

STATE OF NORTH CAROLINA            )           OFFICE OF THE COMMISSIONERS  
   )           STOKES COUNTY GOVERNMENT  
 COUNTY OF STOKES                    )           DANBURY, NORTH CAROLINA  
   )           JUNE 30, 2005

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a budget work session (recessed from the June 29, 2005 budget work session) in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administrative Building) located in Danbury, North Carolina on Thursday, June 30, 2005 at 3:30 pm with the following members present:

Chairman John Turpin  
 Vice-Chairman Leon Inman  
 Commissioner Sandy McHugh  
 Commissioner Joe Turpin  
 Commissioner Jimmy Walker

County Personnel in Attendance:  
 County Manager Richard Morris  
 Clerk to the Board Darlene Bullins  
 Finance Director Julia Edwards  
 Assistant Finance Director Lisa Lankford

Chairman John Turpin called the budget work session to order.

Finance Director Julia Edwards delivered the invocation.

**GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE**

Chairman John Turpin opened the budget work session meeting by inviting the citizens in attendance to join the Board with the Pledge of Allegiance.

**GENERAL GOVERNMENT -GOVERNING BODY-PROPOSED 2005/06 BUDGET WORK SESSION**

The Board continued discussion of the Proposed Fiscal Year 2005/06 County Budget.

Finance Director Julia Edwards submitted and explained the following revenues changes for submission to the proposed 2005/06 budget:

	County Manager Recommendation	Finance Recommendation
Smart Start Health	\$ 116,464.00	\$ 79,902.00
CMS/Senior Care Grant		\$ 10,000.00
Stokes Safe Schools	\$ 69,650.00	\$ 114,650.00
Wine & Beer	\$ 160,000.00	\$ 165,000.00
Court Fees - Facility Fees	\$ 80,000.00	\$ 90,000.00
Revenue Stamps	\$ 80,000.00	\$ 90,000.00
Inspections - Buildings	\$ 135,000.00	\$ 140,000.00
Solid Waste Fees	\$ 85,000.00	\$ 90,000.00
Home Health Fees	\$ 680,000.00	\$ 686,200.00
DSS Medicaid CAP/DA	\$ 250,000.00	\$ 350,000.00
EMS Medicaid Settlement	\$ 20,000.00	\$ 35,000.00
Senior Citizens-Miscellaneous	\$ 2,500.00	\$ 4,405.00
Transfer from Capital Reserve	\$ 51,445.00	\$ 15,179.00
	\$ 1,730,059.00	\$ 1,870,336.00
	Increase of	\$ 140,277.00

Chairman John Turpin entertained a motion to accept the recommended revenue changes -an increase of \$140,277 for submission to the proposed 2005/06 budget.

Vice Chairman Inman moved to approve the submission of the recommended revenue changes - an increase of \$140,277 for submission to the proposed 2005/06 budget.

Commissioner Joe Turpin seconded and the motion carried unanimously.

County Manager Rick Morris submitted the following items needed to be addressed before finalization of the budget approval:

- Proposed Fee scale for EMS - Revenue has been included in the proposed budget
- Salaries increases for PHNurses, Bioterrorism Coordinator, and Nutritionist III in Health and PHNurses in Home Health included in proposed budget - increased revenues offset expenditures
- Proposed Fee scale for Health & Environmental Health- increased revenues offset expenditures
- COLA versus bonus for county employees
- Insurance for soil and water elected officials
- Senior services -increased salary for part time position - reclassification
- Emergency Communications - decreasing hiring rate to \$7.20 for part time and increasing after 200 hours
- Salary increase for DSS Director - included in the budget
- Salary increase for Tax Administrator - not included in the budget
- Service Fire District proposed budget includes a fire tax increase
- Service Fire District has a negative fund balance
- Walnut Cove Fire District includes a fire tax increase
- King Fire District includes a fire tax increase
- E911 Surcharge
- CenterPoint Performance Agreement
- Legal - County Attorney Jordan's proposal
- Information System - Disaster recovery plan to be done with outside vendor - audit requirement
- Recreation agreement with YMCA

Finance Director Julia Edwards presented the Board with additional information concerning the grant and additional the proposed Senior Services budget.

Commissioner Joe Turpin presented the following option for adoption of the fiscal year 2005/06 budget suggested by an outsider:

- Adopt the approved 2004/005 budget and appropriated the Hold Harmless when it arrives.

County Manager Rick Morris detailed the additional items such as mandated items, increase in insurance, salary increases, increased price of fuel, and the increase given to the school that would not be included in the 2005/06 budget.

Commissioner Joe Turpin also suggested to begin trimming the budget with the Governing Body's proposed budget.

Finance Director Julia Edwards presented information concerning a proposed budget which included the items that the Board had discussed as cuts with a possible tax rate of \$.59 per hundred. This proposed budget did not include any changes such as the supplement for the schools but allocated using more Hold Harmless funding.

### **Health Services Alliance**

The Board continued further discussion concerning the \$10,000 allocation for the Health Services Alliance.

Commissioner Walker moved to eliminate the \$10,000 for Stokes Health Services Alliance allocated in the Stokes-Reynolds Revenue Bond Fund and place the \$10,000 in the General Fund.

Vice Chairman Inman seconded the motion.

The Board discussed the elimination of the \$10,000 funding.

The motion carried unanimously.

### **Equipment**

The Board discussed the amount of funding being allocated for the purchase of equipment in the proposed 2005/06 budget.

### **E911 Enhanced Fund**

The Board further discussed the proposed E911 increase from \$.60 to \$1.50 recommended by the County Manager for the proposed 2005/06 budget.

County Manager explained the future needs including software, which will help locate individuals with cell phones, software upgrade for the Sheriff's Department, increase the E911 Fund Balance, and new changing technology.

### **Emergency Medical Services**

The Board further discussed the proposed Fee Schedule recommended by the County Manager for the 2005/06 proposed budget.

County Manager noted that the Fee Schedule was being done not only to increase the mileage reimbursement rate but to combined charges to in preparation for a change being mandated by Medicare and Medicaid. These agencies' mandated change will no longer allow itemized billing by specific items, charges must be bundled together excluding the mileage reimbursement. Without bundling the charges, EMS will only be allowed to get reimbursement from the current basic rate.

The County currently accepts assignment with Medicare reimbursement.

Commissioner Joe Turpin moved to not accept the EMS Fee Schedule as recommended by the County Manager.

Vice Chairman Inman seconded and the motion failed (2-3) with Chairman John Turpin, Commissioner McHugh, and Vice Chairman Inman voting against the motion.

The Board discussed the EMS collection rate as well as the delinquent collection rate.

### **Environmental Health**

The Board further discussed the proposed fee increases for the Environmental Health Department recommended by the County Manager for the 2005/06 budget.

Chairman John Turpin noted that the Expedite fee had already been approved by the Board to be eliminated from the proposed fee schedule.

### **COLA**

The Board further discussed the proposed COLA recommended by the County Manager for the 2005/06 proposed budget.

Commissioner Joe Turpin moved to make the recommended COLA be a Bonus (COLB) for the 2005/06 proposed budget. Vice Chairman Inman seconded the motion.

The Board discussed the future budget impacts that a COLA brings and the amount of bonus to be given to each employee.

The motion carried (3-2) with Commissioner McHugh and Vice Chairman Inman voting against the motion.

### **Health Department**

The Board further discussed the proposed salary increases for Public Health Nurses, Bioterrorism Coordinator, and the Nutritionist III positions recommended by the County Manager and Health Director Don Moore for the 2005/06 budget.

County Manager Rick Morris reiterated the need for salary increase in order to recruit nurses to fill vacant positions. These salary increases recommended in the 2005/06 proposed budget were approved by the Board of Health.

### **Natural Resources**

The Board further discussed the request to add health insurance for District Conservation Board members. No action was taken concerning the request.

### **Senior Services**

The Board further discussed the increased salary for the part time position in the Senior Services' proposed budget.

Commissioner Joe Turpin moved to eliminated the salary increase (reclassification) for the part time position in Senior Services.

Vice Chairman Inman seconded and the motion carried (3-2) with Vice Chairman Inman and Commissioner Walker voting against the motion.

### **Emergency Communications**

The Board further discussed the requested recommended by the County Manager to allow Emergency Communications to hire part time employees at a rate starting rate of \$7.20 with an increase to \$9.28 after working 200 hours.

County Manager Morris noted that Emergency Communications Director Del Hall requested the rate change in order to give new employees an incentive to complete the training period.

Commissioner McHugh moved to allow Emergency Communications Director to hire part time Telecommunicators at \$7.20 with an increase after 200 hours to \$9.28.

Chairman John Turpin seconded and the motion carried unanimously.

### **Social Services - Director Salary Increase**

The Board further discussed the recommendation from the Board of Social Services and the County Manager for a salary increase for the DSS Director.

### **Tax Administration - Administrator Salary Increase**

The Board further discussed the recommendation for a salary increase for the Tax Administrator and the Assistant Tax Administrator requested by Tax Administrator Wren Carmichael, but was not included in the County Manager's proposed budget. No action taken.

The Board discussed the elimination of part time staff in the Tax Department.

Commissioner Joe Turpin moved to eliminate all part time staff in the proposed Tax Administration budget.

Commissioner Walker seconded the motion.

Commissioner McHugh requested to abstain from voting on the motion due to a personal conflict.

Chairman John Turpin entertained a motion to allow Commissioner McHugh to abstain from voting on the motion.

Commissioner Joe Turpin moved to allow Commissioner McHugh to abstain from voting on the motion.

Vice Chairman Inman seconded and the motion carried (4-0) with Commissioner McHugh properly abstaining from the vote.

TO: Darlene Bullins  
Clerk to the Board

FROM: Commissioner Sandy McHugh *S.M.*  
Board of County Commissioners

DATE: June 30, 2005

As a County Commissioner for Stokes County, I wish to recuse myself from any discussion and/or vote on budget amendments regarding an elimination of part time pay for the Tax Department. I understand that this issue may not technically create a conflict for me under the Code of Ethics for Stokes County Commissioners, but I feel that it is important that I not participate in this issue. This is in reference to the Budget Work Session held the evening of June 30<sup>th</sup> 2005 in which the budget of the Tax Department and elimination of part time pay in particular was discussed and for which I recused myself from such discussion and voting.

Sandy McHugh

The motion to eliminate part time staff in the Tax Administration proposed budget carried (3-1) with Chairman John Turpin voting against the motion and Commissioner McHugh properly abstaining.

### **Service District**

The Board further discussed the recommended fire tax increase to \$.06 cent.

Commissioner Joe Turpin moved to keep the Service District Fire Tax at \$.05 cents.

Chairman John Turpin seconded and the motion failed (2-3) with Vice Chairman Inman, Commissioner Walker, and Commissioner McHugh voting against the motion.

The Board also discussed the current negative Service District Fund Balance, estimated revenue from ½ cent, need to build up fund balance, and the importance volunteers are to our Volunteer Fire Departments.

### **Poll on 2005/06 Tax Rate**

Chairman John Turpin polled the Board concerning the 2005/06 Tax Rate and received the following responses:

Vice Chairman Inman - No lower than \$.59

Commissioner McHugh - already presented proposed budget at \$.60, could consider \$.59 with a responsible budget

Commissioner Joe Turpin - \$.5437

Commissioner Walker - Sustainable tax rate to provide for our citizens, employees- possibly \$.59

Chairman John Turpin - \$.5788

Commissioner Joe Turpin moved to set the county tax rate at \$.59 per hundred dollars of property value.

Vice Chairman Inman seconded and the motion failed (1-4) with Commissioner Joe Turpin, Commissioner McHugh, Chairman John Turpin, and Vice Chairman Inman voting against the motion.

Commissioner McHugh moved to accept Commissioner McHugh's proposed budget with the additional revenue, putting the difference in Hold Harmless, not putting recurring expenses in Hold Harmless and set the tax rate at \$.59.

Vice Chairman Inman seconded the motion.

Vice Chairman Inman requested information concerning the specific line items of Commissioner McHugh's option comparing to the County Manager's recommendations.

Finance Director Julia Edwards noted an error in schools current expense proposed allocation. The recommended amount should be \$9,285,169 instead of \$8,685,169 which changed the total amount to be \$39,295,722. This new figure also included taking out the finance charges for the vehicle purchases, which had not been included in the County Manager's recommendation.

The motion failed (0-5) with Chairman John Turpin, Vice Chairman Inman, Commissioner McHugh, Commissioner Joe Turpin and Commissioner Walker voting against the motion.

The Board continued the following further discussions concerning the proposed 2005/06 budget:

- Proposed tax rate for 2005/06
- Supplement for teachers
- Removal of 10% CAP for budget amendments as requested by the Board of Education - Dr. Larry Cartner explained the request from the Board of Education to remove the 10% CAP
- Possible interim budget
- Third floor renovations
- Elections being moved to the current EMS/Fire Marshal space
- No new positions in the 2005/06 budget except DSS
- Fire fighter position requested by Fire Marshal
- Financing of new equipment
- Questioning the need of the recommended new equipment

The Board discussed the request from the Board of Education to remove the 10% CAP for budget amendments.

Commissioner McHugh presented another option for a proposed budget which included the following:

- Correction made to the schools current expense
- Deducts \$50,000 from the third floor renovations
- Deducts \$50,000 for the Fly Over
- Deducts \$18,000 from Economic Development-advertising
- Deducts \$10,906 from GIS/Mapping - full time to part time position
- Deducts \$11,700 from Fire Association - Escrow and computer
- Deducts \$20,000 from M&R- Auto - Sheriff's Department
- Deducts \$9,000 Communications
- Deducts \$10,400 from Solid Waste Collection - Green boxes
- Deducts \$10,000 - Health Alliance
- Current Expense for schools becomes \$9,485, 169 which includes supplement
- Tax rate would be set at \$.60
- Would allow budget ordinance to be voted on July 1, 2005
- E911 rate to be set at \$1.00

The Board further discussed the consequences of adopting an interim budget, effects on bond rating, no tax rate, tax bills can not be sent to taxpayers, decreasing the E911 charge to \$.90, and with no tax bills being sent-decrease in revenue.

### **Adoption of County Budget**

Vice Chairman Inman proposed the following option for a proposed budget which includes:

- Elimination new positions except for DSS
- Cut \$100,000 from renovations of third floor
- Fully fund ½ cent supplement for the school
- Eliminate the 10% cap for the school Board

Commissioner McHugh included the following to Vice Chairman Inman's option for a proposed budget:

- Cut \$50,000 for the Fly over
- Cut \$10,906 for the part time position to full time in GIS/Mapping
- Cut \$10,000 for Health Alliance
- Cut \$18,000 for Advertising - Economic Development
- Cut \$11,700 from Fire Association - Escrow and Computer
- Cut \$20,000 from Sheriff's Department - M&R - Autos
- Decrease Emergency Communications by \$8,965
- Cut \$10,400 from Solid Waste - Green boxes
- Set the E911 surcharge to \$.90
- \$181,000 over the County Manager's recommendation to the schools current expense
- Use the rest of Commissioner McHugh's figures from her recommendations
- Set the Tax Rate at \$.60 per hundred
- COLA and longevity for county employees remain as recommended

Vice Chairman Inman moved to approve the 2005/06 County budget with the following conditions:

- Elimination new positions except for DSS
- Cut \$100,000 from renovations of third floor
- Fully fund ½ cent supplement for the school
- Eliminate the 10% cap for the school Board
- Cut \$50,000 for the Fly over
- Cut \$10,906 for the part time position to full time in GIS/Mapping
- Cut \$10,000 for Health Alliance
- Cut \$18,000 for Advertising - Economic Development
- Cut \$11,700 from Fire Association - Escrow and Computer

- Cut \$20,000 from Sheriff's Department - M&R - Autos
- Decrease Emergency Communications by \$8,965
- Cut \$10,400 from Solid Waste - Green boxes
- Set the E911 surcharge to \$.90
- \$181,000 over the County Manager's recommendation to the schools current expense
- Use the rest of Commissioner McHugh's figures from her recommendations
- Set the Tax Rate at \$.60 per hundred
- COLA and longevity for county employees remain as recommended
- Eliminated related equipment for the Fire Fighter position-Fire Marshal

Commissioner McHugh seconded the motion. The Board discussed the conditions.

County Manager Rick Morris estimated \$339,084 allocated to Fund Balance.

The motion carried 3-2 with Chairman John Turpin and Commissioner Joe Turpin voting against the motion.

#### **Adoption of Service District Fire Tax**

Chairman John Turpin entertained a motion to adopt the Service District Fire Tax.

Commissioner Walker moved to adopt the Service District Fire Tax at \$.055.

Commissioner McHugh seconded and the motion carried (3-2) with Chairman John Turpin and Commissioner Joe Turpin voting against the motion.

#### **Adoption of Rural Hall Fire District Fire Tax**

Chairman John Turpin entertained a motion to adopt the Rural Hall Fire Tax.

Commissioner McHugh moved to approve the motion that the Rural Hall Fire tax remain the same.

Vice Chairman Inman seconded and the motion carried unanimously.

#### **Adoption of King Fire District Fire Tax**

Chairman John Turpin entertained a motion to adopt the King Fire District Fire Tax.

Commissioner Walker moved to adopt the King Fire District Fire Tax at \$.05.

Vice Chairman Inman seconded and the motion carried (3-2) with Chairman John Turpin and Commissioner Joe Turpin voting against the motion.

#### **Adoption of Walnut Cove Fire Tax**

Chairman John Turpin entertained a motion to adopt the Walnut Cove Fire Tax.

Commissioner Walker moved to adopt the Walnut Cove Fire Tax at \$.05.

Vice Chairman Inman seconded and the motion carried (3-2) with Chairman John Turpin and Commissioner Joe Turpin voting against the motion.

There being no further business to come before the Board, Chairman John Turpin entertained a motion to recess the budget work session until Friday, July 1, 2005 at 6:00 pm.

Vice Chairman Inman moved to recess the budget work session until Friday, July 1, 2005 at 6:00 pm.

Commissioner McHugh seconded and the motion carried unanimously.

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**Darlene M. Bullins**  
Clerk to the Board

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**John M. Turpin**  
Chairman