

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 19, 2007

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a recessed Budget Work Session (recessed from June 18, 2007) 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 Tuesday, June 19, 2007 at 9:00 am 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.

Vice Chairman 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.

Budget Work Session

Courtroom "C" – Renovations

County Manager Bryan Steen presented the following update from Superior Court

Judge Moses Massey regarding the renovations to Courtroom “C”:

- Judge Massey had requested that District Court Judges who use Courtroom “C” request what is truly needed and not more
- A jury room with bathrooms is not needed
- Can survive until next budget year, but would like a commitment from this Board with possible completion in 2008-09
- Possibly budget half of the projected cost in 2007-08 and the remainder in 2008-09
- The Judicial System understands the circumstances and is very willing to work with the County to delay the project until next year

Chairman Inman who worked with the committee noted the committee (after meeting with Judge Massey and Judge Neaves) had developed a realistic plan. Chairman Inman suggested the Board consider putting \$50,000 in capital reserve in this year’s budget with the remainder in the 2008-09 budget, which would give the Judicial System a commitment from this Board.

Danbury Water System

County Manager Bryan Steen presented the following information regarding the Danbury Water System:

- Possible increase in water rates by the Town of Danbury in 2007-08 fiscal year
- Consider a contingency fund in fiscal year 2007-08 to cover the increase in water and sewer fees if possible
- Uncertain of the cost of the increase for the County
- Rate structure being considered by Town of Danbury would increase the businesses, Stokes Reynolds Memorial Hospital, and governmental offices the most
- Town of Danbury needs to increase the water rates to get the system self-sufficient in order to compete for grants to improve the system
- Town of Danbury still having issues with controlling the level of radium

Schools - Capital/Current Expense

Current Expense

Chairman Inman requested where the Board stood regarding Schools- Current Expense:

Commissioner Carroll: Ok – no more
Commissioner Lankford: Ok – no more
Vice Chairman Walker – if cuts have to be done, cuts across the Board should include the Schools – appropriate no more
Commissioner Smith – Ok- no more
Chairman Inman – Ok – no more – schools must be accountable like all departments

Capital Expense

Chairman Inman requested where the Board stood regarding Schools – Capital

Expense:

Commissioner Carroll: After reviewing ADM Fund, Capital Outlay Projects could be increased by \$100,000 to \$483,340 (expenditures) and also increase ADM Revenues by \$100,000 to \$423,275. If the Board of Education elects to transfer \$300,000 from their current fund balance as they did last year, this could give the Board of Education \$783,000 for capital projects. This does not change the County's appropriation.

The Board discussed Commissioner Carroll's suggestion, using ADM funds for debt service, and granting approval for the fund balance transfer.

Members of Board noted the following:

Commissioner Lankford: Has mixed feeling using ADM Funds, but understands Commissioner Carroll's suggestion and can go along with the suggestion

Commissioner Smith: Agrees with Commissioner Carroll's suggestion

Vice Chairman Walker: Agrees with Commissioner Carroll's suggestion

Chairman Inman: Agrees with Commissioner Carroll's suggestion, this gives the Board of Education more for capital projects

The Board discussed a future bond referendum.

Vice Chairman Walker noted one option of raising taxes and placing those funds in a special fund, which would be earmarked for school construction only.

Commissioner Lankford reiterated one of the Board's top goals was to increase the fund balance in order to be prepared for a bond referendum.

Fire Commission

Commissioner Carroll requested information regarding the payment to Fire Commissioners who are appointed by the Board of Commissioners and make recommendations to the Board regarding Service District issues. Commissioner Carroll also noted that the County currently charges the cities and towns for the collection of taxes, but does not charge Fire Districts (1%) for the collection of fire taxes. Commissioner Carroll noted that this should be consistent and the funding from the Fire Districts should be designated for fire protection activities in the Fire Marshal's office.

Clerk to the Board Bullins responded that the Fire Commissioners' reimbursement was included and paid from the Fire Association's budget.

The Board discussed the Fire Commissioners' reimbursement along with charging the Fire Districts 1% for collection of fire taxes.

Chairman Inman, Vice Chairman Walker, Commissioner Lankford, and Commissioner Smith did not agree at this time with charging the Fire Districts for the collection of fire tax.

Chairman Inman, Vice Chairman Walker, Commissioner Lankford, and Commissioner Smith agreed that compensation for Fire Commissioners should not be included the Fire Association's budget.

Commissioner Carroll also noted the fact that the Stokes County Fire Association's budget is appropriated from General Fund and suggested looking at dividing the Fire Association's budget between the four districts- Rural Hall, King, Walnut Cove, and Service District.

The Board discussed the Fire Association's appropriation.

Medicaid

The Board discussed the recommended Medicaid allocation for the fiscal year 2007-08 budget.

Finance Director Julia Edwards noted the following:

- Fiscal year 2006-07 appropriation = \$2,266,230
- Fiscal year 2005-06 appropriation = \$2,074,155
- Recent budget amendment allocated an additional \$125,000 to Medicaid bringing 2006-07 projected appropriation to = \$2,391,230
- Current expenditures = \$2,111,233
- Fiscal Year 2007-08 recommendation = \$2,582,310

The Board continued the discussion regarding the Medicaid appropriation and the possibility of relief from the State.

Fire Marshal

Chairman Inman requested the feeling of the Board regarding the two positions eliminated by the County Manager from the Fire Marshal's budget in the proposed fiscal year 2007-08 budget.

Commissioner Carroll: Add both positions back into the fiscal year 2007-08 budget- (Comments: need to look at their job responsibilities pertaining to after hour calls and need to look at what is best for Stokes County)

Commissioner Smith: Add both positions back into the fiscal year 2007-08 budget- (Comments: need for daytime support as expressed by the Vol. Fire Departments at the Public Hearing and need to re-evaluate the job descriptions)

Commissioner Lankford: Supports the county manager's recommendation (Comments: based on information, comparison, and past history, which included response time from 8:00am to 5:00pm)

Vice Chairman Walker: Look at all options, adding back both positions into the fiscal year 2007-08 budget- (Comments: need to examine the job descriptions, possibly transferring funding from Fire Service District, utilize current staff, and what is best for the County)

Chairman Inman: Support reinstatement of positions to Service District – not Fire Marshal- (Comments: need for day time support, funding appropriated from the Service District, and reassessing the job duties)

County Manager Steen noted that current personnel cost for both positions (excluding truck, gasoline, supplies, etc.) approximately \$85,000 - \$86,000.

The Board discussed the following concerns pertaining to this budget item in depth:

- Possibly changing job duties
- Appropriating funding from Service District
- The need for day time support
- Comparing surrounding and like size counties with/without similar positions
- Assign the department that the two positions should be under
- Legal issues
- Possibility of increasing the fire tax to cover the expenditures for the two positions

Finance Director Julia Edwards noted with the additions agreed upon by the Board (during the budget sessions to date) added to the county manager's recommended budget with a 60 cent tax rate, would appropriate approximately \$1,236,000 of Hold Harmless with approximately \$583,000 being appropriated to fund balance. Without considering the Fire Marshal's positions, the Board would need to find an additional \$778,570 in revenue.

The Board discussed a percentage cut across the Board to all departments along with different tax rates and appropriations of Hold Harmless funding.

County Manager Bryan Steen presented the following other issues that are not included in this recommended budget that could influence next year's budget (2008-09):

- COLA or bonus for employees
- Increase for fuel cost (also influences the fiscal year 2007-08 budget)
- New Sheriff's cars
- New garbage trucks
- Space issues, renovations, moving expenses, etc.
- Capital projects – repaving parking lot, roofs, equipment, etc.
- EMS Station
- Continuous increase of health and dental insurance premiums for employees

- (fiscal year 2007-08 budget has premium increases for both health and dental)
- Cost for personnel increases if the Board adopted a new salary plan in the 2007-08 fiscal year

Personnel-Contingency

Vice Chairman Walker suggested giving all employees a \$500 bonus and allocating approximately \$30,000 for a salary study.

Commissioner Lankford and Commissioner Carroll both reiterated that the salary committee was working on establishing rules that would be fair and equal to all employees.

The Board discussed a possible bonus for all employees and the possible adjustments to employees' salaries if a new salary plan was adopted.

Commissioner Lankford and Commissioner Carroll both noted that it was very hard to discuss the proposed salary study until all the factors were considered and all the employees' salaries have been calculated according to the new proposed salary computation plan.

Vice Chairman Walker reiterated the need to have an outside, independent consultant perform the salary study.

Chairman Inman reiterated the need for a salary computation plan that is fair and equal across the board for all employees.

The Board discussed possible options to balance a 60-cent budget and a 62-cent budget.

The Board discussed possible cuts to the Schools' current expense and its consequences-state mandates.

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

Commissioner Carroll – ready to put together a proposed budget taking in the items discussed at today's budget session

Commissioner Lankford - a budget with a tax rate of 60 to 61 cents – no more
Vice Chairman Walker – a budget with a tax rate of 60 cents – still has some
unresolved issues with a couple of departments that need to be discussed before
finalizing a rate

Commissioner Smith – a budget that will provide the adequate services and build a
fund balance – possibly starting with a tax rate of 61 to 62 cents

Chairman Inman – a budget that will not impact the delivery the services needed by
the citizens in Stokes County – whether it be a 60 cent, 61 cent, or 62 cent tax rate, it
must provide the needed services to the citizens of the County

Adjournment

There being no further business to come before the Board, Chairman Inman
recessed the budget work session until Wednesday, June 20, 2007 at 10:00 am.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman