

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 2, 2011

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a recessed meeting (recessed from the January 24, 2011 meeting) in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Wednesday, February 2, 2011 at 2:00 pm with the following members present:

Chairman Ernest Lankford
Vice Chairman J. Leon Inman
Commissioner Jimmy Walker
Commissioner Ronda Jones
Commissioner James D. Booth

County Personnel in Attendance:
Clerk to the Board Darlene Bullins
Finance Director Julia Edwards
Fire Marshal Frankie Burcham

Chairman Ernest Lankford re-opened the recessed meeting to order.

Vice Chairman Inman delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

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

GENERAL GOVERNMENT – ADMINISTRATION – PERSONNEL HANDBOOK

Clerk to the Board Darlene Bullins noted that the revised Personnel Handbook had been given to Department Heads for all full/part time employees.

GENERAL GOVERNMENT – GOVERNING BODY – APPROVAL OF AGENDA

Chairman Lankford questioned if there was anything to add to today's recessed meeting.

Clerk to the Board Darlene Bullins presented the following two items for consideration by the Board to add to today's meeting:

- Proposed Public School Building Capital Fund Application - NC Education Lottery
 - The NC Lottery Funding Application, which was presented on the January 24th Discussion Agenda, has been revised as requested by the Board and approved by the Board of Education and can be acted on today if so desired by the Board
- Hart Canoe Access – Renovations and potential grant opportunity (Dan River Basin Associates) Time sensitive item

Chairman Lankford entertained a motion regarding adding the two items presented by Clerk Bullins.

The Board had no issues with adding the two items presented by Clerk Bullins.

Commissioner Jones moved to add the following two items presented by Clerk Bullins to today's Discussion Agenda:

- Hart Canoe Access – Renovations and potential grant opportunity (Dan River Basin Associates) Time sensitive item
- Proposed Public School Building Capital Fund Application - NC Education Lottery Funding Request

Commissioner Walker seconded and the motion carried unanimously.

Chairman Lankford noted the format of today's meeting:

- Closed Session
- Goals Planning Session
- Closed Session
- Discussion Session

Closed Session

Chairman Lankford entertained a motion to enter Closed Session for the following:

- To consider the initial employment or appointment of an individual to any office or position, other than a vacancy in the Board of County Commissioners or any other public body, or to consider the qualifications, competence, performance, character, and fitness of any public officer or employee, other than a member of the Board of Commissioners or of some other public body pursuant to G.S. 143-318.11(a)(6).

Commissioner Booth moved to enter Closed Session for the following:

- To consider the initial employment or appointment of an individual to any office or position, other than a vacancy in the Board of County Commissioners or any other public body, or to consider the qualifications, competence, performance, character, and fitness of any public officer or employee, other than a member of the Board of Commissioners or of some other public body pursuant to G.S. 143-318.11(a)(6).

Commissioner Walker seconded and the motion carried unanimously.

The Board re-entered the regular session of the February 2nd recessed meeting.

Goals Planning Session

Chairman Lankford opened the floor for discussion. Chairman Lankford noted the Board already had February 8th and February 11th scheduled for Goals Planning Sessions.

Clerk Darlene Bullins presented the Board with a copy of the April 6, 2010 minutes which listed the following 2010 Goals:

2010 Goals

The Board agreed either unanimously or by a majority to the following as high priority Goals for 2010:

- **Schools (majority of the Board)**

- Begin the next Board of Education's priority school construction project in 2010
- **Community College (majority of the Board)**
 - Hire an architect in 2010 with construction in 2011
- **Stokes Reynolds Memorial Hospital (unanimous)**
 - Make a decision regarding Stokes Reynolds Memorial Hospital by the end of 2010
- **Survival (unanimous)**
 - Use the following adopted 2009 Goals
 - 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)
 - Provide services to the citizens of Stokes County as cost effective as possible (Quality Cost Effective services)
 - Continue expenditures and revenues review
 - Minimize mileage on county vehicles (place mileage sheet in all county vehicles)
 - Assess county vehicles being driven home by county employees
 - Employee sharing in all departments, especially those departments associated with the current economic status
 - Meet with Department Heads for suggestions for cutting cost
 - Hiring freeze/selective hiring (any hiring must be approved by the BOCC)
 - Control Comp. Time in all departments
 - Look into imaging process to make departments more efficient
 - Focus on eliminating any unnecessary spending, spending will be the key this year and next year just as the County has done during the past two years
 - No funding being borrowed for recurring expenses, just capital needs
 - Identify salary options
 - First, look at eliminating only the bonus with salary schedule still intact
 - Second, eliminate longevity increases
 - Third, impose a salary freeze
 - Fourth, reduce work hours
 - Evaluate staffing levels
 - Reminder of deep recession
 - Evaluate the county's ability to bridge the gap for services with State revenue cuts
- **Grants (unanimous)**
 - Place a higher priority and more attention regarding acquiring grants by implementing the following procedures:
 - Department heads research and identify grants for their individual departments
 - County manager and department head evaluate the pros and cons of each grant
 - County manager submits the proposed grant to the Board of Commissioners for their authority to proceed with the application and appropriate funding if match is required
- **Parks and Recreation (unanimous)**
 - Evaluate options during the budget process.
- **Economic Development – Job Creation (unanimous)**
 - Encourage job creation by providing support and encouragement to the Economic Development Commission as they follow their strategic plan

Commissioner Jones listed the following goals and noted the following:

- Continuation of the 2010 Goals
- Control of the Stokes Reynolds Memorial Hospital situation
- Continue with school capital needs as conservative as possible so there is no tax increase
- Economic growth very important

Vice Chairman Inman listed the following goals and noted the following:

- Stokes Reynolds Memorial Hospital – solving and trying to come to some conclusion to the situation along with vital healthcare services across the county (recent Public Hearing - citizens want access to healthcare services)
- Schools – Capital Projects
- Economic Development – Continue with infrastructure in the county
 - Economic Development Commission has a 4 prong approach
 - Business Retention
 - Business Expansion
 - Entrepreneurship
 - Tourism
- Possible Land Use Plan to tie in with Economic Development (possible industrial sites in the County)
- Safety net for the most vulnerable citizens in the county

Chairman Lankford noted that the comments from the Public Hearing indicated that citizens did want access to healthcare services even if it took taxpayers' dollars to do it.

Commissioner Walker noted that he didn't remember the comments actually that way and before spending taxpayers' dollars, he might want to see a referendum or a public hearing.

Vice Chairman Inman also noted that unemployment was slightly lower this month.

Commissioner Booth listed the following goals and noted the following:

- Stokes Reynolds Memorial Hospital – Continue with the RFP process
- Keep services to the citizens as good as they are or not better in a conservative way
- Schools – See how far we can go with what has been started by the previous Board without a tax increase
- Balance Budget – Going to be very tough – make conservative decisions to save taxpayers' dollars
- Economic Development - More tourism in the county

Commissioner Walker listed the following goals:

- Economic Development – producing good jobs – take no pride in Stokes County continuing to be at the top of the list of counties in our state with the most people going outside the county to work
- Community College/Early College – Early college is working – Industries look for a community college in an area to locate
- Schools – Continue to work with ways to move forward with school construction
- Stokes Reynolds Memorial Hospital – The better part of one cent of taxes have been used on an ongoing basis to keep the hospital in operation, at the current rate, if the situation continues, there would have to be a 3-4 cent tax rate to keep the hospital open
- Promoting to buy local produce and products – people who work outside of Stokes County normally buy outside of the County
- Parks and Recreation – Need to look at areas that are not served with recreational services – look at better options – possible county recreation department

- Mixed feeling about a land use plan
- Need a plan to where the county is going
- Assist the small farmers
- Look for more revenue sources, besides taxes
- Long term - Conversation about reducing taxes
- Can't continue as a county the way we are, doing things we are doing without a tax increase
- Four basic economic models for counties:
 - Residential with no growth
 - Residential with growth (Stokes County)
 - Residential with some business
 - Business with some residential
- Neither residential without growth or residential with some growth is a sustainable concept without increasing the taxes, must have Economic Development and business in this county, or you can be assured to a tax increase at some point or start making adjustments
- Must have economic growth in the county to change the future
- Several items have been completed off the goals list:
 - Renovations to District Attorney's offices
 - Renovations to Courtroom "C"
 - New EMS Station
 - Land for early college/community college
 - Increase in the Fund Balance
 - Renovations to roofs
 - Land for new elementary school
 - Added to the Opportunity Center in Walnut Cove
 - Completed Nancy Reynolds
- Still have a lot of work to do and have a lot of opportunities

Chairman Lankford presented the following handouts:

- 2010-11 County Budget Reductions by the numbers (County Lines)
(numbers per 97 counties unless noted)
 - 49 counties reduced total appropriations
 - 16 counties increased property taxes; average increase of 3.3 cents (100 counties reporting)
 - 45 counties implemented hiring freeze
 - 57 counties delayed capital projects including schools, jails and courthouses; many delayed renovations and repairs
 - 28 counties reduced school appropriations
 - 44 counties eliminated positions; more than 1,000 positions were cut – in addition to nearly 1,000 positions cut in 2009-10
 - 14 counties laid off existing workers; 595 county workers lost their jobs, in addition to the 220 laid off in 2009-10
 - 7 counties implemented mandatory furloughs
- "Economy continues to take toll on counties" by Rebecca Troutman, NCACC Intergovernmental Relations Director – (County Lines)

Chairman Lankford noted that Stokes County was fortunate not to have to do any of the budget reductions in 2010-11, but in his opinion, this upcoming 2011-12 budget may have different and difficult situations.

Finance Director Julia Edwards presented and discussed the following handouts:

- Sales tax (fiscal year 2010-11)
 - Article 42 changed last year in October which resulted in a loss of sales tax revenue
 - General Fund Sales Tax, with a 36.81 % collection at the end of November 2010, has a \$413,357.85 decrease to date

- Schools Sales Tax, with a 39.63% collection at the end of November 2010, has \$274,942.86 decrease to date
- Grand Total Sales Tax, with a 38.02% collection at the end of November 2010, has a \$724,995.46 decrease to date
- December Sales Tax will be posted February 15, 2011
- Estimated lottery funds should remain on track for this year
- Stokes County Final Report as of 12-31-10
 - At the end of January 2011, Ad Valorem taxes are 91.27% collected with \$1,810,258 remaining to be collected for Fiscal Year 2010-11

Chairman Lankford noted that second notice tax bills in the amount of approximately \$2 million have been recently sent to taxpayers.

Chairman Lankford listed the following goals and noted the following:

- Creation of jobs (work with Economic Development Commission)
- Keep Stokes County employment at the 2009-10 level
- Freeze hiring until there is a favorable progress in the economy
- Continue to freeze travel unless travel pertains to job training and mandatory new job certifications
- Maintain a safety environment for county employees
- Provide in house safety training to keep insurance costs down
- Complete the Danbury Water System (need to have an update from Public Works Director Mark Delehant at a future meeting)
- Obtain grants and special appropriations for capital projects
- Continue to review policies and procedures
- Make sure there is clarity in policies
- Keep the same tax rate this fiscal year
- Improve Fund Balance from 19% to 22%
- Increase the tax revenue assessed value by \$5 million dollars
- Economic Development - Retain and promote growth for all current businesses/industries at least enough to create 25 jobs
- See the cell tower project in the northern part of the county up and operating
- Resolve the Stokes Reynolds Memorial Hospital issue and continue to provide all parts of the County with health care (citizens are getting older and need more health care options and services)

Finance Director Julia Edwards explained the follow financial model:

- Financial Model – Version 17c (prepared by DEC Associates, Inc)
 - Includes two projects – new elementary school to be financed in June 2011 and renovations to Southeastern Middle School to be financed in January 2012
 - Includes the amount of \$699,575 from Hold Harmless into the Dedicated Fund Account for Fiscal Year 2010-11
 - Includes the amount of \$600,000 from Hold Harmless into the Dedicated Fund Account for Fiscal Year 2011-12
 - Using Version 17c to complete both the new elementary school and renovations to Southeastern, there would be a one cent tax increase
 - Model is based on the current economy

Commissioner Walker confirmed with Finance Director Julia Edwards that if the economy continues to improve, sales tax increases, new revenue sources found, etc., there could be a different picture such as no tax increase.

Commissioner Walker noted that this county could possibly complete this round of school capital projects with only a one cent tax increase which is extremely encouraging.

The Board discussed the financial model with Director Edwards.

Chairman Lankford suggested that the Board of Commissioners schedule a future meeting with the Board of Education to discuss current financial obligations regarding current and future capital projects/funding.

Vice Chairman Inman noted that it was one of the best times to bid projects.

Commissioner Walker commended the staff and the Board of Commissioners for operating a lean county.

Finance Director Edwards noted that the quarterly reviews are being done and there is not a lot to return to the Fund Balance.

Commissioner Booth agreed with Commissioner Walker that staff has been committed to looking at ways to save county dollars.

Commissioner Walker noted that the Board of Commissioners has made conservative decisions and did not use Hold Harmless funding for reoccurring expenses

Commissioner Walker noted that he had spoken with citizens regarding a small tax increase for one reason – meeting the school needs.

Chairman Lankford reiterated the upcoming goals sessions: February 8th and 11th.

Vice Chairman Inman requested the Board start discussion at the next Goals Planning Session with goals listed by each Commissioner at the next planning session.

Closed Session

Chairman Lankford entertained a motion to enter Closed Session for the following:

- To consider the initial employment or appointment of an individual to any office or position, other than a vacancy in the Board of County Commissioners or any other public body, or to consider the qualifications, competence, performance, character, and fitness of any public officer or employee, other than a member of the Board of Commissioners or of some other public body pursuant to G.S. 143-318.11(a)(6).

Commissioner Booth moved to enter Closed Session for the following:

- To consider the initial employment or appointment of an individual to any office or position, other than a vacancy in the Board of County Commissioners or any other public body, or to consider the qualifications, competence, performance, character, and fitness of any public officer or employee, other than a member of the Board of Commissioners or of some other public body pursuant to G.S. 143-318.11(a)(6).

Commissioner Jones seconded and the motion carried unanimously.

The Board re-entered the regular session of the February 2nd recessed meeting.

GENERAL GOVERNMENT – GOVERNING BODY – DISCUSSION AGENDA

Hart Canoe Access

Clerk to the Board Darlene Bullins presented the following information regarding the Hart Canoe Access:

- Public river access located adjacent to the Highway 704 bridge
- Leased by the County in 1988 for a 15-year period
- Property owners, Joann Hart Harris and Johnny Hart have indicated through Attorney Don George that they are willing to continue public use of the site on the condition that an abandoned building on the property be removed and the well decommissioned
- To facilitate the continued operation of this vital tourism and recreation resource, the Dan River Basin Association is working with Stokes County EDC to develop a renovation plan for the site leveraging a competitive funding grant from North Carolina Trails Program: (Grant will include)
 - Building demolition and removal
 - Well decommissioning
 - Parking area expansion
 - Security lighting
 - Native plants landscaping
- North Carolina Wildlife Resources Commission (NCWRC) Engineering Section is expected to have an opening in its schedule around the second week of February and is willing to perform the building demolition and debris removal at no charge to the County
- Buildings will have to be tested for asbestos with testing cost to be paid by funding from the Economic Development budget
- Great opportunity to have \$3,000 to \$4,000 worth demolition work done free
- Have county attorney review and provide a legal opinion

The Board discussed the information from Clerk Bullins.

The Board had no issues with the proposed project.

Commissioner Booth questioned what would happen if asbestos was found in the buildings. Clerk Bullins reiterated that if asbestos was found, there would be no demolition work done before bringing the project back to the Board.

Chairman Lankford entertained a motion to move the item to today's Action Agenda.

Vice Chairman Inman moved that the item be moved to today's Action Agenda based on the item being time sensitive. Commissioner Jones seconded and the motion carried unanimously.

Proposed State Public Building Capital Fund Application - NC Education Lottery

Chairman Lankford opened the floor for discussion regarding the NC Lottery Funding Application.

Clerk Bullins noted the following information regarding the NC Lottery Funding Application:

- Application figures have been revised to include Southeastern Middle School Project
- Application is time sensitive

- Board of Education approved the application on January 27th and is being brought back for the Board's consideration

The Board unanimously agreed to delay further discussion until the February 14th meeting.

GENERAL GOVERNMENT – GOVERNING BODY – ACTION AGENDA

Hart Canoe Access

Chairman Lankford entertained a motion.

Commissioner Jones moved to grant the Dan River Basin Association the right to proceed with the renovation project by allowing demolition to be done by NC Wildlife Resources Commission at the Hart Canoe Access. Commissioner Walker seconded and the motion carried unanimously.

Adjournment

There being no further business to come before the Board, Chairman Lankford entertained a motion to adjourn the recessed meeting.

Vice Chairman Inman moved to adjourn the recessed meeting. Commissioner Jones seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman