

STATE OF NORTH CAROLINA)
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COUNTY OF STOKES)

OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
JUNE 9, 2010

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 (Administration Building) located in Danbury, North Carolina on Wednesday, June 9, 2010 at 1:00 pm with the following members present:

Chairman Jimmy Walker
Vice Chairman Ernest Lankford
Commissioner J. Leon Inman
Commissioner Ron Carroll
Commissioner Stanley Smith

County Personnel in Attendance:
County Manager K. Bryan Steen
Clerk to the Board Darlene Bullins
Finance Director Julia Edwards

Chairman Jimmy Walker called the Budget Work Session to order and delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman Walker opened the meeting by inviting the citizens in attendance to join the Board with the Pledge of Allegiance.

Budget Work Session

Finance Director Julia Edwards submitted corrected copies for the following:

- Revenue Summary – pages 1-3
- Expenditure Summary – page 4
- Health Department – pages 26-28
- Registered of Deeds – page 46

County Manager Bryan Steen opened the session with the following comments:

- Reduction in projected sales tax revenue
- Proposed budget includes expenses for “Early College”
- Tried to provide for services that were desired in the Board’s goal sessions
- Funding is allocated in Contingency for two middle school SROfficers, due to the Board of Education not requesting the positions due to possible budget cuts in “At Risk Funding”
- Allocated funding for SROfficers, this being one of the Board’s goals (providing funding, if possible, to organizations who are having state budget cuts)
- If reduction in force has to be made, County policy requires a 60-day notice to employees who are being laid off

Chairman Walker noted that correspondence from Board of Education Chairman Sonja Cox indicates that the Board of Education has no interest in maintaining the SROfficers for the

middle schools for the upcoming year – not a priority.

The Board discussed the two middle school SROfficer positions.

Commissioner Inman noted that he had spoken with Sonja this morning and the feeling of the Board of Education is to not fund the two middle school SROfficers.

The Board discussed funding an item that the Board of Education did not include in their budget request.

The Board unanimously agreed to hold further discussion until after the joint meeting with the Board of Education scheduled for June 22nd.

Manager Steen noted that he had not received or seen anything formally putting the Board of Education on record regarding the middle school SROfficers.

Commissioner Carroll reiterated the need to meet with the Board of Education before any further discussion.

Manager Steen noted that Executive Director Deane Moore, King Chamber of Commerce, presented a \$5,000 budget request to him before the Hospital Public Hearing on May 27th.

Chairman Walker noted that Ms. Moore states that the Chamber has been doing a lot of county items without any reimbursement from the County. Chairman Walker stated the City of King allocates \$5,000 each year for the King Chamber.

The Board unanimously agreed to start discussing each individual budget.

Chairman Walker asked each Board member to share their views about the proposed budget before discussing each individual department.

Vice Chairman Lankford noted the following:

- County manager has provided the Board with a conservative budget
- Not a lot of extra revenue due to the current economy
- Commitment for the 2010-11 budget is to keep under control by being fiscally responsible and restrain from government waste
- Provide the citizens of Stokes County the best services possible
- Provide Stokes County employees an environment that they can feel secure in at a time of so much uncertainty
- Currently, still in a recession
- Be cautious
- 22% of the county residents are over 60 years and most are on fixed income
- Keep tax rate at 60 cents
- Keep fund balance at current level or increase
- Only increase the county capital debt obligation by the rotation of Sheriff Departments' vehicles, EMS ambulance, and paving of parking lots

Chairman Walker noted the following:

- Less funds to work with will definitely impact the county budget
- Looks very promising that the County will receive the “Hold Harmless” this year

- Not only concerned about the State's budget for the upcoming year, but very worried about the State's prediction regarding next year's funding
- State's 2011-12 could put the last year of "Hold Harmless" in jeopardy
- Very concerned regarding only one new building permit in May

Commissioner Inman noted the following:

- Agrees the Manager presented a conservative budget
- Try to maintain current level of services
- Only one new position – DSS
- Concerned about the impact from the loss of \$749,000 sales tax revenue
- State's shortfall next year is predicted to be tremendous
- Concerned about using "Hold Harmless" funding, especially since there is only two years left
- Must be realistic
- Approximately \$749,000 projected reduction in sales tax revenue – concerned filling this gap with "Hold Harmless"
- Need to budget without using "Hold Harmless" if possible
- Might be a good idea to forget "Hold Harmless" is available
- Uncertainty of the future of the hospital

Commissioner Smith wants to approve a budget that can continue to provide the best services possible to the citizens of Stokes County.

Commissioner Carroll noted that he was ready to get started.

The Board briefly discussed the one new position included in the manager's recommended budget – DSS Fraud Investigator.

Vice Chairman Lankford expressed concerns with adding a DSS Fraud Investigator – some other counties have eliminated the position.

The Board unanimously agreed to wait and discuss the DSS Fraud Investigator during the discussion of the DSS budget.

Manager Steen noted the following before discussing each individual budget:

- Personnel services in each department will show an increase due to the salaries and wages line item which includes two years of longevity
- Final Fiscal Year 2009-10 totals did not include longevity steps for each employee, it was placed in contingency and then transferred to each department in February 2010
- Premiums for Health and Dental insurance for employees have increased
- Employer contribution for retirement has increased from 4.93% to 6.41%
- DSS Board has requested reconsideration by the Board regarding the requested new positions not included in the manager's recommended budget
- Training and Departmental Supplies have been reduced 2% in all budgets
- Revenue Highlights
 - Very small increase projected on Ad Valorem Taxes - \$42,237
 - Tax Department only lacks approximately \$200,000 collecting 2009-10 revenue projections
 - Article 44 revenue is no longer available
 - Using approximately \$749,000 "Hold Harmless" funding to offset the loss from sales tax revenue (Article 44)
 - County Share of AFDC – loss of \$13,718
- Tried to provide the Board with a conservative budget that will not cut services to the citizens of Stokes County

Finance Director Julia Edwards note the following:

- New debt that came on with the Nancy Reynolds Project which includes the POD and the land = \$820,214 (funding comes from the lottery and the dedicated debt fund)
- Public Assistance Programs increased by \$661,471
- Proposed budget includes funding for an architect to design a community college
- Payment for the Nancy Reynolds Project, land, POD is being funded from the lottery and the Dedicated Fund- Debt Service (\$725,898 is being funded from the lottery proceeds and \$104,316 from the Dedicated Fund)
- Tax rate collection has been increased to 96.25%
- Requested budget from all departments and agencies, if funded, would have required a 65.09 cents tax rate

Chairman Walker expressed concerns with some departments currently not having as much business due to the economy.

The Board discussed departments that are not having as much business: Register of Deeds, Planning, Environment Health, and those departments who are seeing an increase in the workload such as DSS.

Administration

Manager Steen noted the following:

- \$522 (.28%) overall decrease
- Travel decreased due to not having to allocate moving expenses for manager
- Two new accounts added this year to cover vehicle used in Administration (M&R to Auto and Auto Supplies (previously budgeted in Public Works)

Animal Control

Manager Steen noted the following:

- \$4,192 (2.36%) overall decrease
- Completely changed over to lethal injections which has reduced expenditures

Finance Director Julia Edwards noted the following correction:

- Dog Tag Licenses revenue should read \$37,000 instead of \$500
- Prior Year Dog Tags revenue should read \$500 instead of \$37,000

Arts Council

Manager Steen noted the following:

- \$2,784 (3.65%) increase due to longevity step increases, increases in health and dental premium, and increases in employer contribution to the Retirement System
- Last year was the first year of funding the director's full salary

Contingency

Manager Steen noted the following:

- Includes \$61,825 for possibly funding two SROfficers in the middle school (Hold Harmless)
- Includes \$35,000 for unanticipated expenses at the Early College Site
- Includes \$25,000 for grant funding
- Includes \$240,050 for Stokes Reynolds Hospital for Capital Outlay

- Includes \$185,000 regular Contingency
- Includes \$100,000 leave cost for paying off employees who are dismissed, terminated, or retire
- Includes \$45,000 for Fuel Cost Contingency

The Board discussed the leave cost contingency.

Finance Director Edwards noted that longevity step increases would only cost \$42,176 for fiscal year 2010-11, but would cost \$110,638 for fiscal year 2011-12.

Manager Steen noted that Chief Operating Officer Pam Tillman will be presenting a request at the June 14th regarding payment to NC Baptist for working capital as of March 1st.

The Board discussed middle school SROfficers and security at the Early College site. Commissioner Carroll noted that the State funds SROfficers for all high school systems and Early College being a high school should receive funding.

The Board discussed the Early College Program and future community college.

The Board discussed possibly moving Forsyth Community College staff/classes from the lower level of the Government Center to the Early College Site.

Cooperative Extension

Manager Steen noted the following:

- \$29,073 (15.06%) decrease due mainly to a decrease in contractual services which pays for salaries and wage for staff – continues have job sharing with other counties

Debt Service

Manager Steen noted the following:

- \$638,143 (25.26%) increase is due to the Land for Early College, Nancy Reynolds School

District Resources Center

Manager Steen noted the following:

- \$1,592 (1%) decrease
- No major changes

Economic Development

Manager Steen noted the following:

- \$1,235 (.34%) increase
- Travel reimbursement increased

Elections

Manager Steen noted the following:

- \$17,637 (9.50%) decrease
- Down this year due to no major election

Emergency Communication

Manager Steen noted the following:

- \$13,656 (2.45%) increase
- Personnel Services increased
- FCC Mandated by 01-01-2013 (\$1,800,000.00)

Emergency Management

Manager Steen noted the following:

- \$478 (.33%) Increase
- Emergency Response Supplies is budgeted each year for unexpected emergencies

Emergency Medical Services

Manager Steen noted the following:

- \$79,212 (3.30%) Increase
- Financing Ambulance Remount
- Financing Quick Response Vehicle
- Equipment funded from Hold Harmless
- \$1,315, 000 estimated ambulance fees

The Board briefly discussed the pros and cons of privatization of EMS and adding a convalescent care truck (Monday-Friday only).

Commissioner Smith noted that currently the county EMS does not transport convalescent calls from Winston, Greensboro, etc. only to those areas.

Vice Chairman Lankford noted that Director Stevens had stated if the County doesn't transport from and to the designated place, the program would probably not be cost effective.

Commissioner Smith noted the need to further explore the need for a convalescent care truck.

The Board requested additional information regarding Quick Response Vehicle estimated at \$80,000.

Manager Steen noted the department had requested a F250 truck with a customized box (that could be remounted) that could hold the new bariatric stretcher, current vehicle will not hold the stretcher and the requested truck will allow the supervisor to hold the needed supplies in designated compartments. Manager Steen noted that placing the stretcher on the supervisor's truck will allow the stretcher to be delivered when needed by the supervisor.

The Board had several unanswered questions regarding requested vehicle and requested Manager Steen to have Director Stevens at a later meeting.

Commissioner Inman questioned the cost of the (6) computer units.

Manager Steen noted the following:

- IT has noted that the current computers will not adequately run the new needed software used by EMS
- Type of computer is different than the standard computer used by most personnel
- Funding is coming from Capital Reserve

Chairman Walker noted to mark the following items to be discussed later:

- Quick Response Vehicle (Life One)
- Convalescent Care Truck

Adjournment

There being no further business to come before the Board, Chairman Walker entertained a motion to adjourn the Work Session.

Commissioner Carroll moved to adjourn the Budget Work Session. Vice Chairman Lankford seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

Jimmy Walker
Chairman