

STATE OF NORTH CAROLINA)
)
COUNTY OF STOKES)
)

OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
JUNE 7, 2007

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Budget Work Session which included a joint meeting with Board of Education regarding the Proposed Fiscal Year 2007-08 County Budget in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administrative Building) located in Danbury, North Carolina on Thursday, June 7, 2007 at 2:00 pm with the following members present:

Chairman Leon Inman
Vice-Chairman Jimmy Walker
Commissioner Ron Carroll
Commissioner Ernest Lankford
Commissioner Stanley Smith

County Personnel in Attendance:
County Manager K. Bryan Steen
Clerk to the Board Darlene Bullins
Finance Director Julia Edwards

Board of Education/Stokes County School Personnel present:
Chairperson Sonya Cox
Vice Chairperson Steve Shelton
Board Member Becky Boles
Board Member Bill Hart
Board Member Yvonne Rutledge
Superintendent Dr. Larry Cartner
Assistant Superintendent Debbie Merritt
Finance Officer Lanette Moore
Director of Operations David Burge

Chairman Leon Inman called the Board of Commissioners' meeting to order.

Chairperson Sonya Cox called the Board of Education's meeting to order.

Commissioner Lankford delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

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

Board of Education - Proposed 2007-08 Budget

Dr. Cartner discussed the following issues as related to the proposed 2007-08 County Manager's budget recommendations for Stokes County School System: (Board Members were presented with an informational packet outlining issues pertaining to the Board of Education's proposed 2007-08 budget)

Current Expense Request from BOE	\$ 11,512,917.00
Current Expense Recommended by County Manager	\$ 10,218,584.00
Difference (Decrease)	\$ 1,294,333.00
Final Budget 2006-07	\$ 9,798,494.00
County Manager's Recommendation 2007-08	\$ 10,218,584.00
Difference (Increase)	\$ 420,090.00

- Current expense - very little funding left to work with after the mandates
- Recommended budget will not move the school system forward
- Maintaining the current position is in reality moving backward
- Board of Education budget is a fair and accurate budget that outlines the needs of the Stokes County School System and designed to keep us moving forward into a 21st century global economy
- Proposed budget is based on a 4.5 cent tax increase, if no increase, the budget figures will shift accordingly
- Manager's recommendation in current expense reflects an increase of \$420,090.00 which is an actual increase of only \$353,790.00
- Manager's recommendation for capital represents a county investment of approximately \$175,000 – the total county investment in capital outlay is \$161,000 which would allow very few capital projects to be completed
- Primary goal is student achievement
- Requested a .5% increase for the local supplement for employees last year, which was denied
- Requested a .5% increase for the local supplement for employees again this year
- Requested to place teacher assistants on a salary scale based on years of experience
- Board of Education submitted budget reflects the large amount of required funding to meet on-going base-budget expenses such as legislated salary increases, increasing utilities, fuel and travel costs, increasing technology requirements, increasing employer paid state retirement and health insurance costs
- Increased funding at all levels is needed to continue the systemic, sustained approach to professional development for all instructional staff with priority given to reading and writing strategies in order to meet the NCLB requirement for LEA's in improvement
- Capital Outlay request of \$1,777,963 for such things as exterior/landscaping, renovations, equipment, and vehicles has been recommended by the County Manager to be cut to \$175,000 – the submitted budget truly reflects the needs, many of the items are safety issues
- Board of Education's desire that you elect not to use \$323,275 of the State Public School Building Capital Fund to retire indebtedness of old school bonds
- If the \$323,275 is used, the balance in the State ADM fund will be reduced to \$10,000
- Purchase of the Oakley property by the Board of Education, if approved, will reduce Lottery Fund Balance to \$44,744
- Request of the Board of Education – if the County offers a special allocation for the lighting project at West Stokes High School, it is respectfully requested that any appropriation to the lighting project not impact the capital amount for the entire school system

Chairperson Cox noted the following:

- Request the School System moved forward and not backwards

Vice Chairperson Steve Shelton noted the following:

- Current Expense is very important to keep the school system moving forward
- Disapproves of using ADM funding for retiring indebtedness of school bonds
- Need a tax increase to provide the needs for the entire county

The Board, unanimously agreed, this Board's intentions were to work together with the Board to Education to provide the best education possible for the students of Stokes County

and strives to build up the fund balance to prepare for a future bond referendum.

Members of the Board of Education discussed the following issues with the Board of Commissioners:

Capital Outlay

- Exterior and Landscaping, Renovations, Equipment, & Vehicles needed for 18 schools in the County
- Proposed 2007-08 Capital Outlay Budget
- Consider possibility of leasing instead of purchasing the “Pod” for the renovations at Meadowbrook - this would free up funding recommended by the County Manager for the renovations for other capital outlay projects
- Safety issues pertaining to bleachers at various schools within the County
- Need for immediate renovations and repairs at various schools in the county instead of waiting to include these items in a bond referendum
- Need for asbestos abatement in some schools- tile and carpet worn and must be taken up
- Mandated three year update from an outside group being performed this year pertaining to documentation of any location that contains asbestos in any school
- Use of State Public School Building Capital Fund to retire indebtedness of old school bonds
- Future bond referendum
- Resurfacing of athletic tracks which are also used by citizens
- South Stokes is unable to hold conference and regional track events due to safety issues of the track – this puts all conference and regional events at North Stokes every year for their respective conference
- Purchase of the Robertson Property, which adjoins Lawsonville Elementary School – 20.36 acres for \$180,000. This amount has been already deducted from the Lottery funds. Information has been sent to the Board of Commissioners for approval to purchase the land and be included in the 2007-08 budget
- Lighting at West Stokes High School for baseball and tennis courts – possible funding comparable to funding given to other schools within the county for similar projects

Current Expense

- Need for the .5% increase for the local supplement
- Need for supplement to recruit and retain teachers
- Need for implementation of salary scale for non-certified employees based on years of experience
- Cost of School Resource Officers- schools only have use of the officers for 10 months – request consideration that school system be responsible for their salaries – cost of uniforms, vehicles, equipment, benefits, etc. paid from the Sheriff Department’s budget
- Need for two additional school nurse positions
- Need for more personnel for guidance counselor services in elementary schools
- Increases in employee benefits, utilities, fuel, etc

Other Issues

- State funding allocation for schools – undetermined at the present time
- State/Local paid teaching positions
- Mandatory Discretionary funding was not taken back last year by the State, \$289,000 (budgeted last year) was redirected for use in the schools such as library allotment
- Projected state allocation eliminates 4 teaching positions
- High School Reform mandates are starting to be effective which requires extra funding to implement programs
- Teacher coaching positions implemented last year helped to mentor new teachers and less experienced teachers coming into the system
- Request for 6 additional teaching positions

- Difficult to rebound from a no growth budget, impact on the schools if two consecutive budget years have a no growth budget
- Technology funding – school’s five year technology plan – currently in year two of the five year technology plan
- Planning ahead for a future bond referendum

Commissioner Carroll recommended that the Board look at a specific amount of funding for capital outlay and the Board of Education decide on the spending of the funds. Commissioner Carroll commended the Board’s idea last year of taking fund balance from current expense and transferring that funding for one time non-recurring expenditures. Chairperson Cox stated the Board of Education would consider that option for this budget.

Chairperson Cox expressed appreciation to the Board of Commissioners for the joint meeting and their Board’s desire to work with the Board of Commissioners to provide the best education possible for all students in Stokes County.

Chairman Inman expressed appreciation to the Board of Education for the joint meeting and would continue to work with the Board of Education to provide the best education possible for all students in Stokes County.

Chairman Inman recessed the Board of Commissioners’ budget work session until 4:30 pm.

Chairperson Sonya Cox entertained a motion to adjourn the Board of Education’s joint meeting with the Board of Commissioners. Member Becky Boles (BOE) moved to adjourn the joint meeting. Vice Chairman Steve Shelton (BOE) seconded and the motion carried unanimously.

The Board of Commissioners reconvened to the budget work session at 4:30 pm.

Commissioner Carroll requested the Board have the Fire Marshal attend a budget work session to discuss his proposed 07-08 budget. Commissioner Lankford noted that his understanding from previous discussions by the Board was that the County Manager would direct all inquiries from the Board to all department heads. The Board discussed the request made by Commissioner Carroll.

Chairman Inman entertained a motion to accept the County Manager’s recommended budget.

There was no motion made to accept the County Manager’s recommended budget.

Commissioner Carroll moved to invite the fire marshal to attend the June 12th budget work session at 4:00 pm if convenient. Vice Chairman Walker seconded and the motion carried (4-1) with Commissioner Lankford voting against the motion.

County Manager Bryan Steen noted that the 2007-08 proposed budget had been reviewed by Mr. Dennis Thompson, Budget Consultant. Mr. Thompson noted the following:

- Very conservative budget – EDC responsibilities being taken on by the County Manager
- Mr. Thompson had made the prior Board aware during the last year's budget work sessions that there would probably be no way to adopt a budget in 2007-08 without a tax increase
- Mr. Thompson did not see any changes that he would make with the proposed budget
- Mr. Thompson suggested to request a 5 cent tax increase instead of the manager's recommendation of a 3 cent tax increase
- Continue to alleviate county dependence from the hold harmless allocation
- Continue to increase the fund balance

County Manager Steen discussed the amendments that were implemented after the adoption of the 2006-07 budget, which are recurring items.

County Manager Steen reviewed the following budgets emphasizing changes from last year's budget with the Board:

- Administration – Salary/benefits/conferences for new manager
- Animal Control – State mandates
- Arts Council – Increase percentage allocation for arts council director's salary
- Contingency – Includes contingency for regular contingency, leave cost, personnel cost, and fuel contingency
- Cooperative Extension - Full time director position
- Debt Service – 3.01% Decrease
- District Resource Center – Increase due to new full time position (DRC Work Program Coordinator) and reclassification (Office Assistant II to Office Assistant III) added during the previous fiscal year
- Economic Development – Decrease due to no allocation for director's salary and benefits past October 31, 2007
- Election – Hiring of Election Director Trainee- Current Director retiring December 31, 2007 – Electronic Poll Books- HAVA Grant – Possible statewide election in November
- Emergency Communications –Recertification of EMD Program for employees and EMD Quality Improvement Software
- Emergency Management – health/dental premium increases
- EMS –Part time salaries, fuel, M&R to ambulances, wireless cost incurred for transmittals to hospitals, budgeted \$56,000 in capital reserve for major ambulance repairs
- Environmental Health – Environmental Health Specialist salary approved by the Board in 2006-07 budget, fuel, non recurring overtime allocation of \$7,000 to catch up septic tanks permits
- Finance – Increase due to banking charges for credit card participation, fire proof filing cabinet, and increase on audit contract
- Fire Marshal – Reduction in work force and associated cost due to the reconstruction of the Department's duties; transferred Fire & Rescue Association to Special Appropriations; invitation to Fire Marshal to be at the June 12th meeting at 4:00pm

The Board discussed the following issues with County Manager Steen:

- Contingency accounts
- No Economic Development Contingency proposed in the budget
- Proposed Budget that does not include a full time Economic Development Director position for the entire year
- Holiday leave time being accrued with no carryover limit
- Current Cooperative Extension employees eligible for Director's position
- Sharing Cooperative Extension positions with other counties
- Sheppard Mill Project
- \$7500 funding for Regional Tourism Initiative – not proposed by the County Manager
- Capital Reserve Fund = \$56,000 for Maintenance & Repairs –Ambulances
- Capital Reserve Fund - \$50,000 for new EMS Station
- Possible EMS station to be located Sauratown Fire Department
- Backlog for septic tank permits in comparison with the number of septic tank permits completed in 1996, '97, ' 98 with current years
- Overtime pay for Environmental Health employees

County Manager Steen informed the Board that a meeting had been scheduled with NCDOT officials, YVEDDI and the county to discuss the proposed YVEDDI project/grant for June 21st.

Chairman Inman instructed Board members to begin highlighting concerns in the proposed budget.

Adjournment

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

Commissioner Smith moved to adjourn the budget work session. Commissioner Lankford seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman