

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF STOKES )  
 )

OFFICE OF THE COMMISSIONERS  
STOKES COUNTY GOVERNMENT  
DANBURY, NORTH CAROLINA  
FEBRUARY 11, 2011

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Goals Planning Session in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Friday, February 11, 2011 at 9:00 am 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

Others in Attendance:  
House of Representative Bryan Holloway

Chairman Ernest Lankford called the Goals Planning Session to order.

Commissioner Jones 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.

#### **House of Representative Bryan Holloway**

Chairman Lankford welcomed House of Representative Bryan Holloway who had to agreed to speak to the Board at today's Goals Planning Session.

House of Representative Bryan Holloway discussed the following with the Board:

- Appreciated the invitation from the Board of Commissioners to attend the Goals Planning Session
- Toughest struggle the State has faced in a very long time

- Republicans took over both chambers for the first time in 141 years
- Very excited about the Republicans being in charge, but now must face the approximately \$4 billion shortfall
- Republicans have made a commitment that they will not raise taxes, feel the over taxation is what has lead to the building of this shortfall
- Republicans have gotten off to a very fast pace to address this situation
- Chairmen and Committees very appointed on day two of the Legislature, in the past it has taken sometimes more than month for this to happen
- Have been appointed as Appropriations Chairman of the education budget and Chairman of the education policy
- Have received information this week that there might be approximately \$600 million dollars in funds coming that has not been forecasted which would decrease the shortfall
- The budget shortfall is the largest shortfall since the Great Depression
- Senate Bill #13 is a bill that the Republicans negotiated with the Governor, the bill takes funding that was allocated in last year's budget that was not spent, it is not cutting funding
- According to law, the unspent dollars revert back to the General Fund for the next year's budget, but normally the unspent funding is spent
- Republicans have identified this funding as unspent funding to be used to help decrease the shortfall
- The Legislature can't take the unspent funding from the previous budget, the only person that can do that is the Governor with the approval of the Legislature – it is a partnership
- Bill has passed both the House and the Senate, there is approximately \$1 billion dollars of unspent funding
- Rumors are that the Democratic Party is urging the Governor to veto the bill
- State of North Carolina has given out \$3 billion dollars in incentives during the past 10 years and only 300 new jobs have been created, never voted for the incentives
- Republicans are trying to do as much as they can to protect local dollars
- Republicans are going to have a top down approach instead of a bottom up approach
- Can't promise that there will not be any cuts regarding education on the local level
- Republicans arranged with the NC Department of Corrections to have inmates change the Legislature offices within two days at a cost of \$30 dollars
- Republicans want to do things quickly and efficiently
- This year's budget is going to be painful
- Shortfall should not be as bad next year, but there has already been another shortfall predicted
- Working on two new bills, one is for small businesses and one is for trying to get new businesses to look at North Carolina

The Board discussed issues with House of Representative Holloway.

Commissioner Jones noted the following:

- Very glad to see the Farmers Freedom Act coming down the pike and hopes it does not get vetoed
- Have received several negative emails about Senate Bill #13 regarding Parks and Recreation
- Want to make sure that the perception regarding Senate Bill #13 is not a cut, the rumor is that Senate Bill #13 is "slash and burn"
- Don't want Senate Bill #13 to work against the County, with the current economy, people are camping more and using local recreational spots such as Hanging Rock State Park
- Will try to make sure citizens understand about Senate Bill #13
- Concerned about frivolous Boards in Raleigh and are there chances that these Boards will be cut

House of Representative Holloway reiterated that Senate Bill #13 is not cuts, it is simply taking dollars that weren't spent in last year's budget and these frivolous Boards will be looked at and will probably happen at the end of the session.

Commissioner Walker noted the following:

- Discussed "Contract with America" which was initiated by the Republicans in 1994 to try to talk to constituents about what to do about government
- In talking with citizens, they don't want taxes raised, the need to watch bureaucracy, for example - instead of making it easier for people to start a new business, it seems like government's intent sometimes is to make it more of a challenge to start a new business
- Questioned Representative Holloway what does he feel that will change within the first six months, will there be small government, reduce spending, etc.
- Questioned Representative Holloway about Hold Harmless funding

Representative Holloway responded to Commissioner Walker's questions as follows:

- The citizens of NC will see a much different product when the budget is done
- Republicans will not increase taxes and temporary taxes that are scheduled to expire will expire
- Republicans are committed not to spend any more dollars than the State has
- All departments will be looked at regarding jobs
- Programs will be evaluated
- It is undetermined if any cuts will be at the local level
- At the end of this session, I think it can be said that the Republicans controlled spending, they spent what they had, they are working hard to create an environment that is business friendly
- Considering lowering the corporate tax, but put a forward date on it so that it doesn't impact this year's shortfall
- Lowering the corporate tax will tell big businesses to come to North Carolina in 2013-2014, North Carolina will have one of the lowest corporate tax rates in the

country, maybe even look at doing away with it, people will see that the Republicans are interested in bringing jobs to North Carolina and stay within our means

- This will not happen overnight
- Don't think the Hold Harmless will be impacted this year
- Not sure if Hold Harmless will be extended, will continue to try to get Hold Harmless extended
- Would advise the county to not budget Hold Harmless after this year

Chairman Lankford questioned Representative Holloway regarding a statement made by the Governor referring to an estimated 400 to 500 regulations that could be eliminated or reformed.

Representative Holloway stated that the Republicans are definitely looking at deregulating, as Chairman of the Education Appropriations and Policy Committees, currently looking at a deregulation bill that is a cost saving bill.

Representative Holloway noted that DEHNR will be deregulated, it is one thing that the Republicans can do to be job friendly and cost friendly.

Representative Holloway stated that the Republicans have reached out to the Democrats to try to get them to work with the Republicans.

Representative Holloway expressed concerns with the amount of funding being spent for inmate education.

Chairman Lankford noted that 13 years ago when the Republicans had control of the House, there was an \$800,000+ surplus and now the State has an approximately \$4 billion shortfall.

Vice Chairman Inman noted the following:

- Questioned revising the tax code, been a lot of talk about
- One Association goal that I did not vote for was to give local governments/municipalities the option to do a quarter cents sales tax
- Questioned what do you see happening with lottery funding
- Questioned whether counties will be getting the "base" lottery funding
- Requested Representative Holloway to continue lobbying regarding the lottery funding not taken from the counties, counties such as Stokes have built their capital model based on lottery funds

Representative Holloway responded to Vice Chairman Inman's questions as follows:

- Don't predict that revising the tax code will be taken up this session because of the budget shortfall, but feel in the interim a select committee will be appointed to study the issue
- Feel that revising the tax code is something that needs to be done very cautious and be sure that it is done right
- Reiterated that the Republicans will not allow anything that will allow a tax increase, believe the tax rates should be under control, believe that any kind of tax rate would be harmful to the economy
- Very serious about getting the situation under control
- Funding will be designated for departments, it will not just be a "pot" of money for departments to spend
- Lottery funding is one thing the Speaker has taken off the table right now, will continue to bring the topic up to the Speaker
- Can't stop the Governor from taking the lottery funding, will be working to make sure that doesn't happen if possible

Commissioner Booth noted the following:

- His questions had already been asked by other Commissioners
- Feel very blessed to have Representative Holloway representing Stokes County and feel very lucky to have Representative Holloway on the education appropriations and policy committees

Representative Holloway noted that he filed a bill this week to set the stage up for future appropriations to put a community college (Bill #55) in Stokes County with appropriations being specifically for Stokes County.

Commissioner Walker noted that citizens wanted to see changes, wanted to see positives in a very trying time, and citizens want to see things happening that the State is moving forward.

Representative Holloway responded that the Republicans at the end of the budget session will promote their budget on two accounts – (1) will promote from the standpoint that for the first time in many years, there are no tax or fee increases in the budget, (2) will promote the new policies that will create economic development (new jobs) in North Carolina.

Representative Holloway expressed his appreciation to the Board for allowing him to come to today's meeting.

Chairman Lankford, on behalf of the Board, expressed appreciation to Representative Holloway for attending today's Goals Planning Session.

### **Goals Planning Session**

Chairman Lankford opened the floor for discussion.

Chairman Lankford noted the following 2010 Goals approved by the Board and the goals submitted by each Commissioner at the February 2<sup>nd</sup> Goals Planning Session:

### **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

**Goals – (meeting of February 2, 2011)**

**Commissioner Jones**

Continuation of the 2010 Goals as adopted by the Board  
 Stokes Reynolds Memorial Hospital  
 Continuation of School Capital Needs  
 Economic Development

**Vice Chairman Inman**

Stokes Reynolds Memorial Hospital  
 Schools – Capital Projects  
 Economic Development  
 Land Use Plan  
 Safety net for the most vulnerable citizens in the county

**Commissioner Booth**

Stokes Reynolds Memorial Hospital  
 Maintain services to the citizens of Stokes County  
 Balanced Budget for Fiscal Year 2011-12  
 Economic Development

**Commissioner Walker**

Economic Development  
Community College/Early College  
School Construction  
Stokes Reynolds Memorial Hospital  
Promote buying local  
Parks and Recreation  
Plan for the county – “where the county is headed”  
Assistance for small farmers  
Long term – conversation about reducing taxes

**Chairman Lankford**

Creation of Jobs (Economic Development Commission)  
Keep Stokes County employment at the 2009-10 level  
Hiring freeze  
Travel freeze unless travel pertains to job training or mandatory new job certifications  
Maintaining a safety environment for county employees  
Completion of the Danbury Water System Project  
Obtain grants and special appropriations for capital projects  
Continue to review policies and procedures for clarity  
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 to create 25 new jobs)  
Completion of cell tower in the northern part of the county  
Stokes Reynolds Memorial Hospital

Commissioner Booth noted the following:

- Need to revisit the 2010 goals and revise as needed, take off those goals that have been accomplished, adjust projection dates if needed
- Feel with the current economy, survival will be very important this year

Vice Chairman Inman noted the following:

- The need to revise the wordage regarding Stokes Reynolds Memorial Hospital as it relates to the RFP process that has been started by the Board of Commissioners
- Under the Survival – “Assess county vehicles being driven home by county employees”, don’t remember every getting information last year regarding the county vehicles being driven home by county employees
- Would like to have the next county manager compile a complete list of county vehicles driven home by county departments including who drives the vehicle
- Would need to change the date on the Community College construction to 2013



Chairman Lankford noted the following:

- Would like to see the last goal under survival eliminated: Evaluate the county's ability to bridge the gap for services with State revenue cuts, don't see that as a potential goal this year

Commissioner Walker noted the following:

- Schools: Would like to move the Lawsonville Elementary School Renovations Project up with the new elementary school and renovations to Southeastern Middle School due to the significant need – this would complete the 2008 Phase I
- Community College: Very interested in what Representative Holloway spoke about this morning, could help to move the projection date up
- Stokes Reynolds Memorial Hospital: The hospital is getting more and more attention since the RFP was sent out.
  - Commissioner Walker referenced the recent letter received from HMC regarding the management of Stokes Reynolds.
  - Commissioner Walker stated the following three items have been added to the February Board of Trustees' Agenda as requested: Status of HMC; Software Acquisition; and HMC Management Agreement
- Survival – Most of these goals will be under the direction of the next county manager as directed by the Board of Commissioners
- Parks and Recreation – There is still the need to look at the possibility of bringing some of the responsibilities under the county
- Economic Development – Need to have an update from the EDC on how the EDC is proceeding on their strategic plan
- County does not have a sustainable model for low taxes
- County is getting residential growth, but not getting sufficient business growth
- Residential growth without business growth leads to one end result – higher taxes
- Must provide more services with residential growth – more schools, more deputies, more EMS personnel, etc.
- Need to look at departments whose employees may not be as busy due to economic times and share those employees with departments who are seeing an increase in their department due to economic times
- Need to revisit the travel freeze – certain times it is a good investment on the county's part to allow travel – look at the wording “freeze”
- Hiring freeze – added one ED administrative position, added 1 and a half positions in DSS and DSS is very explainable due to the economic times, and did a one-time adjustment to pay for school SROs and feels the county needs to start sending out the word that was a one-time pay adjustment for SROs
- Don't think there is any unnecessary spending – not seeing waste in Stokes County
- Feels a good faith effort is being made by departments to control spending
- Looks forward to the upcoming budget session and will continue to stretch the county's dollars as far as possible
- County and this Board has made progress and will continue to make progress to stretch the county's dollars as far as possible
- Have heard positive comments from the public regarding the progress made by the County

Chairman Lankford stated that he could not see the county being financially able to do anything right now with the Lawsonville Elementary School even though the project was needed.

Vice Chairman Inman responded that the EDC will be having its annual Goals Planning Session in March and should be able to submit the revised Goals Strategic Plan in April to the Board of Commissioners.

Vice Chairman Inman noted the following:

- Challenge the entire Board when coming up with a goal to have some kind of strategy to accomplish the goal, don't need goals that are just put down on paper
- Infrastructure is being laid by the EDC to perhaps lead to job creation
- Think creatively to build infrastructure
- Life blood of Stokes County is small businesses
- Believe the EDC 4 prong effort:
  - Business Retention/Expansion
  - Business/Industry Recruitment
  - Entrepreneurship
  - Travel/Tourism Development
- Challenged by other small businesses in the county whether the Board can absolutely substantiate the number of Stokes County employees
- County has very good employees who continue to watch spending
- Challenge the next county manager to make sure departments who can share staff are sharing staff with other departments who could use additional help
- Look at interest free bonds for school construction
- Committed to keeping the tax rate low
- Continue to maintain the essential services to the citizens of Stokes County

Commissioner Jones noted the following:

- Would like to respectfully request that Commissioner Walker try to limit the amount of time speaking during the open discussion
- Feels the Board needs to move forward and Commissioner Walker continuously repeats things that the Board already knows
- Time is very valuable and the Board needs to spend the time getting something accomplished
- Noticed last night on the news that Guilford County is postponing school construction
- Want to see the school capital projects completed

Commissioner Walker requested to be able to address Commissioner Jones' comments at a later time.

Chairman Lankford noted for clarity:

- Travel freeze was implemented last year regarding travel being only for training, certifications, and mandates with all other requests coming before the Board of Commissioners
- Hiring freeze is currently being done with each vacancy - vacancy is brought to the Board of Commissioners for approval to advertise and fill

Chairman Lankford also noted the following:

- Economic Development – agrees with Vice Chairman Inman that there must be a plan in place for the goals
- One goal mentioned on February 2<sup>nd</sup> - retain and promote growth for all current businesses/industries (at least to create 25 new jobs)
- There have been several new small businesses during the 2010-11 fiscal year, for example: New Dairio in King – creation of new jobs
- At least 3-4 new jobs have been created on the northern side of the County
- Need to continue to acquire new grants
- Need to try for grants for infrastructure in the county
- Completion of Danbury Water System Project – would like to have Public Works Director provide the Board with a written update on the project
- No tax increase – not a good time to raise taxes during this difficult economic time
- Try to complete the school project without having a tax increase, if possible
- Continue with the current two school projects – new elementary school and renovations to Southeastern Middle School
- Requested Finance Director to contact DEC Associates regarding any possible way to finance the two school projects without a tax increase

Commissioner Booth noted that Forsyth County had approved a bond referendum for libraries and is now considering holding off on the referendum due to the economic times.

Chairman Lankford noted that the City of Winston Salem is considering selling the Coliseum.

Commissioner Booth feels the Board is ready to revise/update the 2010 goals and combine them with the goals stated by each Commissioner at the February 2<sup>nd</sup> meeting.

Commissioner Walker confirmed with Chairman Lankford that the Board has an open forum and each Commissioner is allowed to take whatever length of time is needed within reason to express his thoughts and say what we should say as long as the member is on target and it is the job of the Chairman to monitor this.

Commissioner Walker noted that each Commissioner has their own way of expressing their ideas and thoughts to the Board and today's time has been very productive

Vice Chairman Inman stated that he would be ready at the next meeting to do some prioritization of goals and is very committed to keep the RFP for hospital at the top of the list, and it is very important to address the issue as expeditiously as possible.

Commissioner Jones stated she totally concurred with Vice Chairman Inman regarding Stokes Reynolds Memorial Hospital and suggested the Board consider making a plan in case the RFP does not work out.

Commissioner Jones responded to Commissioner Walker's comments:

- Want you to feel free to talk, did not want to insult you and many times feel you bring up valid comments and thoughts for the Board to consider
- Just want the Board to get down to business

Commissioner Jones also noted:

- Would like to respect what the previous Board put in place with the Fund Balance and capital projects
- Very important to continue with what was started in 2010

Chairman Lankford noted the following:

- Special Meeting for February 22, 2010 for continuation of Goals Planning Session at 9:00 am
- March 4<sup>th</sup> – Special Meeting – regarding Stokes Reynolds Hospital - RFP -9:30 am
- March 24<sup>th</sup> – Farmers Appreciation at South Stokes
- Working on Ethics Webinar for March 4th following the Special Meeting

### **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 11<sup>th</sup> Goals Planning Meeting.

### **Special Meeting**

Clerk Darlene Bullins informed the Board that Pioneer could meet with the Board regarding the Stokes Reynolds Hospital – RFP on February 22<sup>nd</sup> or March 1<sup>st</sup>.

The Board unanimously agreed to meet in a Special Called Meeting on February 22<sup>nd</sup> following the Goals Planning Session if Pioneer could make the meeting.

### **Interim County Manager**

Chairman Lankford entertained a motion.

Commissioner Booth moved that the County enter into an employment agreement with Richard D. Morris as Interim County Manager effective February 11, 2011 at the rate of \$5,000 per four week pay period with a start date of February 16, 2011. Vice Chairman Inman 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 Booth seconded and the motion carried unanimously.

---

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

---

**Ernest Lankford**  
**Chairman**