

STATE OF NORTH CAROLINA)
)
COUNTY OF STOKES)
)

**OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
JUNE 3, 2009**

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Budget Work Session in the third floor Conference Room of the Ronald Wilson Reagan Memorial Building (Administrative Building) located in Danbury, North Carolina on Wednesday, June 3, 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 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

Chairman Inman noted Manager Steen had submitted a proposed Budget - Option 1 which includes State Hold Harmless Funding and a proposed Budget - Option 2 which does not include State Hold Harmless Funding. Chairman Inman noted that the State Hold Harmless Funding (only a few counties still receive Hold Harmless Funding from the State) is due to sunset after fiscal year 2010-2011. The Board discussed the Hold Harmless Funding, which is

usually not paid to the County until August, along with projected State cuts.

Finance Director Edwards noted the following sales tax reimbursement changes:

- Loss of sales tax revenue this fiscal year due to the economy
- Revenue from Article #44 completely goes away October 2009
- Revenue from Article #42 will be changing from per capita to point of sale
- Cities/towns in the county will be held harmless from the loss of sales tax regarding Medicaid Relief

Chairman Inman noted the following regarding Option 2:

- Does not include Hold Harmless Funding
- Includes 12 Furlough Days for county employees (one furlough day savings equates to \$32,762)
- No longevity increases
- No holiday bonus
- Closing of greenbox sites for one full day per week
- Continuation of selective hiring freeze
- Vacant positions will be frozen until October 2009
- Significant reductions in departmental budgets
- Approximately \$200,000 being appropriated from Fund Balance
- Reduction in Departmental Supplies, Travel, and Training for all county departments
- Furlough days (7.5 hours)

Commissioner Carroll noted that departments such as EMS, Communications, Sheriff's Department, and Jail (24/7 operations) must replace employees who take furlough days with part time employees. Commissioner Carroll also noted that furlough days for Health and DSS decrease state/federal funding.

The Board discussed which Option to start with.

The Board unanimously agreed to start budget discussions using Option 2.

The Board discussed upcoming fiscal year tax rate.

Commissioner Lankford stated no increase in the tax rate for fiscal year 2009-10.

Vice Chairman Walker stated no increase in the tax rate for fiscal year 2009-10.

Commissioner Carroll stated that he decided the tax rate last.

Commissioner Smith stated the tax rate needs to be set to provide the needs of the County, trying not to exceed the current \$.60 rate.

Chairman Inman stated it is not the time for a tax rate increase.

Schools

The Board discussed the funding provided by the County for schools.

Vice Chairman Walker stated that the County's school current expense appropriation is comparable or more than surrounding counties.

Commissioner Carroll noted that can be misleading, at one time the County was at the bottom when it came to receiving federal funding (county funding is only about 20% of the schools' total funding).

The Board agreed to review each departmental budget in Option 2 as recommended by Manager Steen.

The Board discussed the following departments:

Administration

- Did not budget \$25,000 for salary market study that was budgeted last year
- Salary market study was not done this budget year (2008-09)
- \$25,000 has been transferred to Capital Reserve until the County is ready for the salary study
- Furlough days

Animal Control

- \$5,000 transferred from Capital Reserve Funding for equipment and concrete slab at the back entrance of the shelter
- State inspector has recommended the concrete slab at the back of the entrance shelter
- Consideration of Lethal Injection, a new gas chamber could possibly cost \$25, 000+
- Furlough days

Commissioner Lankford recommended the Manager find funding in this year's budget (possibly from contingency) to have the concrete slab done as soon as possible.

Chairman Inman requested the balance of all contingencies from the Finance Director.

Finance Director Julia Edwards noted the following balances:

- Regular Contingency =\$383,255
- Fuel Contingency = \$45,000
- Personnel Cost = \$114,445

Chairman Inman, with full consent of the Board, directed the Manager have Public Buildings estimate the cost of the concrete slab and have a budget amendment ready for the June 8th meeting.

Manager Steen noted that the State still has not made a final decision regarding lethal injections, but the staff would like to go ahead with the lethal injection process.

Vice Chairman Walker requested additional information from the Chief Animal Control Officer regarding the department's desire to start lethal injections. Vice Chairman Walker also requested a cost analysis regarding the cost of lethal injections versus using the gas chamber for the last 12 months. Commissioner Carroll noted that it would be good to analyze the same data with the projection of having to repair or purchase a new gas chamber.

Arts Council

- Budget reflects the county paying the full salary and fringe benefits of the Arts Council Director and the Arts Council paying the utilities
- Furlough days

Vice Chairman Walker suggested the possibility of the department reporting to the Economic Development Director.

Commissioner Carroll noted that the Board must look at all options when reviewing each budget, consider what services are mandated, what services can be eliminated, etc.

Contingency

- Regular Contingency = \$200,000

- Leave Cost = \$100,000
- No Personnel Cost Contingency
- Fuel Cost Contingency = \$45,000
- 401(k) = \$20,000

Commissioner Lankford reiterated the need for the County to establish a personnel policy requiring holiday time/non-exempt compensatory time being taken before vacation leave.

The Board discussed the need for the County to implement a policy.

Manager Steen noted that steps have already been taken to request non-exempt employees use accrued compensatory time before using vacation leave and employees who earn holiday time, use it before vacation leave. Manager Steen noted his understanding was to include a detailed policy in the revision to the personnel policy and not bring separate policies to the Board. Manager Steen stated he had no problems with going ahead with the requested policy.

Commissioner Carroll suggested proceeding with implementing a policy requiring the use of holiday/non-exempt compensatory leave before taking vacation leave.

Chairman Inman, with full consent of the Board, noted a proposed policy could be added to Monday's Agenda.

Finance Director Julia Edwards noted that the increase in the Regular Contingency has been added for specific departments (24/7 operations) if furlough days are approved.

Finance Director Edwards noted the new line item (401k Contingency) has been added due to each prior year the amount of funding in each department covered all employees whether or not they participated in the county's one percent match. This year, each department's 401(k) match is being appropriated for only those employees who are currently participating. The 401(k) Contingency is for employees who decide to start later in the budget year or for new employees, this saves county appropriations.

Cooperative Extension

- Increase due to funding being appropriated for full time director position
- County's percentage for staff is paid from miscellaneous contractual services
- Employees are considered state employees, not county

Debt Service

- Debt Service for mobile classrooms and expense, land for new elementary school in Yadkin Township along with additional land purchase at Nancy Reynolds
- Mobile Classrooms being financed for 15 years
- Land being financed for 20 years

Commissioner Smith noted his recommendation is to borrow funding for only capital needs, not for recurring items such as vehicles.

District Resource Center

- Furlough days
- Possible reduction of state funding
- State funding is used mainly for contractual services

Economic Development

- Increase due to appropriation for full time director's position
- Increase in travel line item
- Increase in Kobe Wieland Copper Grant #2 appropriation, will be the first year for reimbursement of incentive grant
- Use of county car versus reimbursement for mileage
- Furlough days

Commissioner Lankford noted the need for the director to use a county car whenever possible.

Elections

- Municipal elections
- Primary with possible 2nd primary (may not be needed)
- Appropriation for maintenance on voting machines
- Furlough days

Emergency Communications

- Furlough days
- QA Coordinator grant position not funded
- Furlough days (24/7 operation)
- Part time salaries could increase if furlough days are approved
- Increase in telephone line item due cell phones/wireless cards/DCI mobile command for the mobile command unit

Emergency Management

- Furlough days
- Emergency Response Supplies – only used for disasters

Emergency Medical Services

- Furlough days(24/7 operation)
- Part time salaries could increase if furlough days are approved
- Financing for 2 ambulance remounts
- Possible decrease in maintenance and repairs to auto if remounts are budgeted
- Furniture and equipment for new EMS Station
- Consider using bulk permit for mailing

Vice Chairman Walker suggested additional information regarding front line ambulances.

Clerk Darlene Bullins reported (per EMS Director Stevens) regarding equipment:

- Five front line units
- Four back up units (currently 2 out of service)
- Three of front line units have the 6.0 engine that has had several issues
- If remounts are approved, two of the front line units that have the 6.0 engine will be rotated to back up units

Environmental Health

- Furlough days
- Increase in department supplies due to well test kits
- Department requested funding for cell phones, manager did not recommend funding for cell phones
- Actual cost for well kit and postage to mail to Raleigh – approximately \$70.00, current well permit fee = \$100.00

Commissioner Carroll noted that the Board of Health is considering recommending

changes in the fee structure to be more in line with other counties and actual cost of service. Fee committee will be presenting recommendations to the Board of Health next week.

Commissioner Lankford requested a cost analysis pertaining to the cost of well permits.

Finance

- Furlough days

Fire Marshal

- Furlough days
- Recommendation to not fund two cell phones
- Telephone increase due to having to pay for complete system and internet at new location
- Administrative Assistant being utilized in Public Buildings
(works from 8:30 am to 12:00 noon each day)

Forsyth Technical

- Combining trips to Winston Salem campus to save county funding

Manager Steen noted that \$700,000 has been included in the financial model in order to move forward to provide a place for students in the Early College Program, county must have a location by August 2010.

Chairman Inman noted the next Budget Work Session is scheduled for Tuesday, June 9th at 2:00 pm.

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