

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 20, 2007

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a recessed Budget Work Session (recessed from June 19, 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 Wednesday, June 20, 2007 at 10:00 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.

Commissioner Carroll 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

County Manager Bryan Steen presented the following update:

- Met with representatives from the Fire & Rescue Association regarding the possibility of appropriating funds from the Fire Service District for the two

Fire Marshal's positions that had been eliminated from the proposed fiscal year 2007-08 budget

- Representatives from the Fire Association were very receptive with the idea, but had concerns that funding would not be appropriated from King, Rural Hall and Walnut Cove Districts
- Representatives suggested the possibility of funding from all departments in the fiscal year 2008-09 budget
- County would need to decide the percentage of the funding – 75/25, 50/50, etc.
- \$85,375 would be needed for the salaries and benefits for the two positions
- Discussed the Fire & Rescue Association's recommended budget for this year = \$23,900 which includes Fire Commissioners' reimbursement
- Fire & Rescue Association's budget has been transferred from the Fire Marshal's budget to Special Appropriations
- Discussed the new language in the proposed agreement regarding departments who would have to come before the Board of Commissioners before financing big ticket items such as fire trucks, new buildings, etc. with the representatives
- If only a ½ cent proposed fire tax increase was approved, the Fire Commissioners would need to adjust the Fire Service budget accordingly
- Also discussed the proposed Fire Agreements and the 8-page document with the representatives
- Requested representatives to review the 8-page document and the proposed fire agreement and return issues to the County to begin working out the issues
- Discussed the main objective of the two eliminated positions from the Fire Marshal's office

Manager Steen also noted that a memorandum had been sent to all Department Heads expressing concerns with the accumulation of compensatory time and the need to reduce compensatory time balances.

Manager Steen presented comparable counties' tax rates for the Board's review.

Commissioner Carroll suggested (since it was so late in the budget year and have not met with Fire Commissioners) to keep the appropriation in the Fire Marshal's budget for the two positions this year and discuss the transfer in the fiscal year 2008-09 budget.

Vice Chairman Walker stated to keep the two fire marshal's positions, but appropriate the funding from the Service District. Vice Chairman Walker also noted the need to keep the tax rate as low as possible.

Commissioner Lankford had no comment at this time.

Commissioner Smith stated the need for the day time help to assist volunteers and suggested keeping the two Fire Marshal's positions. He has no issue with funding being allocated from General Fund this year and consider funding from the service district next year.

Chairman Inman noted the need for the day time assistance, but reiterated the need to review the job descriptions and appropriate funding for these two positions from the fire tax revenue.

The Board discussed adding the two positions back into the proposed budget with funding for the two positions being allocated from the Service District.

Commissioner Lankford noted that he had received recent information that indicates there is an average of 4.1 responders during the hours of 8:00 am to 5:00 pm. Commissioner Lankford also noted that the lack of daytime responders has been an issue for twenty years in this County and there are two back up units dispatched on each structure call, one unit for a grass fire unless it gets out of hand, and one unit for a vehicle accident.

The Board continued discussion of the reinstatement of the two Fire Marshal's position.

Chairman Inman requested the Board's feelings on charging the fire departments a 1% collection fee for the collection of fire taxes.

Chairman Inman commented – not in favor of a collection fee
Commissioner Lankford commented – not in favor of a collection fee
Vice Chairman Walker commented – not in favor of a collection fee
Commissioner Smith commented – not in favor of a collection fee
Commissioner Carroll commented – lost the battle on this one

Chairman Inman requested the Board's feeling on funding the \$7500 allocation for Regional Tourism Initiative:

Chairman Inman commented – need to continue to push forward on tourism – favor of funding the \$7500

Vice Chairman Walker commented – need to promote Stokes County – favor of funding the \$7500

Commissioner Carroll commented – favor of funding the \$7500

Commissioner Lankford had concerns that the county might not get the same benefit as other counties from the \$7500 appropriation

Commissioner Smith commented – favor of funding the \$7500

Commissioner Smith stated the RTI Steering Committee is moving forward and feels the County will get much more out of the allocation than just advertising.

The Board continued discussion regarding the \$7500 allocation to the Regional Tourism Initiative.

Fiscal Year 2007-08 Budget

Commissioner Carroll moved to propose a fiscal year 2007-08 budget at a tax rate of 60 cents which amends the County Manager’s recommended budget of 64.5 cents with the following adjustments: (for the record I will vote against my motion)

- Increase the Hold Harmless appropriation by \$1,092,188
- Appropriate Hold Harmless Allocation to Fund Balance = \$150,000
- Reduce School Current Expense by \$47,389
- Reduce Medicaid allocation by \$157,500 – appropriation \$2,424,810
- Reduce Personnel Contingency by \$100,000 – appropriation \$200,000
- Reduce Capital Reserve by \$56,000 for vehicle repairs
- Reduce Environmental Health by \$7764 for part time salaries
- Reduce Finance by \$1,850 – filing cabinet
- Reduce Government Body by \$1,672 - one defibrillator
- Reduce Health by \$2,225
- Reduce Parks by \$5,500
- Reduce Public Buildings by \$237,500 – leaving \$50,000 for Courtroom “C”
- Reduce Solid Waste by \$13,100 (Greenboxes)
- Increase Add Arts Council by \$4,350 (Director’s funding – 75%)
- Increase Economic Development by \$7,500 (Tourism)
- Increase Fire Marshal by \$45,000 (partial funding for the two positions)
- Increase Libraries by \$26,000 (salary plan)
- Increase Capital Reserve (FTCC) \$25,000
- Increase Capital Reserve (EDC) \$100,000
- Increase Forestry Service \$6,000

Vice Chairman Walker seconded the motion for discussion.

The Board discussed the budget proposed by Commissioner Carroll.

Commissioner Carroll noted it was an irresponsible budget, which I will vote against.

Vice Chairman Walker noted it was a good start in the right direction.

Commissioner Smith noted it was an irresponsible budget.

Chairman Inman expressed concerns with the Hold Harmless appropriation designated to fund balance and the Medicaid appropriation.

Chairman Inman called the question. The motion failed 1-4 with Chairman Inman, Commissioner Carroll, Commissioner Lankford, and Commissioner Smith voting against the motion.

Vice Chairman Walker moved to propose a fiscal year 2007-08 budget at a tax rate of 60 cents, which keeps the amendments proposed by Commissioner Carroll with the following modifications:

- Appropriation an additional \$145,000 to fund balance \$100,000 from Personnel Contingency and \$45,000 from Fire Marshal with total appropriation being \$306,666
- Appropriated Personnel Contingency only \$100,000
- Reduce Fire Marshal's by \$45,000 with \$45,000 being appropriated from Service District

Chairman Inman seconded the motion for discussion.

The Board discussed Vice Chairman Walker's proposed budget at a tax rate of 60 cents.

Vice Chairman Walker noted that if there was any "windfall funding", it could be used for a bonus for county employees.

Chairman Inman called the question. The motion failed 1-4 with Commissioner Carroll, Commissioner Smith, Commissioner Lankford, and Chairman Inman voting against the motion.

The Board continued discussion regarding the following issues:

- Animal Control – State mandates
- Cooperative Extension Director’s position
- Information Systems – Servers – Lease Purchase
- District Resources Center –Contractual Services
- Tax Administration- Revaluation - Contractual Services
- Cell Phone expenditures for all departments
- Personnel Contingency for salary study
- Public Building – capital renovations
- Current Expense – Schools
- Medicaid Allocation
- Possible Medicaid Contingency Fund

The Board discussed several options for increasing the Solid Waste Fees due to the recent increase of contractual fees assessed to the County.

The Board unanimously agreed to increase the Solid Waste Tipping Fees as follows which could increase revenue in the fiscal year 2007-08 budget:

- \$5.00 up to 200 lbs with \$3.00 for each additional 100 lbs for residential
- Increase commercial from \$58/ton to \$65.00/ton

Vice Chairman Walker requested that additional revenues from the increased fees be placed in a contingency account for solid waste use.

Commissioner Lankford moved to propose a fiscal year 2007-08 budget at a tax rate of 60 cents which amends the County Manager’s recommended budget of 64.5 cents with the following amendments:

- Fund Balance Appropriation = \$306,666
- Hold Harmless Appropriation = \$1,512,326
- Reduce Schools Current Expense = \$13,000
- Medicaid Appropriation = \$2,424,810
- Appropriation - Medicaid Contingency = \$70,000
- Increase revenues from Solid Waste Fees by \$56,000
- Personnel Contingency remains the same at \$300,000
- Reduce Capital Reserve by \$56,000
- Reduce Environmental Health by \$7,764 for part time salaries
- Reduce Finance by \$1,850 – filing cabinet

- Reduce Government Body by \$1,672 - one defibrillator
- Reduce Health by \$2,225
- Reduce Parks by \$5,500
- Reduce Public Buildings by \$237,500 – Transfer \$50,000 for Courtroom “C” to Capital Reserve
- Reduce Solid Waste by \$13,100 (Greenboxes)
- Increase Add Arts Council by \$4,350 (Director’s funding – 75%)
- Increase Economic Development by \$7,500 (Tourism)
- Increase Libraries by \$26,000 (salary plan)
- Increase Capital Reserve (FTCC) \$25,000
- Increase Capital Reserve (EDC) \$50,000
- Increase Forestry Service \$6,000
- Reduce Information System by 100,000 (Lease Purchase)
- No funding from General Fund for Fire Marshal’s

Vice Chairman Walker seconded the motion for discussion.

Finance Director Julia Edwards reviewed the amendments proposed by Commissioner

Lankford:

- Contingency Total = \$655,716 with regular contingency \$140,716; Medical contingency = \$70,000; Fuel contingency =\$45,000; Personnel Contingency =\$300,000; Leave Cost = \$100,000
- Capital Reserve Total = \$225,000 from General Fund with \$10,000 for Sheriff’s Department; \$50,000 for Public Buildings-Courtroom “C”; \$50,000 for EMS-station; \$50,000 for EDC; \$40,000 for Walnut Cove Library Renovations; \$25,000 for FTCC
- Revenue changes: Hold Harmless, Solid Waste Fees, Fire Marshall Revenue from Service District

Commissioner Lankford amended his motion to eliminate the Social Worker II position in DSS, part time position in Register of Deeds and add \$10,000 to Growers CoOp.

Vice Chairman Walker amended his second to the motion.

The Board discussed Commissioner Lankford’s proposed budget.

Chairman Inman expressed concerns regarding funding if needed for a new roof at the Government Center, Medicaid appropriation, and what kind of a tax increase would be needed next year. Chairman Inman also stated that voting for this budget would be delaying

the inevitable.

Commissioner Carroll expressed concerns with hold harmless appropriation, Medicaid appropriation, EDC –capital reserve appropriation, funding for roof on Government Center if needed, and stated this budget does not provide sound budgeting.

Commissioner Smith expressed concerns with funding needed for a roof at the Government Center and E911 building and this budget does not address the needs of the County.

Commissioner Lankford noted that there are Stokes County residents who live on fixed incomes who can't afford high taxes and hopes that suspected growth will offset expenditures.

Vice Chairman Walker stated this is a fair budget to the citizens and employees.

Chairman Inman called the question. The motion failed 2-3 with Chairman Inman, Commissioner Carroll, and Commissioner Smith voting against the motion.

Commissioner Carroll moved to approve the School- Capital Outlay and Capital Reserve Budget for Fiscal Year 2007-08 as amended:

- Expenditures - Capital Outlay Projects allocation = \$483,340
- Expenditures -Add Capital Outlay Projects- School Board Discretion = \$300,000
- Revenues – Add Board of Education- Fund Balance-Transfer From Current Expense = \$300,000
- Notation would be added that the \$300,000 from the Board of Education's Fund Balance is at the Discretion of the Board of Education

Commissioner Lankford seconded the motion for discussion.

The Board discussed the motion.

The motion carried unanimously.

Commissioner Carroll moved to propose a fiscal year 2007-08 budget at a tax rate of 62.3 cents which amends the County Manager's recommended budget of 64.5 cents with the following amendments:

- Economic Development – Add \$7,500 –Regional Tourism
- Environmental Health – Subtract \$7,764 - overtime
- Arts Council – Add back \$15,216 – 100% director's salary
- Finance – Subtract \$1,850 – filing cabinet
- Fire Marshal – Add back \$70,000
- Governing Body – Subtract \$1,672 – defibrillator
- Health – Subtract \$2,225 – examine tables
- Libraries – Add back \$29,000 for salary study and books
- Parks – Subtract \$5,500 - mower
- Public Buildings - Subtract \$22,500 – leaving funding for Courtroom “C” and a roof for the Government Center Building
- Schools – Current Expense - Subtract \$7,769
- Information Systems - Subtract \$99,345 – lease purchase instead of purchase
- Solid Waste - Subtract \$13,100 -greenboxes
- Capital Reserve - Add \$25,000 - FTCC
- Economic Development - Add \$106,000 with partial funding to CoOP
- Capital Reserve - Subtract \$26,000 – major vehicle repairs
- Special Appropriations – Forestry - Add \$6,000
- Special Appropriations – Fire Association - Subtract \$23,900 and move to Service District Budget
- Appropriate additional \$679,799 Hold Harmless (total appropriation \$1,245,000)
- Increase Solid Waste Fees (Revenues) - \$50,000
- Tax Rate = 62.3 cents

Commissioner Smith seconded the motion for discussion.

The Board discussed Commissioner Carroll's proposed budget.

Chairman Inman called the question.

The motion failed (2-3) with Vice Chairman Walker, Chairman Inman, and Commissioner Lankford voting against the motion.

The Board continued budget discussion.

Fiscal Year 2007-08 County Budget

Vice Chairman Walker moved to propose a fiscal year 2007-08 budget at a tax rate of 60 cents which amends the proposal submitted by Commissioner Lankford with the following modifications:

- Regular Contingency – Increase \$50,000 (\$190,716)
- Personnel Contingency – Subtract \$50,000 (\$250,000)
- Medicaid Contingency – Subtract \$70,000 (\$0)
- General Fund Balance – Increase \$70,000 (\$376,665)
- Set Tax Rate at 60 cents

Commissioner Lankford seconded the motion for discussion.

Commissioner Carroll stated that this proposed budget is just postponing the inevitable.

Commissioner Smith stated funds are needed for roofs, increasing the fund balance in preparation of a bond referendum, and the need to look after our personnel.

Chairman Inman called the vote.

The motion carried (3-2) with Commissioner Carroll and Commissioner Smith voting against the motion.

Fire Service District

County Manager Steen stated that his recommended budget included a ½ cent fire tax increase. With the additional amount of \$85,375 for the two Fire Marshal's position, there would either need to be an additional fire tax increase or cut additional funding from the fire departments. Manager Steen noted that there would need to be at least another ½ cent increase to cover the additional \$85,375.

Chairman Inman requested comments from the Board regarding the Service District Fire Tax.

Commissioner Smith – can go with 6.5 cents
Vice Chairman Walker – can go with 6.5 cents or 6.75 cents
Commissioner Lankford –can go with 6.5 cents (maximum)

Commissioner Carroll stated that the Fire Commission which is appointed by the Board has recommended a 7 cent fire tax and the Board has not met with the Commission to discuss their recommendation. Commissioner Carroll reiterated that this Board needs to hear why the Fire Commission recommended a 7-cent tax rate.

Chairman Inman noted that a meeting with Chairman Mike Merritt and Vice Chairman Joe James – Fire Association indicates that the Association is on board with funding the two Fire Marshal’s positions with service district funds. Chairman Merritt noted that the Service District would need the 7-cent fire tax in order to fund the two Fire Marshal’s positions.

Chairman Inman noted that with a 6.5-cent fire tax, the Fire Commission would need to reduce the Service District approximately \$65,000 from the recommended fire departments’ budgets.

Commissioner Carroll reiterated that he did not have enough information to set a fire tax rate for the Service District today and was not comfortable setting a tax rate that the Fire Commission would have to reduce without discussing the issue with them.

The Board discussed the Fire Service District funding and fire tax.

Commissioner Lankford moved to approve the Service District Fire Tax Rate at 6.5 cents. Commissioner Smith seconded the motion for discussion.

The Board continued discussion pertaining to the fire tax.

Chairman Inman called the vote.

The motion carried (4-1) with Commissioner Carroll voting against the motion.

King Fire District

County Manager Bryan Steen presented an amended budget, which was received from the City of King this week. The amended budget requests \$294,845 county allocation instead of the \$300,974 previously requested.

The Board discussed the request from the City of King for the King Fire District which requested a ½ cent fire tax increase = 5.5 cent fire tax.

Chairman Inman entertained a motion.

Commissioner Smith moved to approve the King Fire District Fire Tax Rate at 5.5 cents. Commissioner Lankford seconded the motion for discussion.

The Board discussed the proposed ½ cent fire tax increase.

The motion carried unanimously.

Rural Hall Fire District

Chairman Inman entertained a motion.

Commissioner Lankford moved to approve the Rural Hall Fire District Fire Tax Rate at 5 cents. Vice Chairman Walker seconded and the motion carried unanimously.

Walnut Cove Fire District

Chairman Inman entertained a motion.

Commissioner Lankford moved to approve the Walnut Cove Fire District Fire Tax Rate at 5 cents. Commissioner Smith seconded and the motion carried unanimously.

Capital Reserve Fund

Finance Director Julia Edwards presented an amended Capital Reserve Fund Budget which reflects the recent approved fiscal year 2007-08 budget.

Chairman Inman entertained a motion.

Commissioner Lankford moved to approve the amended Capital Reserve Fund Budget. Vice Chairman Walker seconded and the motion carried unanimously.

Enhanced 911 Fund

Finance Director Edwards noted partial funding is appropriated for the upcoming flyover for Mapping which is scheduled to start in 2008.

Chairman Inman entertained a motion.

Vice Chairman Walker moved to approve the Enhanced 911 Fund Budget. Commissioner Lankford seconded and the motion carried unanimously.

Revaluation Fund

Chairman Inman entertained a motion.

Commissioner Lankford moved to approve the Revaluation Fund Budget. Commissioner Smith seconded and the motion carried unanimously.

Walnut Cove Senior Service Center Fund

Chairman Inman entertained a motion.

Commissioner Lankford moved to approve the Walnut Cove Senior Service Center Fund Budget. Commissioner Smith seconded and the motion carried unanimously.

Regional Sewer Fund

Chairman Inman entertained a motion.

Commissioner Smith moved to approve the Regional Sewer Fund Budget. Vice Chairman Walker seconded and the motion carried unanimously.

Stokes Reynolds Memorial Hospital Bond Fund

Chairman Inman entertained a motion.

Vice Chairman Walker moved to approve the Stokes Reynolds Memorial Hospital Bond Fund Budget. Commissioner Lankford seconded and the motion carried unanimously.

Chairman Inman expressed his appreciation to everyone involved during the budget work sessions.

NWPCOG- Job Link

Commissioner Lankford noted that he had received information regarding the recent need for space for JobLink. Commissioner Lankford noted that funding was not available from the State for locations in Stokes, Forsyth, and Rockingham.

County Manager Steen noted that the County had assisted JobLink in relocating with FTCC at the Walnut Cove location.

Adjournment

There being no further business to come before the Board, Chairman Inman recessed the budget work session until Thursday, June 21, 2007 at 2:00 pm.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman