

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Recessed Budget Work Session (recessed from June 27, 2006) for the adoption of the Fiscal Year 2006-07 Budget Ordinance in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administrative Building) located in Danbury, North Carolina on Thursday, June 29, 2006 at 6:00 pm with the following members present:

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

County Personnel in Attendance:
 Clerk to the Board/Interim County Manager Darlene Bullins
 Budget Director Dennis Thompson
 Finance Director Julia Edwards

Chairman Leon Inman called the recessed Budget Work Session to order.

Commissioner Walker delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

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

GENERAL GOVERNMENT - ELECTIONS - BUDGET ORDINANCE AMENDMENT #124

Finance Director Julia Edwards requested the approval of Budget Ordinance Amendment #124, which is necessary to amend the General Fund to appropriate funds for the printing of ballots. The appropriations are to be as follows:

Account Number	EXPENDITURES	Decrease	Increase
	Elections		
100.4170.340	Printing		<u>\$7,500.00</u>
			\$7,500.00

This will result in a net increase of \$7,500.00 in the appropriations of the General Fund. To provide the additional revenue for the above, the following revenues will be increased.

Account Number	REVENUES	Decrease	Increase
100.3327.000	State Funds-Hold Harmless	<u> </u>	<u>\$7,500.00</u>
			\$7,500.00

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

- Invoice was received in the Finance Department on June 29, 2006. Prior approval had been given to Finance Department to move funding from this account on May 22, 2006 -Budget Ordinance Amendment #106.

Chairman Inman entertained a motion to approve Budget Ordinance Amendment #124.

Vice Chairman Joe Turpin moved to approve Budget Ordinance Amendment #124.

Commissioner John Turpin seconded and the motion carried unanimously.

School Board Revenue Request

Interim County Manager Darlene Bullins presented the Board a request in writing from Dr. Larry Cartner. Dr. Cartner, on behalf of the Board of Education, had requested the approval of the Board to change revenue streams.

Interim Manager Bullins had requested Dr. Cartner to put the request in writing in order for the Board to have a clear understanding of the request.

The request included the following recommendation from the County:

State Building Capital Fund	\$337,987.00 (Requires 25% match)
General Fund - 24% Match	\$112,663.00
General Fund - Other Capital	
Outlay Projects	\$ 37,337.00
Interest - School System Funding	\$ 6,000.00
Fund Balance Transfer -	
School System Funding	<u>\$300,000.00 (Technology)</u>
Total Recommended Revenue	\$793,987.00

Option I - Per Dr. Cartner - This request from the Board of Education will allow the school system more flexibility in spending based on no additional funding:

State Building Capital Fund	\$300,000.00 (Technology)(No match)
State Building Capital Fund	
Roofing - 1 Project	\$ 37,987.00 (Requires 25% match)
General Fund - 25% Match	\$ 12,663.00
General Fund - Other Capital	
Outlay Projects	\$137,337.00
Interest -School System Funding	\$ 6,000.00
Fund Balance Transfer	
Other Capital Outlay Projects	<u>\$300,000.00</u>
Total Requested Revenue	\$793,987.00

Option One would complete one of two roofing project requests.

Option II - Per Dr. Cartner - This is a preferred request, that the revenue funding be used as follows to allow the school system more flexibility in spending if additional funding is approved:

State Building Capital Fund	\$300,000.00(Technology)(No Match)
State Building Capital Fund	
Roofing - 2 Projects	\$ 85,500.00 (requires 25% Match)
General Fund (25% Match)	\$ 28,500.00
General Fund - Other Capital	
Outlay Projects	\$137,337.00
Interest - School System Funding	\$ 6,000.00
Fund Balance Transfer - Other	
Capital Outlay Projects	<u>\$300,000.00</u>
Total Requested Revenue	\$857,337.00*

*Increase in Funding	
State Building Capital Fund	\$ 47,513.00
General Fund	<u>\$ 15,837.00</u>
Total Increase in Funding	\$ 63,350.00

Option 2 would complete two of two roofing project requests.

Interim County Manager Bullins also requested Budget Director Dennis Thompson to analysis the request from Dr. Cartner. Budget Director Thompson replied with the following:

Analysis of Dr. Cartner's letter of June 23, 2006 in which he requests some changes on the schools capital outlay appropriation.

1. Dr. Cartner has requested that the school system's \$300,000 appropriated fund balance be used for general capital outlay, rather than for technology, as originally proposed by the School Board, and that \$300,000 of the State Building Capital Fund be used for technology, with no match.
2. Dr. Cartner has also requested that only \$12,663 of the County's \$150,000 General Fund appropriation be used as matching funds for the State Building Capital Fund, rather than the \$112,663 that was proposed in the budget. He requests that the balance of the General Fund appropriation be used for general capital outlay rather than as matching funds. Under this proposal, only one roof will be replaced, rather than two, and the boilers and health and safety items that were itemized in the schools budget request will not be replaced.

At the joint meeting of the County Commissioners and the School Board, I recall that the School Board requested that the Commissioners authorize Change No.1, the \$300,000 transaction. I do not recall them requesting Change No.2, the use of the County's \$150,000 appropriation.

I recommend that the Commissioners approve the Budget Ordinance with the original numbers for schools capital outlay, and have later discussions with the School Board before acting on Dr. Cartner's two requests, to make sure that everyone agrees that the second roof, the boilers, and the health and safety items are of lower priority that whatever the funds will be used for if Dr. Cartner's request is granted. He does not specify how the funds will be used if his request is granted.

If the Commissioners decide to approve any or all of Dr. Cartner's requests, this can be done by amendment to the adopted budget.

Under Option Two, an \$15,837.00 would have to be allocated from General Fund along with State Building Capital Fund allocation of \$47, 513.00

The Board discussed the request received from Dr. Cartner.

Vice Chairman Joe Turpin stated that why not use the original recommendation from the Budget Director and accomplish both roof projects instead of having to request additional funding in Dr. Cartner's request to accomplish both roof projects.

Commissioner John Turpin stated to wait.

Commissioner McHugh stated it is a ridiculous request.

Commissioner Walker stated he was very comfortable with the Budget Director's recommendation and would need further information to consider the request.

Chairman Inman does not see any other priorities higher than roofs and broilers.

Vice Chairman Joe Turpin moved to request that Stokes County receive a detailed Capital Outlay Plan for Fiscal Year 2006-07 for the Board's review and consideration.

Commissioner John Turpin seconded and the motion carried unanimously.

DayMark

Interim County Manger Darlene Bullins informed the Board that Executive Director Billy West - DayMark had requested free space at the Community Services Building. Mr. West is planning to offer Telemedicine for residents of Stokes County.

Mr. West spoke briefly on the grant received to offer Telemedicine and the need of a TI line. Mr. West is requesting to stay in his current location until July 10, 2006 to see if there are any other available spaces for the Telemedicine. Mr. West also presented additional information regarding the upcoming services.

Vice Chairman Joe Turpin suggested the possibility of placing the Telemedicine at Stokes Reynolds Memorial Hospital.

Commissioner McHugh moved to allow free space in the Community Services Building from July 1, 2006 to July 10, 2006 so that a decision is made regarding the Telemedicine location.

Commissioner John Turpin seconded and the motion carried unanimously. Mr. West will be on the agenda on July 10th to further discuss the leasing of space.

Mr. West is planning on speaking with Lance Labine at Stokes Reynolds Hospital for possible space there.

Budget Fiscal Year 2006-07

Budget Dennis Thompson submitted the following suggestions for the allocation of \$60,000 for community partner program for the fiscal year 2006-07 budget for the Board's consideration:

- Page 9 - the reduction of \$60,000 from the contingency Total line item
 - Reduce Contingency by \$20,000
 - Reduce Personnel Cost by \$5,000
 - Reduce Capital Outlay by \$15,000
 - Reduce Fuel Cost Contingency by \$5,000
 - Economic Development Contingency by \$15,000
- Page 13 - Place the \$60,000 in the Economic Development Budget under the Community Park Partner Program
- Page 4- Adjust expenditures to reflect the corrections listed above.

The Board discussed the submitted suggestions.

Commissioner McHugh stated that this is the most physically irresponsibility budget she had ever seen.

Commissioner John Turpin moved to approve the insertion of pages 4, 9, and 13 for the fiscal year 2006-07 county budget.

Commissioner Walker seconded and the motion carried (4-1) with commissioner McHugh voting against the budget.

Adoption of the Budget Ordinance for Fiscal Year 2006-07.

Finance Director Julia Edwards presented the proposed Budget Ordinance for Fiscal Year 2006-07 for the Board's consideration.

Chairman Inman entertained a motion to adopt the Budget Ordinance for Fiscal Year 2006-07.

Commissioner John Turpin moved to adopt the Ordinance for Fiscal Year 2006-07.

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

(A copy of the Budget Ordinance will be placed with the original minutes and retained by the Clerk to the Board)

Adoption of Resolution Establishing Capital Reserve Fund

Finance Director Julia Edwards presented the Resolution Establishing the Capital Reserve Fund for Fiscal Year 2006-07 for the Board's consideration.

Chairman Inman entertained a motion to adopt the Resolution Establishing the Capital Reserve Fund for Fiscal Year 2006-07 as presented.

Commissioner John Turpin moved to adopt the Resolution Establishing the Capital Reserve Fund for Fiscal Year 2006-07 as presented.

Commissioner Walker seconded and the motion carried unanimously.

(A copy of the Resolution Establishing Capital Reserve Fund will be placed with the original minutes and retained by the Clerk to the Board)

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

Commissioner Walker moved to adjourn the meeting.

Commissioner John Turpin seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman