

STATE OF NORTH CAROLINA)
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COUNTY OF STOKES)
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OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
JUNE 18, 2007

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Budget Work Session 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 Monday, June 18, 2007 at 2:00 pm with the following members present:

Chairman J. 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

Chairman Leon Inman called the meeting to order.

Chairman Inman 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.

Budget Work Session

Finance Director Julia Edwards presented the Board with an amended copy of the proposed School-Capital Outlay and Capital Reserve which included the \$180,000.00 for land

purchase. The amended copy also includes financing the PODS at Meadowbrook in order to make more funding available in capital outlay.

Chairman Inman requested Board members to note a possible tax rate to work from:

Vice Chairman Walker – 60 cents

Commissioner Lankford - 60 cents with a few modifications

Commissioner Carroll – not ready to determine a number yet - need further discussion on several departments

Commissioner Smith - not ready to determine a number yet – need more discussion on several departments

Chairman Inman – 60 cents if possible

Commissioner Carroll noted the following departments that needed to be discussed:

- Arts Council
- Economic Development
- Fire Marshal
- Forsyth Technical Community College
- Libraries
- Public Buildings (Capital Projects)
- Recreation
- Forestry
- Grower's CoOp
- Hold Harmless
- Contingency Accounts – Salary Personnel

Commissioner Smith noted the following departments that needed to be discussed:

- Economic Development
- Environmental Health
- Fire Marshal
- Health Department
- Libraries
- Forestry
- School Capital
- Cooperative Extension

Chairman Inman requested Board members to note an estimated amount of hold harmless revenue to be appropriated to fund balance in this fiscal year's budget:

Commissioner Carroll = approximately \$600,000
Commissioner Lankford = approximately \$300,000 to \$400,000
Commissioner Smith = approximately \$500,000
Vice Chairman Walker = approximately \$300,000 to \$350,000
Chairman Inman = approximately \$300,000 to \$400,000

Finance Director Julia Edwards noted that the Tax Administrator had given the following projections:

- New Growth in the County = additional value of \$84,477,105.00 which could result in approximately \$488,108.00 in ad valorem tax revenue

County Manager Bryan Steen noted that the collection rate is continuing to improve which will reduce the collection of prior year tax revenue. The county manager's recommended budget takes this into account by reducing the prior year tax revenue projection.

The Board discussed some possible savings on Medicaid expenditures if the State gives Counties some relief from Medicaid expenditures.

Finance Director Julia Edwards presented the following figures regarding Medicaid expenditures:

- Fiscal Year 2005/06 = \$2,074,155
- Fiscal Year 2006/07 = estimated at \$2,391,230
- DSS Director budgeted \$2,582,310 for fiscal year 2007-08 (this figure was recommended by the State)

The Board discussed the Medicaid expenditures and the cap on Medicaid expenses by the State, which could save County funding.

The Board discussed the current fund balance and the needed fund balance in order to start discussions with the Local Government Commission (LGC) pertaining to a future bond referendum.

Commissioner Smith noted that he would like to discuss a one-time bonus for county employees.

Commissioner Lankford discussed (working with the proposed 60-cent tax rate budget) the following items:

- Add \$100,000 back to Personnel Contingency = \$300,000
- Add \$100,000 – Economic Development
- Add \$100,000 – Courtroom “C” Renovations
- Reduce Hold Harmless appropriation to fund balance to \$300,000 instead of \$565,201
- Important factor for the next few years – “hold spending”
- Reduce other line items to balance the budget

Commissioner Carroll reiterated the hold harmless revenue source is scheduled to reduce each year until it is completely terminated in fiscal year 2012-2013.

The Board discussed the hold harmless revenue and the last tax re-evaluation.

Schools – Current Expense

The Board discussed the county manager’s recommendation to increase the Schools-Current Expense by \$353,790 = \$9,838,959.00 allocation.

Other Issues to Discuss

Arts Council

Commissioner Carroll noted the need to eliminate the Arts Council Director from having to raise part of his salary. Commissioner Carroll noted that the Arts Council is a county department and should be funded as a county department with the Director concentrating on Arts Council programs.

The Board discussed the pros and cons of fully funding the Director’s salary. The Board discussed increasing the funding for the Arts Council so that the Director could concentrate on programs instead of matching funding for salaries.

Economic Development

The Board discussed the manager's recommendation to eliminate the full time Economic Development Director's position. The Board discussed the need to appropriate funding to Economic Development in order to bring Economic Development to Stokes County.

Commissioner Lankford and Commissioner Smith were on Board with the county manager's recommendation to eliminate the full time position with the County Manager serving as the Economic Development Director on a trial basis.

Commissioner Carroll expressed concerns with the manager's recommendation to eliminate the full time Economic Development Director's position.

Vice Chairman Walker also expressed concerns with the manager's recommendation to eliminate the full time Economic Development Director's position. Vice Chairman Walker noted if the County wants to continue to move forward with Economic Development, then the County needs a full time Economic Development Director and that he had received numerous comments from citizens regarding the need to put extra funding into the Economic Development budget.

Vice Chairman Walker reiterated it is not a safe step to eliminate the director's position and feels elimination of the director's position will move the county backwards in bringing Economic Development to Stokes County.

The Board discussed the duties of the current director.

County Manager Steen commented on his decision to eliminate the full time Economic Development Director's position. Manager Steen noted the following regarding the elimination of the director's position:

- Cost would probably be much higher than the current director's salary
- Outside consultants can help with issues
- Already looking into possible projects
- Already talking with City of King, Town of Walnut Cove, and Town of Danbury officials regarding Economic Development
- To meet with Water and Sewer Authority
- The need to start networking
- The need to determine where the county wants to go and how to get there
- The need to identify infrastructure needs
- The interim period also will give the county time to determine the cost of replacing the director
- Willing to put the hours in needed for both positions – Economic Development and County Manager

Vice Chairman Walker also stated that the Economic Development Director needs to continue to assist current businesses in the County.

Forsyth Technical Community College

Commissioner Carroll felt that the Board should appropriate at least \$25,000 in capital reserve as a good faith effort for possible feasibility studies, architectural studies, etc. for a future stand-alone campus. The remaining members of Board had no issues with funding at least \$25,000 in capital reserve for a stand-alone FTCC campus if possible.

Libraries

Commissioner Carroll felt the Board should try to fund the salary study needed to retain valuable employees, the cost being \$25,931 each year for two years. The Board discussed funding for the libraries. The Board members had no issues with trying to fund the library's request if possible.

Forestry

Commissioner Carroll expressed concerns with the loss of \$6,000 in the manager's recommended Forestry budget, which would actually be a loss of \$15,000 (additional State funding). The Board discussed the recommended funding and had no issues with trying to

fund the request if possible. Commissioner Smith noted that in past years, the combined Forestry District budget has had to fund items in Stokes County due to lack of funding from the County.

Growers' CoOp

Commissioner Carroll felt that the Board should appropriate at least \$10,000 as a good faith effort to help the Growers' CoOp if possible. Commissioner Carroll noted the Growers' CoOp is another valuable part of Economic Development. Commissioner Smith supports at least \$15,000 appropriation to help them get back on their feet. Vice Chairman Walker supports an appropriation of \$5,000 and more possibly depending on the fund balance. Commissioner Lankford supports an appropriation of \$5,000 if possible. Chairman Inman has no issues with some support (\$10,000- one time allocation) to help the CoOp "stand on their own feet". The Board discussed the issue of the CoOp being a stand-alone entity.

Recreation

Vice Chairman Walker expressed concerns that the funding allocated for recreational services is going for salaries instead of being used to provide programs for the citizens. Vice Chairman Walker presented information from the YMCA regarding programs sponsored by the YMCA at the Danbury location.

Commissioner Carroll requested additional information wanting to know how the County's allocation was being spent. Clerk to the Board Darlene Bullins presented the Board with a copy of the Recreation Contract between the County and Stokes Family YMCA along with additional information pertaining to programs being sponsored by the YMCA. Vice Chairman Walker requested to hold further discussion until additional information that he had received from the YMCA be shared with the Board regarding program costs.

Capital Projects

Commissioner Carroll requested to discuss Public Buildings – Capital Projects.

Commissioner Carroll expressed supports with the following capital projects: Courtroom “C” renovations, Government Complex (Courthouse) roof, E911 roof, and ice guards at Booth Mountain.

County Manager Steen presented the Board information regarding the usage of Courtroom “C”.

The Board discussed capital projects that have not been funded in previous years – renovations to Courtroom ‘C”, Roof-main Government Center Building, ice guards at Booth Mountain, re-pavement of Government Center parking lot, and roof on Emergency Communications building.

Salary Contingency

Commissioner Lankford and Commissioner Carroll discussed the need for the \$300,000 in the Personnel-Contingency for the salary adjustment study being conducted. The proposed study would put every employee on a fair and level playing field.

The Board discussed the proposed salary study and being able to do something (COLA, Bonus, etc) for our dedicated county employees.

Vice Chairman Walker suggested giving full time employees a one-time \$500 bonus and contract an independent outside consultant to do a salary study. Vice Chairman Walker stated that his position (all the time) has been to have a professional salary study done for the County.

Commissioner Smith had no issues with the \$300,000 appropriation.

Chairman Inman wants to do something for the County employees, has no issues appropriating between \$200,000 and \$300,000, and definitely wants to see a system that puts everyone on a fair playing field.

Environmental Health

Commissioner Smith discussed the nonrecurring overtime pay to address backlog of permit requests in the manager's recommended budget.

Clerk to the Board Darlene Bullins noted one of the Environmental Health Specialists had submitted her resignation this week, which would further increase the backlog of septic tank permits.

Commissioner Smith expressed concerns with the 8-10 week backlog for septic tank permits and the need to address the issues.

Vice Chairman Walker noted that the Health Director had recently quoted a 4-6 week backlog, but information from citizens is an 8-10 week backlog and could be 12 weeks.

The Board directed County Manager Steen to follow up regarding the number of weeks waiting for a septic permit.

County Manager Bryan Steen presented information from Environmental Specialist Supervisor noting that there had been numerous system failures that the department was having to deal with, the resignation of one of the specialists, and that he believed the waiting time would surely increase.

Adjournment

There being no further business to come before the Board, Chairman Inman recessed the budget work session until Tuesday, June 19, 2007 at 9:00 am.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman