

- \$5,000 requested in the proposed Economic Development Budget
- Advertising a key function for bringing tourists to Stokes County

Vice Chairman Joe Turpin noted the following:

- Economic Development contingency to go directly to the Water and Sewer Authority for future projects
- Community members who are concerned about keeping up community facilities such as parks, centers, etc. - a possible contingency fund for these facilities for projects such as signs, building repairs, etc - possible matching grant program -
a possible rotation program for entire the county

Commissioner McHugh noted the following:

- School funding- where does the funding go?
- Schools continue to request and get more each year.
- Imperative that county departments are in good shape and are able to operate efficiently and provide the needed services for the residents of Stokes County

Commissioner Walker noted the following:

- CenterPoint funding - current providers Daymark and Triumph
- Accept the proposed budget as submitted by the Budget Director
- Proposed budget is fair and equitable
- Adding or taking away from the proposed budget opens up more doors
- Contingencies would allow changes after July 1, 2006
- Proposed budget will provide financial stability and soundness for the County for future bond referendums for schools' capital needs, construction, etc.

Chairman Inman noted the following:

- Proposed budget reflects a "zero growth budget"
- Overcrowding of the schools at the present time versus what they will be when new schools could be built- projection of 2010
- Proposed budget maintains the \$.60 property tax
- Proposed budget is fair and equitable

Budget Director Dennis Thompson discussed the following with Board members:

- General Fund Revenues
 - Ad Valorem Taxes - F/Y recommendation \$17,956,123
 - 95.37% collection rate
- Prior Year Taxes- \$800,000 - a \$100,000 decrease due to the outstanding job being done by the Tax Department collecting current taxes
- Sales Tax - 1% - to remain the same = \$2,000,000
- Other sales taxes - project an overall 3.5% increase- depends on the economy
- DSS Revenue - revenue is projected by the State
- Health Department - remains essentially about the same - suggest to keep a close eye on the Health Department revenues- revenues depend on the usage of the Health Department
- Home Health - revenue will need to be increased if the new position is added to the proposed budget
- Federal Inmate Reimbursement - remains the same
- Hold Harmless - budget recommendation \$1,580,000 leaving approximately \$300,000 un-appropriated for fund balance - budget message reflects a plan for future hold harmless appropriations which is scheduled to expire in 2012-2013
- Register of Deeds - remains the same
- Ambulance Fees - 2005-06 revenue could be \$1 million - drop revenue collection to \$1 million for 2006-07 proposed budget
- Ambulance Fees -Delinquent -Drop from \$200,000 to \$175,000
- Planning -Inspection Fees - Drop fees in case of a slow down in building - fees are economy driven
- King Clinic - small revenue - start up year
- Recommend that revenues be monitor monthly to get a good idea if revenues are on target for the fiscal year
- Discussion of current fund balance along with needed fund balance for future bond referendum
- Stokes Reynolds Hospital - final debt payment along with a garbage truck which will be a reduction of \$306,591 in fiscal year 2007-08 and subsequent years
- Administration Building - final debt payment of \$995,956 will be exhausted in 2009-2010
- Contingency - proposed for fiscal year 2006-07
 - Contingency for emergencies - \$150,000
 - Leave Cost - \$100,000
 - Personnel Cost - \$100,000
 - Capital Outlay - \$250,000
 - Fuel Cost Contingency - \$50,000
 - Economic Development - \$100,000
- Economic Development Contingency could be used for future possible Water and Sewer projects
- Transfers from other Funds to Capital Reserve \$90,000 for Walnut Cove Library Project = \$40,000 with \$50,000 for replacement of EMS Station #3
- Urgent need for replacement of EMS Station #3
- Projected placement of future EMS Stations in the County
- COLA for employees sometime during the year is possible from personnel contingency

The Board continued discussion of the following regarding the mental health allocation:

- Mental Health Funding - CenterPoint Performance Agreement - accountability
- Working to improve mental health services in Stokes County
- Proposed Performance Agreement - allocation for fiscal year 2006-07
- Disbursement of funding for mental health for upcoming fiscal year 2006-07
- Need to review current Performance Agreement at the June 19th work session

Chairman Inman requested Board members to name any department that they would like to review during the budget work sessions. The following departments were named:

Commissioner John Turpin noted the following departments:

- Mental Health
- Economic Development

Vice Chairman Joe Turpin noted the following departments:

- Economic Development
- Mapping/GIS

Commissioner McHugh noted the following departments:

- All departments

Commissioner Walker noted the following departments:

- Proposed budget is simple and straight forward - no focus on any one particular department
- Have contingency accounts for personnel, capital outlay, etc when and if the Board chooses to use

The Board continued discussion reflecting the following budgetary items:

- Future Water and Sewer Projects
- Benefits of expanding water and sewer for the County
- Future building of residential homes within the County increases the need of the services such schools, EMS, Sheriff Department, Solid Waste, etc.
- Medicaid Allocation - current spending
- Medicaid - only state left that requires county funding
- Service District Fire Tax - requested 1 cent fire tax increase - not included in the proposed budget
- Rural Hall Fire Tax need for 2.5 cent fire tax increase - included in the proposed budget
- Future fire substations in the County -South Stokes and Walnut Cove Vol. Fire Departments
- Stokes Reynolds Hospital and JRJones facilities
- Current lease with NC Baptist Hospital -Stokes Reynolds Hospital
- E911 Fund

Finance Director Julia Edwards informed the Board the Regional Sewer Fund would possibly be in the "red" at the end of fiscal year 2005-06. Director Edwards noted the following regarding the Regional Sewer Fund:

- Information received from the School of Government states that the County can appropriate county funding to the regional sewer fund
- A rate increase for institutional customers only could help to increase revenue for the fund
- First full year for the last increase
- Any fund in the "red" effects the fund balance
- Any fund in the "red" also effects the bond rating
- Expenditures for repairs have increased
- System is deteriorating

The Board directed Finance Director Edwards to place the Regional Sewer Fund on the agenda shortly after the first of fiscal year.

Chairman Inman stated that he had attended a meeting with Mayor Jane Priddy-Charleville to discuss a possible Rural Center Grant for the Town of Danbury.

Budget Director Dennis Thompson noted the possibly of making a direct loan from the General Fund to the Regional Sewer Fund which would return the funding back to the General Fund as the Regional Sewer Fund continues to hopefully grow.

Finance Director Julia Edwards noted the Legislation will be making a decision in the upcoming fiscal year as to the rate for E911 surcharge. There as been a two year freeze on E911 surcharges which end June 30, 2007.

Chairman Inman requested that Board members prioritize the requests presented by Department Heads at the Monday's budget work session for further discussion.

Chairman Inman noted the next budget work session is scheduled for Monday, June 19, 2006 at 4:00 pm -Board of Education will be attending the session.

There being no further business to come before the Board, Chairman Inman entertained a motion to adjourn the budget work session.

Vice Chairman Joe Turpin moved to adjourn the budget work session.

Commissioner McHugh seconded and the motion carried (4-1) with Commissioner John Turpin voting against the motion.

Clerk to the Board

Chairman