

- Some immunizations and exams may be offered at a discounted fee, to encourage community participation, for example: flu shot rates and sports physicals
- Medicaid rates may be changed by the Division of Medical Assistance during the course of the fiscal year and Stokes Family Health Center may adjust fees accordingly
- Environmental Health Fees:
 - Rate changes are recommended this year to cover the cost of providing the service
 - The County Manager has been given a detailed account of the cost of both well and septic fees and proposed fees would be in line with neighboring, rural counties
- Home Health Fees:
 - Medicaid rate may be changed by the Division of Medical Assistance during the course of the fiscal year and Stokes Family Health Center may adjust fees accordingly
- Well Fees:
 - Current well fee is \$100, which is the lowest well fee in the State
 - Environmental Health Supervisor Leslie Easter surveyed surrounding counties similar to Stokes County (Surry, Yadkin, Wilkes, Davidson, Davie, and Rockingham)
 - The well kit is approximately \$60 with \$7 postage to send to Raleigh – total cost for the kit and postage = approximately \$67
 - Registered Environmental Specialist must visit the location three to four times and sometimes more than four times if there are problems
 - The Board of Health recommended the fee to be \$250.00 for the well permit fee
- Septic Permitting Fees
 - The Board of Health recommended the IP Cost be \$150 and \$125 for Construction Authorization and with commercial systems, there will be a fee of \$1 per gallon (\$100 minimum and \$700 maximum)
- Recommended budget includes new fee schedule, if fee schedule is not approved, revenues will have to be decreased

Environmental Specialist Supervisor Leslie Easter discussed the recommended Septic Permitting and Well Fees with the Board.

Supervisor Easter discussed the following:

- Stokes started the Well Permit Fees before the mandated State Well Permit Fees (State Well Permit effective July 2008)
- Compared fees with the following counties: Davidson, Davie, Rockingham, Surry, Wilkes, and Yadkin
- Recommended fees are based on covering the cost of providing the services
- Test kit alone for the well permit is \$60.00 with shipping cost of approximately \$7.00
- Time spent by Environmental Health Specialist for both well and septic fees was calculated into the recommended fee
- Well permit is transferable with property
- Well permit takes at least three trips to the site and can take four trips
- Staff is constantly working to improve wait time for permits
- One thing most citizens don't realize is that the Environmental Health Department must deal with repairs on septic tanks which can take an extreme amount of time

The Board discussed the proposed fees with Health Director Swift and Environmental Specialist Supervisor Easter.

Chairman Inman noted that more of the complaints received concern the amount of

time it takes to get a permit, not necessarily the cost. The Board discussed the concerns expressed by citizens having to wait for 10-12 weeks to get a septic tank permit.

The Board discussed the recommended clinical fees with Director Swift.

Director Swift noted the following regarding the recommended clinical fees:

- Survey done comparing the surrounding counties
- Adult/child primary care - recommendation - use a sliding fee scale with a flat fee of \$10.00 (a large majority are sliding to \$0 pay)
- Trying to hire another mid level provider which would increase revenue – (NP)
- Also looking at fee policy – policies to make sure those being seen who are not Stokes County residents do not slide to the \$0 pay
- Lab fees continue to increase, working with Stokes Reynolds to lower cost for the Health Department
- Want to work with county to allow county employees to use the services of the Health Department – Saving employees time
- In the processing of obtaining certification to accept Medicare, currently only accept Medicare for a flu vaccine
- Need to market the services provided by the Health Department
- Recommended fees are trying to get the fees in line with the actual cost, cost cannot be lower than Medicaid
- Trying to control cost – for example: looking at how supplies are ordered- looking for price breaks
- New clinical fees are not included in the submitted proposed Health Department Budget

The Board discussed the recommended clinical fee increases with Director Swift.

The Board discussed Option #1 recommended by County Manager Bryan Steen.

- Hold Harmless allocated = \$1,379,063
- \$400,000 allocated for school debt account
- Hold Harmless is for non recurring expenses
- No furlough days for county employees
- No longevity
- No COLA
- Proposed budget is less that fiscal year 2008-09
- Recommended budget = \$39,802,536
- Approximately \$200,000 allocated from Fund Balance
- Tax rate remains at \$0.60
- Has a few more items of capital equipment
- Approximately \$1.3 more than Option 2

The Board discussed the loss of Hold Harmless in 2011-2012, issues if appropriation is needed from Fund Balance, tax rate remains at \$0.60, furlough days reduce Federal and State Funding in DSS and Health Departments, and new tax values as of 06-01-09 from Tax Administrator Jake Oakley that were presented to the Board by County Manager Steen.

Finance Director Julia Edwards noted that information from NCACC indicates Hold Harmless could be as much as \$2 million this year, this is only an estimate.

Commissioner Carroll presented the following Fiscal Year 2009-2010 proposed budget (Option #3): (Commissioner Carroll noted there could be some “tweaking” to some of the figures)

**Stokes County
FY 2009-2010 Proposed Budget
Option #3**

1. Use County Manager's Proposed Budget Option #2 as Base Budget
2. Use \$535,000 from Fiscal Year 08-09 Contingency
 - a. Amend Fiscal Year 08-09 Budget to redirect monies to Stokes-Reynolds Fund and Delete from Fiscal Year 2009-10 Budget \$300,000
 - b. Amend Fiscal Year 08-09 Budget to redirect monies to Dedicated Fund for School Construction Debt Service and delete from Fiscal Year 2009-10 Budget \$210,230
 - c. Allow remainder to revert to Fund Balance and re-appropriate to Fiscal Year 2009-10 Budget \$24,770
3. Additional Revenue
 - a. Increase valuation per Tax Office & increase collection rate to 96% \$172,719
 - b. Additional Article 39 Sales Tax \$10,000
 - c. Additional Health Title XIX \$150,000
 - d. DSS Federal \$46,263
 - e. DSS State \$4,765
 - f. Home Health Fees \$12,049
 - g. Additional Fund Balance Appropriated \$49,784
(total Fund Balance appropriated will be replaced by year end revenues)
 - h. Hold Harmless \$1,453,160
(any remaining Hold Harmless will go to Fund Balance)
4. Additional Expenditures
 - a. Personnel line items in affected departments \$393,145
 - b. Sheriff Department (add back Detective position) \$37,475
 - c. Solid Waste (maintain current green box sites schedule) \$38,960
 - d. Health Department (add back Mental Health Coordinator) \$60,000
 - e. King Senior Center \$10,000
 - f. School's Current Expense \$300,000
 - g. Contingency for Salary Schedule \$141,000
(to be implemented with 8th pay period, retroactive to 1st pay period, subject to revenue collections)
 - h. Contingency for Equipment \$153,160
(subject to Hold Harmless funding; for equipment to be Purchased from General Fund for items listed in Option 1 Budget but not in Option 2)
 - i. Contingency for Schools' Capital Outlay \$300,000
(subject to Hold Harmless funding; requires equal match from BOE transfer from Current Expense Fund Balance to Capital Outlay)
 - j. Dedicated Fund for School Construction Debt Service \$1,000,000
(subject to Hold Harmless funding)
5. Use Fund Balance appropriated to reconcile any discrepancies
6. Maintain tax rate at \$0.60

(Note: Contingency for Salary Schedule of \$141,000 and possible 6 furlough days, beginning with 8th pay period with savings of \$197,000 and will provide offset if the more optimistic revenue projections do not materialize)

The Board discussed Option #3 submitted by Commissioner Carroll.

Commissioner Smith commented the following:

- Option #3 contains some of my personal goals for fiscal year 2009-10 budget – no furlough days (if any- 6 days), maintain \$0.60 tax rate if possible, work to budget no Hold Harmless, keep selective hiring in place (BOCC approves positions to be

filled), no change in Greenbox Site operation, give schools more current expense funding, no financing vehicles

- Agrees with placing \$1million in Dedicated Fund for School Construction Debt Service
- Can work with Option #3

Commissioner Lankford commented the following:

- Disagrees with using current funding from Fiscal Year 2008-09 contingency
- Disagrees with using \$1.4 Hold Harmless
- Option #3 shows no reduction in Sales Tax revenue
- Concerned that Fiscal Year 2010-11 could be worse than 2009-10
- Concerned if County will receive Hold Harmless this year
- Can't favor adding the Detective position and not adding the Grant position in Emergency Communications

Vice Chairman Walker commented the following:

- Take Sheriff Joyce's suggestion and hold off on buying vehicles this year and purchase vehicles in July 2011
- Possibly reduce Schools' Current Expense Allocation to what was given in Fiscal Year 2008-09, but hold \$100,000 in Contingency for schools current expense to see if revenues materialize
- Can possibly work with Option #3
- Concerned economy isn't going to bounce back as predicted
- Possibly use 95.5% collection rate instead of 96% rate

Commissioner Carroll commented the following:

- Can eliminate adding the additional revenue of \$10,000 from Article 39 Sales Tax after speaking with the Finance Director
- Option #3 projects 96% collection rate
- Could possibly eliminate the Mental Health Coordinator position from Option #3
- Hold Harmless funding will be used for non-recurring items
- Will not vote for a budget that allocates Hold Harmless for recurring items
- Revaluation this year will raise property taxes an average of 10%
- If the collection rate is reduced to 95.5%, would need to reduce Title XIX, numbers would need to be "tweaked"
- Option #3 is a starting point, numbers can be "tweaked"

Manager Steen commented the following:

- Revenues from sales tax were budgeted conservative in Fiscal Year 2008-09 and seem to be on target for this fiscal year
- Tax revenues along with some other revenues could fall short for this Fiscal Year
- One sales tax is changing from per capita to point of sale which will definitely decrease revenues
- Information recently received from Kate B. Reynolds Foundation – will not be funding the Mental Health Coordinator

Chairman Inman commented the following:

- Information was requested from Attorney David Lawrence, Institute of Governments, regarding having a Closed Session during an advertised Budget Work Session – his response: "did not think the Board should have a "Closed Session" during a meeting that was strictly advertised for Budget Work Session
- Spoke with George Harris, Local Government Commission (LGC), regarding having to take funding from Fund Balance – Mr. Harris noted that LGC holds Counties to the 8% minimum and if Fund Balance only fell around 2%, there should be no problem
- Mr. Harris did note that the County would still have to be at the 50% threshold for counties of like size (currently estimated at 28%) in order to finance capital projects for schools
- Quarterly reviews can continue to add funding back to Fund Balance

The Board further discussed Option #3, reducing the collection rate to 95.5%, eliminating Mental Health Coordinator position from Option #3, Health Department currently monitoring calls from Mental Health office, Sheriff's Department-Detective position, collection rate for the Fire Departments, and contingency for schools' current expense of \$100,000.

The Board agreed to use the same collection rate for the county's budget and the Fire Departments.

County Manager Steen noted the following:

- E911 Coordinator located in Information Systems has been temporarily transferred the Sheriff's Department for the remainder of the fiscal year, with the possibility of a permanent transfer for the 2009-10 budget- can incorporate the needed paperwork before the next Budget Work Session
- Information from Animal Control staff indicates the staff is comfortable with going ahead with lethal injections, which frees up funding from Capital Reserve

Chairman Inman requested Board members review Option #3 before the next Budget Work Session.

Chairman Inman noted the next Budget Work Session is scheduled for Wednesday, June 23rd at 4:00 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. Vice Chairman Walker seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman