 to 20 percent
- Would like to have Lisa check with like counties to see what their fund balances are running these days and check with Local Government Commission to see what they recommend for counties our size to have a benchmark
- Would also like Lisa to check with Local Government Commission to see what the county's fund balance needs to be in order to go out for debt for the upcoming courthouse renovation project
- Agree with fellow commissioners, do not want to raise taxes this year
- Would like to start laying the groundwork for 2024 sales tax referendum

Commissioner Cox noted that county funds can't be spent to promote the passage of sales tax.

Chairman Morris continued:

- Need financial information regarding the timing of projects (courthouse, animal shelter, and any other items that we will be spending big money on) in the upcoming budget message
- Need to have an overview regarding things like the time period needed when making application to Local Government Commission
- As far as the school budget, need to wait and see the final recommendations to know what we need to do with capital funding for the upcoming year
- Need to look across the board to try to figure out what is going to be the best way to address the opioid issue
- Believe the Maintenance of Effort budget submitted by Director Elmes will help to address the issue
- Need to prioritize the IT needs – discuss ways to do a faced in approach which will have to be analyzed carefully
- Look at salaries and merit pay along with the employee evaluations
- Salaries and turnover are two terms that I think of together
- If salary recommendations or reclassifications are needed, would try to target those to where the problems are and taken across the board kind of approach
- Need to have an improved turnover trend in a positive way to maintain a decent turnover rate in the future
- Need to get more stability regarding folks staying with the county
- This comment is strictly to Amber along with Lisa's support, I would recommend, because everyone has mentioned how complicated this upcoming budget is going to be compared to past budgets; I would like to see a really comprehensive and strong budget message from you that makes a good attempt to try to take all these moving parts that we have got and lay them out in a way that will be as easy as possible for the public to understand what we are doing and what challenges we face
- Be sure to include an executive summary (not more than two pages) at the beginning that summarizes what we are trying to do and the obstacles associated along with possibly a phased in approach
- Doesn't have to be one that takes an hour to read, but a good comprehensive summary that could be used basically as a reference document (along with the budget) that can be used as we try to figure out our path forward this year and in future years
- Also need to address in the budget message, the hospital feasibility study and the \$10 million that we have on hand

County Manager Shaver commented:

- May need some guidance from the Board regarding the hospital
- The feasibility study is in kind of a holding pattern
- State has reached out a few times to get information that we don't have
- Believe the study was supposed to have been completed in December and here we are already in March
- If the feasibility study is not back before submission of the recommended budget, there will not be much to report

- A positive thing regarding the \$10 million, the county has gained approximately \$25,000 sitting in an interest bearing account

Chairman Morris continued:

- Want information to make sure we don't lose the visibility of the \$10 million that we have for the hospital – want people to know that we are taking steps to use that funding
- Need to get an update regarding the feasibility study at the next Hospital Board of Trustees
- Will totally support putting funding in this upcoming budget for the ABL System or other type systems that can track all county vehicles

The Board briefly discussed efforts to retain and recruit employees.

Commissioner Cox confirmed with Finance Director Lankford that part of the allocated Fund Balance for FY Budget 2022-23 has been utilized for additional staff, salaries for Sheriff's Department.

Commissioner Mendenhall noted items not budgeted for in the FY 2023-24:

- Four percent salary increase for Sheriff's Department – retention of staff
- IT Consultant
- Additional staff in other departments

Commissioner Cox noted possible increases in this year's upcoming budget such as retirement, health/dental insurances, property/liability/worker's compensation etc. which are unknown at this time along with recurring longevity costs.

Chairman Morris requested Finance Director Lankford to do a quarterly pull back sometime in April.

Commissioner Wood confirmed with Finance Director Lankford that a contingency line item is included in each budget for payouts to those who will possibly be retiring during the budget year, but historically, you can have some that you did not plan for.

Finance Director Lankford presented the following information:

- Sales Tax
 - Provided information from the state to the Board which is always two months behind
 - Have collected more so far this year (compared to 2021-22 fiscal year)
- Ad Valorem Taxes
 - Provided information from Tax Administrator Brim which estimated tax valuations including fire tax
- Debt Schedule
 - Provided information that included all county debt
 - The debt for the PODS will be coming off in FY 2023-24
 - Total debt is approximately \$34 million
- Current and Ongoing Capital Projects

- o A list of current and ongoing capital projects was provided to the Board by Manager Shaver

Chairman Morris, with consensus of the Board, directed Clerk Brown to place an item on the agenda for upcoming meetings to allow commissioners a time to discuss budget guidance, if so desired, for the upcoming fiscal year.

The Board briefly discussed the upcoming government center renovation, the new animal shelter, renovations to Walnut Cove/Pinnacle greenbox sites, and renovation/demolition at the old prison camp.

Chairman Morris noted the need to include an overview of the Enterprise Funds in the budget message.

Assistant County Manager Brown confirmed with the commissioners to transfer any remaining funding in this year's budget for uncompleted projects to the upcoming budget such as funding for demolition at the old prison camp.

Chairman Morris wanted to inform everyone the March 27th deadline for the Arts Council scholarship.

The Board briefly discussed the following concerns regarding the Town of Walnut Cove: growth of construction, possibly needing additional inspectors, appeal from Dollar General, and rumors of re-establishing their own police department.

Adjournment

With no further business to come before the Board, Chairman Morris entertained a motion to adjourn.

Commissioner Mendenhall moved to adjourn the meeting.

Commissioner Wood seconded. The motion Passed.

Chairman Morris opened the floor for any discussion/questions/comments.

With no further discussion, the Budget Goals Session was adjourned.



Amber Brown
Clerk to the Board



Rick Morris
Chairman