



Commissioner Carroll reiterated that the Hold Harmless must be spent in the exact order as stated above with wording to that effect placed in the Budget Ordinance.

Finance Director Julia Edwards noted that the Hold Harmless is usually deposited around the 11<sup>th</sup> of August.

Manager Steen noted that the State has been discussing the effect on an employee's retirement benefits if they are retiring this year or within the next few years if they are required to take furlough days.

Vice Chairman Walker noted he would have concerns funding the full salary and fringes for the Arts Council Director if the Sheriff Department's Detective position is not funded.

Commissioner Carroll suggested possibly changing the job title to something like Director of the Arts. Vice Chairman Walker agreed the title should be changed.

The Board listed the following items of differences for further discussion:

- Furlough Days (0-12 days)
- Detective position
- Solid Waste – Closing Greenbox Sites one day a week
- Pay 100% of salary and fringe for the Arts Council Director
- Mental Health Coordinator
- King Senior Center
- Schools – Current Expense
- Salary Schedule Longevity/bonuses
- Hold Harmless Contingencies
- Increased Health Fees
- Using current contingency to pay Stokes Reynolds \$300,000

The Board discussed the differences listed above.

Finance Director Julia Edwards noted that NCACC still feels Hold Harmless will increase due to the decrease in sales tax (Article #44)

The Board further discussed the Item 5 in Option #4:

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|---|----------|
| 5. Revise Debt Service and Schools' Capital Outlay                                    |          |
| a. Decrease General Fund appropriation to Debt Service                                | \$58,275 |
| b. Increase Transfer from School Capital Outlay for Debt Services                     | \$58,275 |
| c. Increase appropriation from School Capital Fund Balance to Schools' Capital Outlay | \$58,275 |

### **Furlough Days**

The Board agreed that they do not want county employees to have to take any furlough days unless revenues do not materialize.

### **Increased Health Fees**

Commissioner Carroll noted that the increased Health Fees (estimated increase to be \$25,000) were included in Option #2 which was recommended by the Manager and included in Option #4. Commissioner Carroll noted that if the Health Fees were taken out of the budget,

revenues would have to be adjusted.

Commissioner Lankford noted he would not vote for a budget that included the Board of Health's fee recommendations (Well fees = \$250, Septic Fees = IP Cost be \$150 and \$125 for Construction Authorization), he agreed with Well Fees at \$150 and Septic Fees at \$250.00.

Commissioner Lankford reiterated his disagreement with taking current contingency to fund Stokes Reynolds instead of contingency reverting back to Fund Balance.

Commissioner Smith suggested the following option:

- Start with Option #4 (using Option #2 as the basis)
- Eliminate the Detective position
- Reduce Schools' Current Expense by \$29,000 – fund at the same level as last year
- Add \$50,000 for YVEDDI Facility if Hold Harmless is received
- Add \$100,000 for Paving if Hold Harmless is received

Chairman Inman expressed concerns with funding \$50,000 for YVEDDI and \$100,000 for paving. Chairman Inman reiterated the fact that YVEDDI purchased the property before requesting any funding from any County and would not agree to allocate funding for a YVEDDI facility before allocating funding for needed county projects "paving".

The Board further discussed Option #4 with the stipulations suggested by Commissioner Carroll.

Vice Chairman Walker moved to approve Option #4 with the following changes:

- Change 3J - Hold Harmless to \$1,603,160
- Change 4F - \$161,323
- Change 4H - Make the \$169,677 –one- time bonus instead of using for Salary Schedule
- Add 4L - Paving - \$100,000
- Add 4M - YVEDDI - \$50,000
- Collection Rate at 95.5%
- Tax Rate @\$\$.60

Chairman Inman seconded the motion.

Commissioner Smith expressed concerns with using funding for bonuses instead of staying with the salary schedule and would like to see 4H changed back to \$141,000.

Commissioner Carroll noted that he would not vote for the motion, Option #4 is a compromise budget from his Option #3 as requested.

The Board further discussed the motion submitted by Vice Chairman Walker.

Chairman Inman withdrew his second to the motion.

Vice Chairman Walker moved to approve Option #4 with the following changes:

- Change 3J - Hold Harmless to \$1,603,160

- Add 4L - Paving - \$100,000 – Subject to Hold Harmless and spending order
- Add 4M - YVEDDI - \$50,000 – Subject to Hold Harmless and spending order
- Collection Rate at 95.5%
- Tax Rate @\$\$.60
- Total Budget \$40,608,384 (approximately \$1.3 million less than last year's budget)

Commissioner Smith seconded the motion.

Commissioner Lankford expressed concerns with the motion on floor:

- Using \$556,000 from Fiscal Year 2008-09 Contingency (Item2)
- Using \$1,453,160 Hold Harmless (3J)
- Increasing Health Fees
- Possibility of having to use Fund Balance
- Proposed budget is not being conservative
- Very concerned about keeping the fund balance growing

Vice Chairman Walker stated that he felt this budget would serve the people of Stokes County well.

Chairman Inman called the question.

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

### **Fire Service District**

Chairman Inman opened the floor for discussion regarding the proposed Fire Service District.

Commissioner Carroll noted the need to add back the \$4,420 (Sauratown -\$1,436 and Double Creek \$2,984) previously discussed and add a contingency line item for the Fire Commission of \$12,000 for unexpected emergencies and increase the Fund Balance appropriated to \$48,307.

The Board discussed adding a contingency line item of \$12,000 for the Fire Commission.

Finance Director Edwards noted that the Fire Commission would have to request to transfer the funding through a budget amendment.

Finance Director Edwards noted that the Fire Commission used a 94.0% collection rate instead of the 95.5%

The Board unanimously agreed to continue discussion for the Fire Service District, King Fire District, Walnut Cove Fire District, and Rural Hall Fire District at the next Budget Work Session.

The Board unanimously agreed to recess today's Budget Work Session until Monday, June 29<sup>th</sup> at 2:00 pm.

**Adjournment**

There being no further business to come before the Board, Chairman Inman recessed the Budget Work Session until Monday, June 29<sup>th</sup> at 2:00 pm.

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

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