

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  
FEBRUARY 26, 2009

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a recessed Goals Planning Session (recessed from February 4, 2009) in the Third Floor Conference Room of the Ronald Wilson Reagan Memorial Building (Administrative Building) located in Danbury, North Carolina on Thursday, February 26, 2009 at 1:00 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 J. Leon Inman called the planning session 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.

**Opening Remarks**

Chairman Inman opened the discussion by expressing his desire to hopefully set short and long term goals for the County and reiterated the need for a plan for the County to follow.

Chairman Inman updated the Board with the following information regarding the recent news received from David Thompson - NCACC:

- State notified the County that the 3<sup>rd</sup> quarter ADM and Lottery funding would be taken
- State is setting up a \$300 million dollar reserve for operating expenses if needed
- Funding for the reserve will be taken from - \$100 million from Clean Water Trust Fund, \$50 million from ADM, \$100 million from Lottery, and \$50 million from State Textbooks
- Possibility that the current balance of ADM and Lottery Funds could be frozen
- NCACC will be lobbying against the funding being taken from ADM and Lottery funding

Chairman Inman noted the need to work together and that shortages could be in the 2009/10 budget, as well as the 2010/11 budget.

Commissioner Carroll suggested drafting a letter to the Representative Bryan Holloway and Senator Don East expressing the Board's concern regarding the actions being taken by the Governor – balancing the State budget from revenues allocated to local governments.

Commissioner Lankford noted the General Assembly spent \$1.2 billion of one-time revenues for recurring expenses.

Vice Chairman Walker expressed concerns with the State spending money frivolously on whatever, and then having to take funding from the County to balance the State budget and keep the State operating, especially after the County has worked so hard to get the County's finances in order.

Finance Director Julia Edward noted the following:

- Rebecca Troutman, NCACC, noted that Stokes County will lose the ADM and Lottery funding for the third quarter
- There is still question whether the balances of ADM and Lottery funding will be frozen
- No idea whether the Hold Harmless funding will be taken
- Suggested county contact their representatives regarding the Hold Harmless funding
- Uncertain about ADM funding that has already been approved by Counties but not spent yet
- Does not know the exact amount that each county will lose
- School system has been using approximately \$300,000 from ADM funding for technology each year, which would now have to be requested from the County

- County and School System have allocated \$88,000 from ADM funding this budget year for debt service

Commissioner Carroll noted that the Governor did not touch the schools' operating budget in the latest reversions.

Chairman Inman noted that David Thompson, NCACC, will be meeting with the State Budget Officer this afternoon to discuss what effects using the ADM/Lottery funding will have on the Counties and school systems.

County Manager Bryan Steen noted that he had met with Fire Commission Chairman Clifford Hall regarding no increase in the upcoming 2009/10 Fire Service District Budget and discussed expected revenues. Manager Steen also noted that he had provided Chairman Hall copies of the minutes, which reflect specific departments who came before the Board this year requesting equipment and their statement indicating that the department could function this upcoming year with no increase.

Finance Director Edwards noted that the information regarding projected revenue given to Manager Steen for the Service District reflects only 94% instead of 96.33% per 2008/09 audit due to not knowing the results from revaluation appeals, elderly exemptions, and farm deferments.

Manager Steen also noted that the County is carefully reviewing all revenues and expenditures relating to this fiscal year's budget and reviewing all job vacancies on an as needed basis.

The Board discussed Hold Harmless Funding and Medicaid Relief Hold Harmless.

Commissioner Carroll suggested that Financial Advisor Doug Carter prepare a scenario with the only income coming from retiring debt.

Chairman Inman requested Board members to list their goals.

Vice Chairman Walker discussed his following goals:

- Schools (school construction)
- Community College in Stokes County
- Economic Development
- Seeing the County pull together to focus on a vision/direction, develop and commit to a strategic plan for the County to follow
- Looking at the needs for the citizens of the County

Commissioner Smith discussed his following goals:

- Provide services to the citizens of Stokes County as most cost effective as possible
- Work Force Development
  - School facilities needs
  - Forsyth Tech. Community College in Stokes County
- Economic Development
  - Future hospital in King
  - Retention and recruitment of industries
  - New jobs in the County
- No funding being borrowed for recurring expenses, just capital needs
- Pursue water intake from the Dan River
- Handle on Fire Service District, Fire Commission look closely at expenditures, revenues, and cash on hand for each department

Commissioner Carroll discussed his following goals:

- Given the current financial situation, a Strategic Plan for Stokes County and especially a Strategic Plan for Economic Development (working with the Economic Development Commission and the new Economic Development Director)
- Updated personnel policies along with a salary market study if possible
- Make sure the County has a safety net in place for the most vulnerable citizens in the County (first and foremost priority as far as programs)
- More planning for health care and health care facilities (working with the Alliance, NC Baptist, Health Department, etc.)
- Tangible results for a community college (some type of results to show the County is moving forward- a possible plan)
- School construction (a new school this year)

Commissioner Lankford updated the Board from the recent NWPCOG stimulus meeting before discussing his goals:

- \$1.8 million will be coming to NWPCOG for our 6 county area from the stimulus package which will help dislocated workers, youth/adults programs
- Most of funding will probably be spent on education and training for dislocated worker – working through JobLink
- Some funding for health care
- Presented the needs in Stokes County – Imaging system for DSS which is being mandated by the State, transportation needs
- Further information regarding funding dollars and how to apply for funding will be available

Commissioner Lankford discussed his following goals:

- Try to keep jobs for Stokes County employees at today's present level, look at a hiring freeze
- Focus on eliminating any wasteful spending, spending will be the key this year and next year just as the County has done during the previous past two years
- Maintaining a safe environment for the citizens of Stokes County – public safety
- Provide safety training for employees to keep cost down
- Complete Danbury Water System Project in 2009 with no additional funding
- Keep the 2009/10 and probably the 2010/11 budgets at the 2008/09 level or less
- Obtain grants and special appropriation to support capital needs
- Manage present resources to help eliminate costs to capital projects – look at every avenue for the lowest possible costs for every capital project
- Finish the capital projects identified in 2008
- Review all county policies for updates
- Keep property taxes at the present rate of \$.60
- Review county debt and revenue to keep county spending in check
- Possibly delaying some of the identified capital projects until the economy looks better
- Strive to continue to increase the fund balance, not to decrease the fund balance
- To increase the county's revenue by \$500,000
- Seek more grants for public safety
- Think out of the box – pursue a county home/business security business similar to ADT for possible county revenue
- Make finances available for the number one school priority – Nancy Reynolds Project once the School Board has decided on what type of project will be done at the location
- Discuss with the Board of Education for a possible Bond Referendum to finance other capital school needs
- Economic Development – Retain and promote growth for all the present business/industries in the County; obtain 3 new businesses/industries that will create 75 new jobs; add \$2 million dollars of value for County taxes
- Create and improve County infrastructure by obtaining grants and special appropriations

- Technology – Promote the need for providers to make available better technology such as faster internet service, better cost effective telephone services, and other communications
- Possibly join forces with school system on making available more wide band satellite systems for county use
- Health Care – provide health care through Health Department facilities in an effective and economic practice that will allow a health care system on a break even cost
- Promote and support our private health care facilities in the County so that they can provide needed health care for the entire county
- Promote and support day care facilities in the county so that they can provide quality day care for the county – northern part of the county only has one day care facility

Vice Chairman Walker questioned Commissioner Lankford’s comments on the number one school project – Nancy Reynolds. Vice Chairman Walker stated that he did not think the Board had adopted the Nancy Reynolds Project as the number one project, over a new school in the Yadkin Township. Commissioner Lankford referenced the motions adopted by Board.

Vice Chairman Walker requested the Clerk to research the minutes pertaining to the Board committing to the Nancy Reynolds Project being the top priority.

Chairman Inman discussed his following goals:

- Top priority – A two-year Strategic Plan to address the current economic crisis, a proactive plan that would encompass a lot of the goals mentioned today dealing with revenues and expenditures
- Quality cost effective services
- Keep tax rate as low as possible
- School facilities needs
  - Three number one priorities – Nancy Reynolds, a new school in Yadkin Township and Renovations at Southeastern Middle School
- Community College in Stokes County
- Economic Development
- Completion of the Pinnacle EMS Station

Chairman Inman noted the needs at Southeastern Middle School and urged other members of the Board to visit the school.

Vice Chairman Walker noted the following basics of Economic Development recently

discussed at the Essentials of Government Conference last week:

- Assess the county needs
- Set priorities
- Create a strategic plan and how to implement the priorities
- Follow the strategic plan
- These 4 steps will get you to where you need to be regarding economic development

Commissioner Carroll posed the following question to Board members:

- I have heard no tax increase and tax rate to remain the same \$.60 rate, which is not the same thing with a revaluation taking place this year.

Vice Chairman Walker clarified his position: “Find a workable tax rate that is basically sustainable for this County and stick with it”. The only exception for consideration at this point, would be adding a small increase (1/2 cent) to guarantee the County would have a Forsyth Tech. campus or to keep up with school construction. Vice Chairman Walker noted that he was not in favor of increasing taxes unless the County has a specific goal or plan.

Commissioner Lankford noted his position to keep the tax rate at \$.60 was so that the County would be prepared if the County did not receive 100% of Lottery Funding.

Commissioner Lankford noted that it was extremely close in the State’s formula (.01) last year that the County received approximately \$800,000 in Lottery Funding. If the County had not ranked in the State’s formula where it did, the County would have only received \$463,000 in Lottery Funding. Commissioner Lankford stated that with only a (.01) difference between the County getting \$800,000 instead of \$463,000, my position would be to keep the tax rate at \$.60.

Commissioner Carroll noted that if the County retained the same tax rate at \$.60, a citizen would still have a 10% increase in taxes with the revaluation. Commissioner Carroll also noted the revenue uncertainties until the State adopts a budget, such as Hold Harmless Funding and you must know your needs and revenues before you can set a tax rate.

Commissioner Smith noted with the revenue shortfalls coming from the State to the County and proceeding forward with specific projects, a tax increase or either a revenue increase would probably be inevitable. Commissioner Smith noted the need to decide what services and what capital projects in the County are coming up this fiscal year and whatever tax rate it takes, is where I am at.

The Board discussed the tax rate being revenue neutral with this being a revaluation year, Hold Harmless Funding which will expire in fiscal year 2012-13, and possible shortfalls from the State.

Chairman Inman questioned Board members if everyone could agree with the following being a top priorities:

- A Strategic Plan dealing with the current economic crisis in order to deliver cost effective services
- Capital Projects for schools, community college, EMS facility

Commissioner Lankford noted that he would not agree to borrow funding at this particular time.

Chairman Inman noted that a Strategic Plan could incorporate all the members' goals.

Vice Chairman Walker noted the possible low construction costs at the current time and that he would like to see the costs for the Nancy Reynolds Project and a new elementary school in the Yadkin Township.

Commissioner Lankford noted that his top priority goal was to continue the current county services.

Chairman Inman noted an upcoming meeting with Dr. Gary Green, Forsyth Community College, Representative Bryan Holloway, Senator Don East to discuss a legislative appropriation. Chairman Inman noted that Forsyth Community College has drafted a letter to



Senator Linda Garrou for legislative appropriation.

The Board discussed seeking funding from the Golden Leaf Foundation and any other available sources and possible funding from the recent adopted stimulus funding.

Vice Chairman Walker noted the need to have a plan in black and white so that the County and the Board has a plan to follow.

Chairman Inman noted that the Economic Development Commission is holding a Planning Work Session on Wednesday, March 4<sup>th</sup> to discuss Economic Development Strategic Plan.

Commissioner Carroll noted a Strategic Plan could incorporate dealing with the current economic crisis along with short and long terms goals/priorities, and plans for accomplishing those goals.

Commissioner Smith noted that Surry Community College will be expanding to Pilot Mountain and Elkin, the old Amos Smith Hosiery Building in Pilot Mountain has been purchased for a location in Pilot.

The Board discussed the current fiscal year 2008-09, the upcoming fiscal year 2009-10 budget, and top school construction priorities.

Vice Chairman Walker suggested placing a timetable regarding specific projects such as a new elementary school in the Yadkin Township.

Chairman Inman reiterated the current shortfall at the State, possible revenue cuts, and providing the most cost effective services for our citizens.

Commissioner Carroll noted the need to take the Board members' goals, organize those, place priorities, and project time lines for those priorities.

Chairman Inman requested the Clerk to email the goals to each member and members

should come prepared to discuss a road map for the County

Vice Chairman Walker requested how much revenue ½ cent would bring in.

Chairman Inman reiterated the need to have reviewed the submitted goals and be ready for discussion on March 5<sup>th</sup> so that the County can start to develop a plan.

**Adjournment**

There being no further business to come before the Board, Chairman Inman recessed the meeting until Thursday, March 5, 2009 at 1:30 pm.

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**Darlene M. Bullins**  
**Clerk to the Board**

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**J. Leon Inman**  
**Chairman**