

STATE OF NORTH CAROLINA) OFFICE OF THE COMMISSIONERS
) STOKES COUNTY GOVERNMENT
COUNTY OF STOKES) DANBURY, NORTH CAROLINA
) OCTOBER 10, 2005

The Board of Commissioners of the County of Stokes, State of North Carolina, met for regular session in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administrative Building) located in Danbury, North Carolina on Monday, October 10, 2005 at 7:00 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
County Attorney Jonathan Jordan
Clerk to the Board Darlene Bullins
Finance Director Julia Edwards
EMS Director Monty Stevens
Tax Administrator Wren Carmichael
DSS Director Jan Spencer
County Extension Director Jack Loudermilk
Public Works Director Jay Kinney
EMS Paramedic Fred Lawson
EMS Paramedic Scott Brown

Chairman John Turpin called the meeting to order.

County Attorney Jonathan Jordan delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

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

GENERAL GOVERNMENT -GOVERNING BODY-APPROVAL OF MINUTES

Chairman John Turpin entertained a motion to approve or amend the minutes of the eptember 26th meeting.

Commissioner McHugh moved to approve the minutes of September 26th.

Commissioner Joe Turpin seconded and the motion carried unanimously.

PUBLIC COMMENTS

There were no public comments.

GENERAL GOVERNMENT- DSS STAFFING REQUEST AND PROPOSED DSS ATTORNEY SERVICES

DSS Director Jan Spencer requested the Board's approval to eliminate a Social Worker I position and create an Income Maintenance Casework II position. Both positions are a Grade 63; therefore, there is no change in salary. Director Spencer noted that the request was being made in order to improve our customer service and divide the caseloads more equitably. Director Spencer concluded the new IMC II position would work in Food Stamps and Children's Medicaid (Family and Children's Medicaid caseload has increased 65% with Food Stamps caseload increasing 95% since 2000).

Chairman John Turpin entertained a motion to accept or deny the request to eliminate a Social Worker I position and create an Income Maintenance Caseworker II position.

Commissioner McHugh moved to eliminate a Social Worker I position and create an Income Maintenance Caseworker II position in the Social Services Department.

Chairman John Turpin seconded the motion.

The Board discussed the chart information provided by Director Spencer which detailed the changes in the caseload sizes for Food Stamp and Family/Children's Medicaid.

The motion carried unanimous.

Director Spencer informed the Board that the DSS Board had approved the hiring of two contract attorneys to provide legal services for DSS (one for child welfare and one for child support). Director Spencer noted that both contracts should be in place by November 1st.

GENERAL GOVERNMENT-COOPERATIVE EXTENSION - COUNTY PARTICIPATION -2005/06 STATE LEGISLATIVE-GRANTED LEAVE

County Cooperative Director Jack Loudermilk presented a request from the North Carolina Cooperative Extension Service for County Participation for 2005-06 State Legislative-Granted Leave Bonus for State employees.

Director Loudermilk detailed the following request:

- Approved by NC General Assembly
- Annual leave bonus of 40 hours for each permanent full time employee
- If the county does not participate, the state employee will still receive the portion of the 40 hours that equates to the University-funded portion of their salary
- Leave does not have to be taken within a certain timeframe
- It stays in an employee's leave account without contributing to the 240-hour yearly earnings maximum.

Per request of the State, Director Loudermilk requested the approval or disapproval of the following:

1. Will your County match the County-funded portion of the bonus leave?
2. Will your County accept transfers of bonus leave hours from an employee transferring to your county from another State position, even if your county does/did not agree to provide the bonus leave?

Chairman John Turpin presented information from the minutes of August 25, 2003 in which no action was taken to approve the 80-hour annual leave bonus request.

The Board discussed the 40-hour annual leave bonus request.

Chairman John Turpin entertained a motion to approve or deny the County Participation for Cooperative Extension Service Employees 40-hour Annual Leave Bonus for 2005-06.

Vice Chairman Inman moved to not match the County-funded portion of the bonus leave with Stokes County Cooperative Extension employees but will receive that portion of the 40 hours that equals the percentage of what the University pays of their total salary and Stokes County will not allow any employee transferring to Stokes County from another State position to transfer their bonus leave account when they become employed by Stokes.

Commissioner Joe Turpin seconded and the motion carried unanimously.

GENERAL GOVERNMENT - EMS - DEDICATION - HONORING RETIREE - SERVICE RESOLUTION

Emergency Management Director Monty Stevens presented EMT Paramedics Fred Lawson and Scott Brown who recently won the NC State EMT Paramedic Competition.

Commissioner McHugh who attended the competition commented on the excellent performance given by Paramedics Fred Lawson and Scott Brown.

Paramedics Fred Lawson and Scott Brown presented the plaque to Emergency Management Director Monty Stevens for Stokes County Emergency Medical Services.

Director Stevens along with the Board of Commissioners expressed their appreciation to Paramedics Lawson and Brown for their hard work and dedication to bring this honor back to Stokes County. Paramedics Lawson and Brown also expressed their appreciation for all the support. Paramedics Lawson and Brown will automatically be in the competition next year.

GENERAL GOVERNMENT - FINANCE - PROPOSED DEBT SETOFF PROGRAM

Finance Director Julia Edwards presented the Proposed Debt Setoff Program which will allow the County to participate in the state's income tax debt setoff program.

Director Edwards explained the following regarding the Debt Setoff Program:

- Will allow the County to attach individuals' state tax refunds for taxes, emergency medical services bills, health department bills, solid waste bills, water/sewer authority bills.
- Currently 242 local governments participation in which 77 are counties
- No cost to the county for this service
- Debtor will pay \$15 collection fee to Five Star Clearinghouse
- Debtor will pay \$5 collection fee to the Department of Revenue
- Fees are refundable
- No fees are accrued unless a successful tax refund setoff is made
- Debts must be at least \$50 or more
- Debts can not be submitted until they are at least 60 full days past due
- Debt's full name and social security number must be included
- Written notice must be sent to the debtor that the local agency intends to submit the debt owned by the debtor for collection from their state income tax refund (debt setoff)
- The written notice allows the debtor 30 days to file a written request for a hearing with the local agency or pay the debt
- The hearing committee will inform the debtor of their decision in writing

Director Edwards requested the Board approve the following:

- The Memorandum of Understanding and Agreement for the County to participate in the Debt Setoff Program
- Resolution for the NC Local Government Debt Setoff Program
 - Appoints the Finance Director, Tax Administrator, EMS Director and Health Director as Hearing Committee

Director Edwards concluded that the Finance Director would be the Debt Setoff Coordinator.

Chairman John Turpin questioned what would happen if there was a tie on the proposed 4 member hearing committee.

The Board discussed the Debt Setoff Program and its benefits that it would bring to Stokes County.

Tax Administrator Wren Carmichael stated that he found no problems with the Program and that a member of his staff had attended the training along with the Finance Director.

Commissioner McHugh moved to approve the following amended Resolution for the NC Local Government Debt Setoff Program which includes the addition of the Public Works Director as a member of the Committee to hold hearings and conduct necessary proceedings:

Resolution for the NC Local Government Debt Setoff Program

Whereas, NCGS Chapter 105A, Setoff Debt Collection Act, authorizes the North Carolina Department of Revenue to cooperate in identifying debtors who owe money to qualifying local agencies and who are due refunds from the Department of Revenue; and

Whereas, the law authorizes the setting off of certain debts owed to qualifying local agencies against tax refund; and

Whereas, the North Carolina Association of County Commissioners and the North Carolina League of Municipalities have jointly established a clearinghouse to submit debts on behalf of Stokes County, as defined in G.S. 105A-2(6), effective January 1, 2006 and thereafter as provided by law;

Now Therefore, be it Resolved by the Stokes County will participate in the debt setoff program and hereby designates the Finance Director, Tax Administrator, EMS Director, Public Works Director, and Health Director as the committee to hold hearings and conduct necessary proceedings.

The Chairman of the Stokes County Board of Commissioners and the County Manager are hereby authorized to execute such documents and agreements as necessary to participate in the debt setoff program.

Adopted by the Stokes County Board of Commissioners on the 10th day of October, 2005.

Chairman

Clerk

Commissioner Joe Turpin seconded and the motion carried unanimously.

Commissioner McHugh moved to approve the following Memorandum of Understanding and Agreement NC Local Government Debt Setoff Clearinghouse Program:

**Memorandum of Understanding and Agreement
NC Local Government Debt Setoff Clearinghouse Program**

This agreement is entered into this 10th day of October, 2005 by and between the Stokes County ("CLAIMANT AGENCY") and the North Carolina League of Municipalities and the North Carolina Association of County Commissioners acting as the North Carolina Local Government Debt Setoff Clearinghouse ("CLEARINGHOUSE")

RECITALS

WHEREAS, the Setoff Debt Collection Act, ("ACT"), Article 1 of Chapter 105A of the North Carolina General Statutes, authorized the North Carolina Department of Revenue ("DEPARTMENT"), and claimant agencies to cooperate in identifying debtors who owe money to the State or to qualifying local agencies and who qualify for State income tax refunds; and established procedures for setting off against any refund the sum of any debt owed to the State or local government; and

WHEREAS, pursuant to NCGS 105A-3, CLEARINGHOUSE has registered with DEPARTMENT to submit delinquent debts on behalf of a local agency and has thereby become authorized to submit delinquent debts on behalf of a local agency under the ACT; and

WHEREAS, CLAIMANT AGENCY is a local agency authorized to submit a debt owed to it pursuant to the ACT; and

WHEREAS, CLAIMANT AGENCY desires to enter into this agreement with CLEARINGHOUSE in order to participate under the Setoff Debt Collection Act to increase the collection rate of delinquent debts owed to CLAIMANT AGENCY; and

WHEREAS, CLEARINGHOUSE has agreed to submit delinquent debts on behalf of CLAIMANT AGENCY.

NOW THEREFORE, in consideration of the mutual covenants and agreements, terms and conditions contained herein, CLAIMANT AGENCY and CLEARINGHOUSE mutually agree as follows:

I. TERM/TERMINATION

This memorandum of understanding and agreement shall remain and continue in full force and effect from year to year unless modified or terminated in writing by either party upon 90 days written notice to the other party. Upon termination of this agreement all sums due and owing from either party to the other shall remain a lawful obligation of the party and be due and payable. CLEARINGHOUSE will erase all claimant data files from its debt setoff system upon termination.

II. REPRESENTATIONS AND OBLIGATIONS OF CLAIMANT AGENCY

A. CLAIMANT AGENCY hereby designates, appoints and authorizes CLEARINGHOUSE to process delinquent debts to be submitted to Department. For purposes of the Debt Setoff Clearinghouse Program, "DELINQUENT DEBT" is defined to mean:

- i. A single account or monetary obligation which is at least \$50 owed by debtor to a claimant agency; or,

- ii. A group of accounts or single monetary obligations, each of which is less than \$50, that have been combined to total at least \$50, owed by the same debtor to a claimant agency; or,
- iii. A combination of two or more accounts or monetary obligations, one of which is at least \$50 and the remainder of which when added together equal less than \$50, owed by the same debtor to a claimant agency.

Each account or monetary obligation may have accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for the sum. To become a delinquent debt a period of 60 days must have elapsed between the time CLAIMANT AGENCY declares all of the applicable accounts or monetary obligations delinquent and the date the delinquent debt is submitted to CLEARINGHOUSE for collection.

- B. CLAIMANT AGENCY shall comply with the provisions of the ACT prior to the submission of a debt to CLEARINGHOUSE for setoff and shall provide CLEARINGHOUSE the date of compliance with its debt submission file.
- C. CLAIMANT AGENCY shall, upon execution of this agreement file a "participation form" with CLEARINGHOUSE designating a debt setoff coordinator and a debt setoff contact. Such participation form shall be updated on an annual basis and at any time there is a change in the information provided thereon. CLEARINGHOUSE shall administratively provide participation forms, as needed, for use by CLAIMANT AGENCY. The debt setoff coordinator shall be the designated local government employee authorized to receive notices and communication from CLEARINGHOUSE to insure that the requirements of this agreement and the requirements of the Act are met. The debt setoff coordinator shall supply CLEARINGHOUSE with any and all information that in the opinion of CLEARINGHOUSE is necessary for the proper implementation of this agreement. The debt setoff contact will receive all referrals from debtors.
- D. CLAIMANT AGENCY shall use a file specified by CLEARINGHOUSE to prepare "debt files" and adjustments to debt files that CLAIMANT AGENCY certifies to CLEARINGHOUSE are owed to CLAIMANT AGENCY and that CLAIMANT AGENCY desires to have CLEARINGHOUSE submit to DEPARTMENT for setoff as shown on a document to be administratively supplied by CLEARINGHOUSE entitled "File Layouts for Submission of Debts from CLAIMANT AGENCY to CLEARINGHOUSE." If, in the opinion of CLEARINGHOUSE, changes to the file format are necessary to carry out this program, CLEARINGHOUSE shall timely notify the CLAIMANT AGENCY. The CLAIMANT AGENCY covenants and agrees that it shall immediately implement any changes required by CLEARINGHOUSE. Data file structure will mirror requirements of DEPARTMENT but may include other fields such as date of debt cancellation. CLEARINGHOUSE will organize capability of date and time stamping debt for priority setting.
- E. CLAIMANT AGENCY shall transmit a debt file to CLEARINGHOUSE in a method and format acceptable to CLEARINGHOUSE. CLAIMANT AGENCY may choose one of three methods for data transmission: (1) customized software application provided by CLEARINGHOUSE; (2) file transfer protocol; and (3) hardcopy documents (hardcopy will require payment of costs of data entry services).
- F. CLAIMANT AGENCY shall comply with the notice and hearing procedures set forth in G.S. 105A-5 prior to the submission of a debt file to CLEARINGHOUSE. Debt files must be received on or before Friday at 5:00 p.m. in order to be included in the following week's submissions by CLEARINGHOUSE to DEPARTMENT.
- G. CLAIMANT AGENCY shall, after a debt file has been submitted to CLEARINGHOUSE, advise CLEARINGHOUSE of any debtor repayment or protests and instructions to delete or reduce a delinquent debt by submitting a new debt file by close of business on the day the repayment or protest and instructions to delete or reduce a delinquent debt is received.

III. REPRESENTATIONS AND OBLIGATIONS OF CLEARINGHOUSE

- A. CLEARINGHOUSE shall, upon receipt of CLAIMANT AGENCY'S debt file, compile the information and submit the data to the DEPARTMENT on Monday of each week.
- B. CLEARINGHOUSE shall remit to the CLAIMANT AGENCY funds received from DEPARTMENT within a reasonable time from the date of receipt from DEPARTMENT. Thereafter, CLEARINGHOUSE shall provide the CLAIMANT AGENCY an accounting of funds collected which will include the name of the

debtor, the debtor's social security number, and the amount of the debt setoff as shown on the attached "File Layout for Submission of Debts from CLAIMANT AGENCY to CLEARINGHOUSE."

- C. CLEARINGHOUSE will provide CLAIMANT AGENCY an entity version of the application software system, which will allow CLAIMANT AGENCY to do its own in-house data entry for transfer to CLEARINGHOUSE. CLEARINGHOUSE will provide free upgrades of the application software periodically, as needed. The entity version of the application system will provide both a comprehensive online help system and a written Installation/Set-up user's guide. A Pentium class computer with Windows 95 or above is required by CLAIMANT AGENCY using the application software system.
- D. CLEARINGHOUSE will provide a licensed copy of PKWARE'S PKZIP to CLAIMANT AGENCY. This software provides for compression and encryption for the security of the data to be sent to CLEARINGHOUSE. CLEARINGHOUSE will also compress and encrypt the data using PKZIP before returning the data to CLAIMANT AGENCY.
- E. CLEARINGHOUSE will provide a toll free telephone number for use by CLAIMANT AGENCY to receive technical support and provide information on the use of software applications and the processing of debts for submission to DEPARTMENT. Technical support and information shall be available from 8:00 a.m. until 5:00 p.m. EST, Monday through Friday, excluding holidays. Voice mail and e-mail access shall also be provided as a part of the support/information response system.
- F. CLEARINGHOUSE will provide, at no cost to CLAIMANT AGENCY, technical support to CLAIMANT AGENCY, including site visits when advisable or appropriate. CLEARINGHOUSE will provide a first-level of support by telephone to attempt to diagnose the problems. However, if first-level support is unsuccessful, an on-site visit will be made within four (4) business days.
- G. CLEARINGHOUSE will provide, at no cost to CLAIMANT AGENCY, a training seminar of one to two days each year for CLAIMANT AGENCY'S staff on the use of the debt setoff application system.

IV. UNDERSTANDING OF PARTIES

- A. To recover the costs incurred by DEPARTMENT in collecting debts, it imposes a collection assistance fee on each debt collected through setoff. DEPARTMENT must collect this fee as part of the debt and retain it. To recover the costs incurred by claimant agencies in submitting debts for collection, a local collection assistance fee of \$15.00 is imposed on each delinquent debt submitted to DEPARTMENT and collected through set off. DEPARTMENT must collect this fee as part of the debt and remit it to CLEARINGHOUSE. If CLAIMANT AGENCY is due a refund of more than \$50.00, DEPARTMENT sets the tax refund off in the amount of the delinquent debt plus its collection assistance fees and the local collection assistance fee. If DEPARTMENT is able to collect only part of a debt through setoff, its collection assistance fee has priority over the local collection assistance fee and over the remainder of the delinquent debt. The local collection assistance fee has priority over the remainder of the delinquent debt.
- B. DEPARTMENT has priority over all other claimant agencies whenever it is a competing agency for a refund. State agencies have priority over local agencies. When multiple claims among local agencies are submitted for setoff to CLEARINGHOUSE, the claims have priority based on the date and time each local agency requested CLEARINGHOUSE to submit debts on its behalf. The date and time of submission of the debt file shall constitute the date and time to establish the priority. CLEARINGHOUSE shall use the submission receipt date and time of original file for priority date and time of specific debt. Additions to a delinquent debt through accrued interest and/or penalties will not change the priority date. Any "new" delinquent debt for same CLAIMANT AGENCY will have a new submission date and time, including new debts for a previously submitted debtor. A delinquent debt submitted to CLEARINGHOUSE that has been reduced, by setoff or otherwise, to an amount of less than \$50 may lose its existing priority. If such delinquent debt is thereafter combined with a future delinquent debt submission for the same debtor and thereby becomes eligible for setoff, it shall be treated as a part of the "new" debt and shall be assigned priority based on the future submission. If such delinquent debt, through the addition of interest or penalties, is thereafter increased to an amount of at least \$50.00 and thereby becomes eligible for setoff, such debt shall retain its original priority.
- C. CLEARINGHOUSE shall not accept a debt file that is not prepared as specified by CLEARINGHOUSE or where a period of 60 days has not elapsed between the time the CLAIMANT AGENCY declares the debt delinquent and the date the delinquent debt is submitted to CLEARINGHOUSE for collection. CLEARINGHOUSE agrees to submit delinquent debts to Department; provided, however the CLAIMANT AGENCY is solely

responsible for complying with the ACT, specifically including the notice and hearing provisions and other requirements of the act.

- D. The CLAIMANT AGENCY acknowledges that CLAIMANT AGENCY is responsible for the notice and hearing requirements of the ACT. CLAIMANT AGENCY affirms to CLEARINGHOUSE that it will comply with the ACT, specifically including the notice and hearing provisions required by the ACT prior to the submission of a delinquent debt to CLEARINGHOUSE for setoff.
- E. Successful interception funds will be disbursed through Capital Management of the Carolinas (Capital Management), the agency that oversees administration of the North Carolina Capital Management Trust. CLAIMANT AGENCY shall have an account with Capital Management prior to the submission of a delinquent debt to CLEARINGHOUSE and shall retain said account for as long as this agreement shall be in full force and effect.

V. COMPENSATION

- A. CLEARINGHOUSE shall receive as compensation for its services the \$15.00 local collection assistance fee that is imposed by DEPARTMENT on each delinquent debt that is submitted by CLEARINGHOUSE and collected through a successful interception. "SUCCESSFUL INTERCEPTION" is defined to mean the DEPARTMENT matched all or a portion of a debt submitted by CLEARINGHOUSE against a State tax refund for interception and payment towards a delinquent debt owed to CLAIMANT AGENCY.
- B. CLAIMANT AGENCY, by the execution of this agreement, authorizes CLEARINGHOUSE to retain the \$15.00 local collection assistance fee imposed on each delinquent debt for each successful interception. CLAIMANT AGENCY further authorizes CLEARINGHOUSE to retain the local collection assistance fee collected by it in the event CLAIMANT AGENCY is required, by statute or otherwise, to return to a debtor funds that have been set off by DEPARTMENT.
- C. CLAIMANT AGENCY may not combine individual debts of at least \$50 each by delinquent debtor name and social security number for submission to CLEARINGHOUSE. Multiple debts less than \$50 owned by the same debtor to a claimant agency, and one debt of less than \$50 and a debt of at least \$50 may be combined to meet the \$50 threshold and thereby constitute a delinquent debt which may be submitted to CLEARINGHOUSE.
- D. Existing submitted delinquent debts may be adjusted upwards for interest, fees, etc., and will retain their original priority order, but not a later new delinquent debt, even if from the same debtor. New debts will be date stamped by CLEARINGHOUSE with the later submission date.
- E. In the event of partial payment of a delinquent debt, the CLAIMANT AGENCY may continue to submit the balance of the debt, if \$50 or more, as a part of subsequent data files. If the delinquent debt is reduced to an amount of less than \$50, it may be combined with a future delinquent debt submission for the same debtor, and will be treated as a part of the "new" delinquent debt for purposes of priority and imposition of the local collection assistance fee.

VI. INDEMNIFICATION/REIMBURSEMENT

CLAIMANT AGENCY fully understands and warrants to CLEARINGHOUSE that by submission of any delinquent debt submitted to CLEARINGHOUSE for setoff CLAIMANT AGENCY has complied with all of the provisions of the ACT and this agreement. The CLAIMANT AGENCY shall hold CLEARINGHOUSE free and harmless and shall indemnify CLEARINGHOUSE against any and all damages, claims of action, injuries, actions, liability, or proceedings arising from the failure of CLAIMANT AGENCY to so perform. CLAIMANT AGENCY shall be responsible for the repayment of any sums received by it, including interest, penalties and court costs, to a debtor in the event a court of competent jurisdiction rules that said repayment is due to a debtor or debtors.

VII. NOTICE

Any notice required to be given under this Agreement shall be sent by certified or registered mail postage prepaid to: Julia E. Edwards, Finance Director, Stokes County, P.O. Box 20, Danbury, North Carolina 27016; and to NCLM, P.O. Box 3069, Raleigh, NC 27602-3069 and NCACC, P.O. Box 1488, Raleigh, NC 27602-1488, in the case of CLEARINGHOUSE.

VIII. ASSIGNMENT

This Agreement is not assignable by either party.

IX. CONFIDENTIAL INFORMATION

In the course of performance of this Agreement, the parties may find it necessary to disclose to the other party certain confidential information ("Confidential Information"). Confidential Information includes, but is not limited to, information relating to the parties' employees, trade secrets, customers, vendors, finances, operations, products, and other business information. The following terms apply to Confidential Information: (i) the non-disclosing party shall treat as confidential and use the same degree of care as it employs in the protection of its own similar confidential information, but in no event less than a reasonable degree of care; and, (ii) the non-disclosing party will only use the information in connection with its business dealings with the disclosing party and shall disclose information only to employees or contractors having a need to know and who agree to be bound by the terms of this Section, unless otherwise authorized in writing by the disclosing party. Information shall not be subject to these terms if: (i) it is in the public domain at the time of disclosure, or enters the public domain without breach of this Agreement; (ii) it is known to the non-disclosing party prior to the disclosure, or it is independently developed by the non-disclosing party; (iii) it is obtained by non-disclosing party in good faith from a third party not under obligation of secrecy to the disclosing party; or, (iv) it is the subject of a court or government agency order to disclose, provided the non-disclosing party gives prompt notice to the disclosing party to allow the disclosing party to contest such order. The obligations set forth in this Section survive termination, rescission, non-renewal or expiration of this Agreement.

All information, including but not limited to printed, written, oral or computer-formatted information, which CLEARINGHOUSE may gain access to during the course of the performance of this Agreement shall be the property of CLAIMANT AGENCY, shall be held in the strictest confidence, and shall be used solely for the business purposes that are the subject of this Agreement. CLEARINGHOUSE shall maintain confidentiality of such information not only during the course of the performance of this Agreement, but following its termination.

X. MISCELLANEOUS

- A. This Agreement represents the full and final understanding of the parties with respect to the subject matter described herein and supersedes any and all prior agreements or understandings, written or oral, express or implied. This Agreement may be modified or amended only by a written statement signed by both parties.
- B. The laws of the State of North Carolina shall govern the terms and conditions of this Agreement. Should any dispute arise between the parties concerning any matter under this Agreement, such disputes shall be submitted to binding arbitration before the American Arbitration Association, in accordance with applicable rules.
- C. CLAIMANT AGENCY shall enter into no other contract for similar services with any other entity so long as this Agreement remains in effect.
- D. The CLAIMANT AGENCY shall be identified and contacted as follows:
 - Type of Agency (Check appropriate type)
 - A County, to the extent it is not considered a State agency
 - A municipality
 - A Water & Sewer Authority (created under Article 1 of Chapter 162A) (Attorney for CLAIMANT AGENCY MUST complete and include Attachment I -Local Agency Certification)
 - A regional joint agency created by interlocal agreement (created under Article 20 of Chapter 160A) between two or more counties, cities, or both. (Attorney for CLAIMANT AGENCY MUST complete and include Attachment I - Local Agency Certification)
 - A public health authority created under Article 2, Part b of Chapter 130A of the General Statutes.
 - A metropolitan sewerage district created under Article 5 of Chapter 162A of the General Statutes.
 - A sanitary district created under Article 2, Part 2 of Chapter 130A of the General Statutes.

Name of Agency: Stokes County
County Manager: Richard D. Morris
Address: P.O. Box 20
City: Danbury, North Carolina 27016
Email: rmorris@co.stokes.nc.us

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and date first above written, all by authority of their respective governing bodies.

Stokes County NORTH CAROLINA LOCAL GOVERNMENT
(Local Agency) DEBT SETOFF CLEARINGHOUSE

By: _____ By: _____
(Authorized Official) S. Ellis Hankins, Executive Director
NC League of Municipalities

ATTEST: _____ By: _____ (Clerk)
David F. Thompson, Executive Director
NC Association of County Commissioners

(SEAL)

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Director) (Signature of

Approved as to form and legal sufficiency:

(County Attorney)

Commissioner Joe Turpin seconded and the motion carried unanimously.

Commissioner McHugh moved to approve the Agreement for the County to participate in the Debt Setoff Program. Commissioner Joe Turpin seconded and the motion carried unanimously.

GENERAL GOVERNMENT - FINANCE - MULTI-COUNTY WATER CONSERVATION/INFRASTRUCTURE DISTRICT FUNDING

Finance Director Julia Edwards informed the Board of a check in the amount of \$5,427.41 from Person County for the Multi-County District to close out the funds.

The initial funds in the amount of \$274,900 (received in 1997) were allocated to start the Stokes County Water and Sewer Authority. General Statutes require that the funds be used for infrastructure development, economic development, or water conservation.

Finance Director Edwards requested the Board's direction as where to allocate the funding of \$5,427.41.

Chairman John Turpin entertained a motion to allocate the \$5,427.41 funding.

Vice Chairman Inman moved to allocate the \$5,427.41 funding to the Stokes County Water and Sewer Authority to be used accordingly.

Commissioner McHugh seconded and the motion carried unanimously.

GENERAL GOVERNMENT - PUBLIC BUILDINGS - BUDGET ORDINANCE AMENDMENT #19

Finance Director Julia Edwards requested the approval of Budget Ordinance Amendment #19, which is necessary to amend the General Fund to transfer funds for the asbestos abatement, rewinding the pipes at Stokes Reynolds Memorial Hospital, and pipe repairs at Scott Branch. The appropriations are to be changed as follows:

Account Number	EXPENDITURES	Decrease	Increase
	Public Buildings		
100.4190.440	Misc. Contractual Services		\$45,591.00
100.9910.000	Contingency	\$45,591.00	
		<u>\$45,591.00</u>	<u>\$45,591.00</u>

This will result in a net increase of \$0 in the appropriations of the General Fund.

Finance Director Edwards noted that the following justification of the budget ordinance amendment for fiscal year 2005-06:

- Project cost for asbestos abatement, rewinding of pipes of pipes at Stokes Reynolds Memorial Hospital was not available June 30, 2005. Approved July 11, 2005 Board meeting. The Scott Branch pipe repair project was presented to the Board on August 8, 2005 and bids were approved on September 12, 2005.

Chairman John Turpin entertained a motion to approve Budget Ordinance Amendment #19.

Commissioner McHugh moved to approve Budget Ordinance Amendment #19.

Commissioner Joe Turpin seconded and the motion carried unanimously.

GENERAL GOVERNMENT - SCHOOLS - BUDGET ORDINANCE AMENDMENT #20

Finance Director Julia Edwards requested the approval of Budget Ordinance Amendment #20, which is necessary to amend the Capital Reserve Fund to appropriate sales tax to Stokes County Board of Education for matching for future projects. The appropriations are to be changed as follows:

Account Number	EXPENDITURES	Decrease	Increase
201.5912.017	Schools- Capital Outlay		<u>\$1,336.99</u>
			\$1,336.99

This will result in a net increase of \$1,336.99 in the appropriations of the Capital Reserve Fund. To provide the additional revenue for the above, the following revenues will be increased.

Account Number	REVENUES	Decrease	Increase
201.3839.000	Miscellaneous Revenue		<u>\$1,336.99</u>
			\$1,336.99

Finance Director Edwards noted that the following justification of the budget ordinance amendment for fiscal year 2005-06:

- This refund is for sales tax. Local Governments request a refund as of June 30, 2005, therefore, the amount of the refund was unable at budget preparation.

Chairman John Turpin entertained a motion to approve Budget Ordinance Amendment #20.

Commissioner Joe Turpin moved to approve Budget Ordinance Amendment #20.

Commissioner McHugh seconded the motion.

The Board discussed the current contingency balance.

Finance Director Edwards stated that after this budget amendment, the contingency line item balance would be \$17,538.

The motion carried unanimous.

GENERAL GOVERNMENT - SOCIAL SERVICES - BUDGET ORDINANCE AMENDMENT #21

Finance Director Julia Edwards requested the approval of Budget Ordinance Amendment #21, which is necessary to amend the General Fund to transfer funds for additional cost of professional services for temporary foster care worker through Vanguard Services. This is due to turnover and the increased number of foster children. The appropriations are to be changed as follows:

Account Number	EXPENDITURES	Decrease	Increase
	Social Services		
100.5310.180	Professional Services		\$5,000.00
100.5310.000	Salaries and Wages	\$5,000.00	
		<u>\$5,000.00</u>	<u>\$5,000.00</u>

This will result in a net increase of \$0 in the appropriations of the General Fund.

Finance Director Edwards noted that the following justification of the budget ordinance amendment for fiscal year 2005-06:

- This is transferring funds within the department that was already budgeted. The transfer is due to turnover and the number of children in the foster care program.

Chairman John Turpin entertained a motion to approve Budget Ordinance Amendment #21.

Commissioner McHugh moved to approve Budget Ordinance Amendment #21.

Commissioner Joe Turpin seconded and the motion carried unanimously.

GENERAL GOVERNMENT - HEALTH - BUDGET ORDINANCE AMENDMENT #22

Finance Director Julia Edwards requested the approval of Budget Ordinance Amendment #22, which is necessary to amend the General Fund to reduce state funding.

The appropriations are to be changed as follows:

Account Number	EXPENDITURES	Decrease	Increase
	Health Department		
100.5100.000	Salaries and Wages	\$10,505.00	
	Environmental Health		
100.5192.351	Maint. & Repairs - Auto	<u>\$600.00</u>	
		\$11,105.00	

This will result in a net decrease of \$11,105.00 in the appropriations of the General Fund. To provide the additional revenue for the above, the following revenues will be decreased.

Account Number	REVENUES	Decrease	Increase
100.3301.251	Childhood Lead Prevention	\$600.00	
100.3301.257	Health Promotion	<u>\$10,505.00</u>	
		\$11,105.00	

Finance Director Edwards noted that the following justification of the budget ordinance amendment for fiscal year 2005-06:

- The Health Department was notified after budget that these funds were being reduced.

Chairman John Turpin entertained a motion to approve Budget Ordinance Amendment #22.

Commissioner McHugh moved to approve Budget Ordinance Amendment #22.

Commissioner Joe Turpin seconded and the motion carried unanimously.

GENERAL GOVERNMENT - TAX ADMINISTRATION - REQUEST FOR PRINTER

Tax Administrator Wren Carmichael presented the following information (as requested by the Board) regarding purchase of an additional printer:

- Printer being requested primarily for collection of EMS Delinquent Collections, but will also be used for other tax department usage
- Two printers not working to maximum capability
- Cost of printer \$999
- \$200 rebate

The Board discussed the need of the printer for the Tax Department.

Commissioner McHugh moved to approve the request for the printer and that the Finance Director find the funding for the Tax Department from other sources than from EMS since the printer would be used for the entire Tax Department.

Commissioner Joe Turpin seconded and the motion carried unanimously.

GENERAL GOVERNMENT - GOVERNING BODY - ASPHALT COST ESTIMATES - PINNACLE GREENBOX SITE

Public Works Director Jay Kinney presented the following bids received for Asphalt Paving at the Pinnacle Green Box Site:

- | | |
|------------------------------------|-------------|
| • AAA Paving/Winston Salem, NC | \$23,875.00 |
| • Hiatt Paving Company of Mt. Airy | \$11,305.00 |

Director Kinney noted that the following contractors had also been contacted:

Piedmont Paving, Eddy's Paving (both from Belews Creek) and Asphalt Services-Walnut Cove, but received no response. Director Kinney noted the big difference in the bids- \$23,875 versus \$11,305.

The Board discussed the following regarding the Pinnacle Greenbox Site:

- Speed limit in front of the site for safety
- Urgent need for the paving at the site
- The need for additional bids to compare - only two bids received
- Whether current driveway can withstand the winter weather-possibly wait for Spring
- Possible increased cost if waited till Spring
- Site being closed for repairs
- Asphalt work must be done before cold weather
- Funding for the proposed cost
- Closing for inclement weather conditions

Vice Chairman Inman and County Manager Rick Morris requested Director Kinney's opinion whether the driveway would endure the winter weather. Director Kinney responded that he felt the current driveway would last until the Spring and re-bid the project at that time.

Vice Chairman Inman informed Mr. Kinney of a possible contractor - Stanleyville Paving located in Rural Hall to contact.

Chairman John Turpin (with support of the Board) requested Director Kinney to try to obtain one additional bid for the October 24th meeting for further discussion.

Chairman John Turpin also directed Finance Director Edwards to find available funding for the project.

GENERAL GOVERNMENT - GOVERNING BODY - STORAGE BUILDING FOR THE PINNACLE SITE

Public Works Director Jay Kinney presented the following bids: (bids were obtained by Support Services Supervisor Danny Stovall):

- | | |
|--|------------|
| • Donnie Amos - Sandy Ridge | \$1,975.00 |
| • King Utility Buildings - King | \$2,100.00 |
| • Leonard Utility Buildings - Mt. Airy | \$2,136.00 |
| • House of Stars - Madison | \$2,200.00 |

Mr. Stovall also included the following additional materials cost needed to finish the building:

- Electrical/ Heat \$450.00 Electrical Contractor
- Insulation \$260.00 Installed by Public Buildings Staff
- Wall Paneling \$375.00 Installed by Public Buildings Staff
- Vinyl Flooring \$125.00 Installed by Public Buildings Staff
- Total Cost \$1,210.00

Mr. Stovall estimated the total project cost = \$3,185.00 (taking the lowest bidder).

The Board discussed the following regarding the proposed project:

- The urgent need of a new building
- The bids received
- The additional cost needed to complete the project
- Bidder possibly performing the additional work proposed to be done by Public Buildings Staff

Chairman John Turpin entertained a motion regarding the submitted bids for the replacement of the building at the Pinnacle Greenbox Site.

Vice Chairman Inman moved to accept the low bidder - Donnie Amos -Sandy Ridge \$1,975 for the purchase of a refuse collection site building and allocate the additional funding for \$1,210 to complete the project totaling \$3,185.00.

Commissioner Joe Turpin seconded the motion.

The Board discussed the possibility of having Mr. Amos complete the additional work-electrical/heat, insulation, wall paneling, and vinyl flooring instead of the Public Buildings staff - if cost were lower.

The motion carried unanimous.

Chairman John Turpin directed Mr. Kinney to get an estimate from Mr. Amos on completing the additional work.

GENERAL GOVERNMENT - GOVERNING BODY - SCOTT BRANCH PROJECT

Public Works Director Jay Kinney reported that the Scott Branch Project was 95% complete and should be completed within the next week.

GENERAL GOVERNMENT - PLANNING BOARD -APPOINTMENT

Clerk to the Board Darlene Bullins reported that there had been no response.

Vice Chairman Inman stated that he had a possible nomination, but would like to wait until the October 24th meeting to nominate.

GENERAL GOVERNMENT - STOKES COUNTY FIRE COMMISSION - APPOINTMENT

Chairman John Turpin reported that Edsel Dodson had recently submitted his resignation as a member of the Stokes County Fire Commission effective immediately.

The Fire Commission will submit a nomination for the Board's consideration.

GENERAL GOVERNMENT - ADMINISTRATION - COST ESTIMATES - FRONT ENTRANCE TO RONALD WILSON REAGAN MEMORIAL BUILDING

County Manager Rick Morris informed the Board that the contractor had not been able to come by to look at the problem at the front entrance of the building.

Mr. Stovall would be returning to the Board as soon as an estimate is received.

GENERAL GOVERNMENT - ADMINISTRATION - PROPOSED SCHOOL RESOURCE OFFICER

County Manager Rick Morris stated that information received from the King City Manager (as requested by the Board) indicated that the City did not have an official SRO position and felt that it would be a very hard sell.

The Board continued the discussion regarding the requested SRO position at Meadowbrook- cost of position, funding to be provided by Schools, equipment offered by Sheriff Mike Joyce, billing of gasoline usage and auto supplies, etc.

Chairman John Turpin entertained a motion to approve or deny the SRO position at Meadowbrook.

There was no response.

GENERAL GOVERNMENT - GOVERNING BODY - LEAGUE OF GOVERNMENTS

County Manager Rick Morris presented a request from the City of King regarding the scheduled League of Government meeting scheduled for Thursday, October 27th -6:30 pm to possibly change due to a meeting at the Childress Vineyard sponsored by the Institute of Government. The Town of Danbury and Town of Walnut Cove did not have a problem rescheduling the meeting.

Chairman John Turpin presented the following dates for consideration:

- Thursday, November 10th at 6:30 pm
- Thursday, November 17th at 6:30 pm

Chairman John Turpin moved to reschedule the League of Government meeting to Thursday, November 17th at 6:30 pm.

Commissioner Joe Turpin moved to reschedule the League of Government meeting to Thursday, November 17th at 6:30 pm.

Commissioner Walker seconded and the motion carried unanimously.

Chairman John Turpin requested if there was any further old or new business for the Board's consideration.

Commissioner McHugh moved to adjourn the meeting.

Commissioner Joe Turpin seconded the motion.

Vice Chairman Inman stated that his understanding was that the 05/06 budget would be discussed following tonight's meeting.

The motion failed 2-3 with Chairman John Turpin, Vice Chairman Inman and Commissioner Walker voting against the motion.

GENERAL GOVERNMENT - GOVERNING BODY - 2005/06 FISCAL YEAR BUDGET DISCUSSION

Vice Chairman Inman stated the following regarding the 2005/06 fiscal year budget:

- This was a Revaluation year
- Estimated county wide increased at approximately 18%
- Revaluation generated an estimate of \$2 million additional revenue
- ¾ of estimate \$2 million revenue allocated to 05/06 budget
- Only allocated a shade over \$300,000 to fund balance
- Concerns over next year's budget
- Crisis developing for schools
- The estimated \$2 million should have gone to fund balance
- Where do we go next year when we look at budget?

Commissioner McHugh responded the following:

- There was not a \$2 million increase due to lowering the tax rate
- \$1 million of the increased revenue was allocated to the schools

Chairman John Turpin requested if there was anything further.

Commissioner McHugh moved to adjourn the meeting.

Chairman John Turpin seconded the motion.

Vice Chairman Inman stated that if we adjourn from now until the end of the year, he would keep bringing the issue up - it will not go away.

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

Darlene M. Bullins
Clerk to the Board

John M. Turpin
Chairman