

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
MAY 23, 2011

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a regular session in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Monday, May 23, 2011 at 6:00 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:
Interim County Manager Richard D. Morris
Clerk to the Board Darlene Bullins
Finance Director Julia Edwards
Jail Captain Kenny Norman

Chairman Ernest Lankford called the meeting to order.

Chairman Lankford presented the following "Thought for the Day":

- "I will exalt him because he knows my name"

Commissioner Walker 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 in the Pledge of Allegiance.

GENERAL GOVERNMENT – GOVERNING BODY – APPROVAL OF AGENDA

Chairman Lankford entertained a motion to approve or amend the May 23, 2011 Agenda.

Chairman Lankford requested to add a Closed Session to tonight's Agenda.

The Board had no issues with adding a Closed Session to tonight's Agenda.

Vice Chairman Inman moved to approve the May 23, 2011 Agenda as amended.

Commissioner Jones seconded and the motion carried unanimously.

PRESENTATION OF PROPOSED FISCAL YEAR 2011-12 BUDGET

Interim County Manager Rick Morris presented the following Budget Message and submitted a copy of the proposed Fiscal Year 2011-12 Budget to the Board of Commissioners:

Budget Message Fiscal Year 2011/12

**TO: The Honorable Chairman and Commissioners
Stokes County Board of County Commissioners**

FROM: Richard D. Morris, Interim County Manager

DATE: May 23, 2011

SUBJECT: FY2011/12 Recommended Budget

Introduction

In accordance with the North Carolina Local Government and Fiscal Control Act (G.S. 159-8), I hereby present and submit for your review and adoption a balanced proposed budget for Fiscal Year (FY) 2011/12. A mandatory Public Hearing for the proposed FY 2011/12 budget has been scheduled for 7:00 PM in Court Room "A" of the Stokes County Government Center on Monday, 6 June 2011.

Budget Theme

The budget theme for the FY 2011/12 recommended Stokes County Budget is "survival during difficult economic times". While significant budget measures will be required to weather the struggling economy, it was my intent to structure the proposed budget with enough flexibility to quickly respond, when the economy rebounds. It was also my intent to maintain the maximum level of services possible for the citizens, while keeping tax increases as low as possible. To accomplish this, my recommended budget includes the reduction of recurring expenses and the cautious management of the county's final "Hold Harmless" revenue allocation, to ease the transition from this budget to next year's FY 2012/13 budget. It also incorporates a sound and transparent financial approach to fund new school construction and renovation. This is a conservative, low risk budget recommendation that is designed to re-baseline the county's operations costs during 2011 and 2012, to absorb the impacts of expiring "Hold Harmless" funding, to address decreased revenues and increasing expenses and to factor in future economic unknowns and their associated risk.

Executive Summary

The total recommended Stokes County budget for the FY 2011/12 is \$40,824,874. This is a .53% increase over the FY2009/10 budget and a 4.02% decrease from the FY2010/11 budget. The development of my recommended F/Y 2011/12 budget proved to be a challenging exercise that was negatively impacted by reduced current and future revenue projections, rising costs and the continued slow recovery of the U.S. Economy. Also impacting the proposed budget were unfunded mandates, examples being the second straight year of employer retirement contribution increases, increasing health and dental insurance costs, and a looming, federally mandated communications upgrade, which is required by January 2013. My recommended budget was developed using a two year thought process, which addressed current needs, and also factored in the impacts of this year's decisions on the challenges that are expected in the development of the FY 2012/13 budget. This year's recommended budget includes both a tax increase and the layoff of county employees, which were required to balance the budget. Details of the tax increase and layoffs are included later in the budget message.

A major area of interest will be my recommendation to change the name of the "Dedicated Fund" account to improve budget transparency, and to use it to balance the 2011/12 budget. My recommended budget changes the name from "Dedicated Fund" to "School / FTCC Construction/Operations-Debt Service" Fund. Approximately \$1.7 Million dollars is recommended for transfer from the current balance of the "Dedicated Fund" to address the county's FY 2011/12 operational needs. The funds being transferred were originally designated for school construction and renovation plus Early College debt. With the name change of this fund, it will continue to be used for new school and Forsyth Technical Community College (FTCC) construction and associated costs, and will be replenished annually using a designated segment of the county's Ad valorem taxes. My recommended budget approach segments the Ad valorem tax levy to clearly show which segment of the tax rate is being levied for existing county government and school system operating / capital expenses and which segment is being used for the sole purpose of new school & FTCC construction and associated costs. It was also my intent, from this point forward, to ensure the deliberate segregation of the Ad valorem taxes, which are specifically levied for new school construction / renovation and associated costs, and to make sure those funds are not used for any other purpose. In order to provide an adequate level of funding to the "School / FTCC Construction/Operations-Debt Service" Fund, a four cent Ad valorem tax increase will be required. The four cent tax increase is based on a financial calculation of required funding for new school construction / renovation & other associated costs of recently completed projects and approved future projects. The proposed model incorporates risk assumptions to address unknowns such as the interest rate, required number of debt repayment years and school construction lottery variances. Specific projects covered by the four cent tax increase are listed later in this message. The four cent increase should maintain an adequate fund balance to allow for fluctuations in the projected revenue stream for school construction and renovation. It will also provide recurring revenue to satisfy recurring debt for school construction. It is recommended that the four cent tax rate increase be listed separately on the tax bill to clearly show that it is being levied solely for the purpose of school / community college construction and associated costs, and the revenue will be directly deposited into the "School / FTCC Construction / Operations – Debt Service" Fund. This budget was also influenced heavily by external factors, beyond the control of the county.

On the revenue side:

- Sales tax receipts were down over last year
- Federal inmate reimbursement was significantly less than projected
- Interest income for idle funds is at a low
- Decreasing activity in the Register of Deeds Office

On the expense side:

- Unexpected increases in health / dental insurance occurred; NCACC pool coverage was dissolved on short notice
- Projected energy costs (examples; fuel and utilities) are up significantly
- Unfunded mandate to increase county proportion of employer retirement contribution

Other major influencers were:

- No growth in the County's property tax levy
- Expiration of "Hold Harmless" funding beginning next year
- A potential Stokes-Reynolds Memorial Hospital (SRMH) debt of approximately \$1.38M payable to Baptist Hospital as early as 30 June 2011
- Other County risks associated with the ownership of SRMH, which were difficult to quantify pending the outcome of the county's sale / lease solicitation of the hospital
- Unfunded mandate to upgrade the County's communications system by January of 2013

Budget Requests from County Departments

The department heads were conservative in their requests and recognized the challenges we face to do more with less for both the 2011/12 budget and the one that will follow. The combined total budget request from the County departments and outside agencies was \$43,662,308. This is a 2.64 % increase over last year's request. Increases were driven primarily by mandated changes in the county's retirement contribution and health / dental premiums. Other specific areas are addressed below.

- **Equipment**

Requests were submitted for a variety of equipment, to include new computers. Equipment items recommended for approval were two ambulance remounts and two defibrillators, all of which would be financed over five years instead of the normal two year period. The purchase of the remounts keeps the county on its ambulance rotation schedule. The defibrillators are experiencing parts obsolescence which creates maintenance issues. Other equipment recommended for approval was the replacement of a worn out parts washer for the county garage, which will be funded from capital reserve, and matching funds for the Sheriff to purchase up- to- date bullet proof vests. Only three new computers were recommended, all of which are being funded from non-county funding sources. No county funds are recommended for new computers. No new vehicles or other equipment was recommended for procurement in the F/Y 2011/12 budget.

- Personnel

1. Reclassification requests / new positions – Reclassification requests were received from the Emergency Communications, Health Department, Home Health, Public Buildings, Senior Services, Tax Administration and the Sheriff's Department. All were disapproved with the exception of two in the Sheriff's Department. The first was for reclassification of three Deputy I positions to Deputy II. Justification for this change is that these deputies were qualified as Deputy IIs upon graduation from Basic Law Enforcement Training (BLET). Our current Deputy Is meet this requirement. In the future it is recommended that new BLET qualified deputies only be hired as deputies at the current Deputy II pay scale. The second reclassification is to add duties to the Deputy / Sheriff Sgt. /DARE position. This addition of duties will support my recommendation to not fund one other full time position next year, which is addressed further in Paragraph #2 below. I accepted Home Health's recommendation to fund a currently unfunded PHN II position using Home Health fees. It is also recommended that a new position be added for the Early College. This is a combined position that will provide custodial services and security, which are required with expanded activity and the addition of a second POD to the Early College site. Addition of this position is an associated cost of the Early College and would qualify for funding under the recommended four cent Ad valorem tax increase.
2. Recommended personnel reductions - In consultation with the department heads, an evaluation of positions was conducted throughout the county organizational structure to determine where potential reductions could be made for FY 2011/12 to reduce recurring costs. There are a number of positions that I would recommend the BOCC not fund during the next fiscal year to reduce county operations cost. I would also recommend that these positions remain on the books in case they are needed when the economy shows a recovery. These reductions are designed to get the county through this fiscal year and the next one, if needed. Some of the positions are occupied and others are currently vacant. A summary of these positions by department is shown below.
 - Cooperative Extension – Do not fund one clerical position effective Nov 2011.
 - Planning Department – Do not fund one Code Enforcement Officer I position.
 - Economic Development – Do not fund one Administrative Assistant position.

- Emergency Medical Services – Do not fund three Emergency Medical Technicians. Shift supervisors will return to the trucks while maintaining supervisory duties.
 - Environmental Health – Do not fund one Environmental Health Specialist.
 - GIS Mapping – Do not fund one Mapping / Addressing Technician position.
 - Health Department – Do not fund two part time Registered Nurse positions.
 - Home Health – Do not fund Lead Worker IV position. Duties will be contracted.
 - Natural Resources – Do not fund one Soil Conservationist Tech I part time position.
 - Register of Deeds – Do not fund one Deputy Register of Deeds part time position effective 1 Nov 2011.
 - Solid Waste – Do not fund one full time driver position. This would require closing of the green box sites for one additional day per week.
 - Department of Social Services – Do not fund part time Processing Assistant.
 - Fire Marshal Office – Do not fund one Assistant Fire Marshal position.
 - Sheriff's Department – Do not fund E911 System Coordinator position for Spillman system.
3. The funding impact of approving the personnel recommendations described in Paragraphs #1 and #2 above would be an approximate \$410,273 net reduction in county operations cost. This recommendation would cause seven current full and/or part time permanent county employees to be laid off on June 30, 2011, with the exception of two, who would be laid off on 31 October 2011. The affected employees will be notified in writing on 24 May 2011 in accordance with county personnel policy, which requires a 30 day notification. I have also recommended the addition of a new personnel contingency line item to reduce risk, and make any required adjustments during FY 2011/12, which might be needed as a result of the significant personnel reductions recommended above.

Board of Education (BOE) Requests

1. Current expense & capital outlay expense - The Current Expense budget request for county funding from the Stokes County Board of Education (BOE) contains an approximate 5.54% increase over last year's approved budget. This translates to an approximate \$581,704 increase. My recommendation is to provide the BOE \$10,194,063 for Current Expense, which is a \$300,000 decrease (2.86%) over what was approved in last year's budget. The \$300,000 decrease includes,

the \$100,000 that was provided last year as a one-time appropriation. The BOE Capital Outlay budget request contained an approximate 28.23 % increase over last year's approved budget. This translates to an approximate \$254,840 increase. My recommendation is to provide the BOE \$531,500, which includes the authorization for the BOE to spend up to \$300,000 from their Current Expense fund balance on capital projects. As in previous years, my recommendation is to prioritize the capital funding toward retiring debt from earlier school construction, \$1 Million for FY2011/12, and then appropriating remaining capital funds (\$231,500) for capital projects, to be prioritized by the BOE.

2. New school construction / renovation - As described earlier in the Executive Summary, this budget levies a four cent tax increase for the sole purpose of paying for new school construction and renovation plus associated costs. The approved and/or completed projects to be covered by this recommended Ad valorem tax increase are Nancy Reynolds Elementary, Early College /Community College, new Yadkin Township elementary school, Southeastern Middle School, Lawsonville Elementary School plus the land purchased for the Nancy Reynolds Elementary School, Early College and the new Yadkin Township elementary school. Also included will be other associated costs of these projects, such as the addition of operations cost for the new Yadkin Township elementary school and Early College. The total cost for the recently completed plus the approved future projects is approximately \$40,599,000, which does not include annual operating costs. The tax increase will also address fluctuations in lottery funding allocations. The proposed tax increase will provide recurring revenue for the recurring debt required for these projects. This will free up funding from the current 60 cent segment of the Ad valorem tax revenue to fund current operations costs for the county government and school system, without an increase to that segment of the tax rate. As mentioned earlier, the four cent Ad valorem tax increase, levied specifically for the school projects, will provide maximum transparency to the taxpayers on how their Ad valorem taxes are being allocated. The tax increase will also be well received by the Local Government Commission (LGC), who must approve the county's new debt, and will require a clear explanation of the county's plan for repaying this debt.
3. Community College – In addition to the regular school construction / renovation projects, approval has been given for the construction of a new community college permanent facility in 2013 at the Early College location in Meadows. As stated earlier, the community college debt will also be repaid as part of the four cent Ad valorem tax increase.

“Hold Harmless” Funding

The expiration of “Hold Harmless” funding, after this year, was a major consideration in this budget development process. Losing Hold Harmless translates to an approximate 5% reduction in the overall budget. My recommended budget does not appropriate any of this year’s total “Hold Harmless” allocation of \$2,183,691.78 (NCACC estimate). The “Hold Harmless” allocation will remain un-appropriated to cover the approximate \$1.38 Million payment owed to Baptist Hospital, and to reduce risk associated with the FY2012/13 budget. The risk reduction amount is approximately \$803,691. The exact amount due to Baptist Hospital may be reduced slightly below the \$1.38 Million, as a result of payments made by SRMH; however, the county must be prepared to pay this bill when it becomes due. If the Baptist Hospital payment turns out to be less, then it is recommended that the remaining “Hold Harmless” funds, which were being held for the Baptist Hospital payment, be transferred to fund balance on 30 June 2012 to reduce the impact of no “Hold Harmless” funding in the County’s FY2012/13 budget. In further consideration of FY2012/13 budget, it should also be noted that the \$1.7 Million, transferred this year from the “Dedicated Fund”, will not be available next year to use in balancing the budget.

Health and Dental Insurance Costs

Stokes County was notified mid March of 2011 that the NCACC health and dental insurance pool would no longer offer coverage for county employees. The health and dental insurance market is increasing in volatility, which contributed to the short notice the county received from the NCACC. The change required the county to quickly advertise in the private market for county employee and dependent insurance coverage. Extensive market research was conducted and a competitive solicitation was conducted to obtain the lowest cost and maximum benefits possible. The BOCC selected a new plan from proposals that were received, and also approved the continued payment, by the county, of the full premium for county employee coverage. There are reductions in benefits under the new plan. Even with the reductions, the new plan increased the county’s health and dental insurance cost to approximately \$1.4 Million, an approximate \$160,568 increase over last year’s cost.

Enterprise Funds

The county has three enterprise funds which are shown below

- “SRMH Fund” – This budget appropriates \$300,000 for SRMH operations
- “Regional Sewer Fund” – This fund remains financially sound with no rate increase
- “Danbury Water Fund” - This fund remains financially sound with no rate increase

“General Fund” Balance

Under my proposed budget, the “General Fund” fund balance will increase through the addition of “Hold Harmless” funds. “Hold Harmless” funds are un-appropriated to cover the debt owed by SRMH to Baptist Hospital (approximately \$1.38M). My intent is for the remaining un-appropriated “Hold Harmless” funds (approximately \$803,691) to go directly into General Fund Balance on 30 June 2012. As stated earlier, the \$1.7 Million used this year from the “Dedicated Fund” will not be available next year. Maintaining a strong “General Fund” balance will remain critical to qualify for increased school construction borrowing and to reduce risks.

Interest Earnings / Rates

1. **Interest Earnings** - Interest earnings on idle funds invested by the county are negligible due to continued low interest rates. The county is currently earning less than a 1% return. This is driven by continued low interest rates set by the Federal Reserve, which are projected to remain low through the current calendar year.
2. **Inflation** – Inflation is currently low; however, consideration should be given to the budget impacts, should inflation quickly return. An example would be interest rate increases associated with the financing of future school construction.

Sales Tax Receipts

Sales tax receipts for the General Fund are down by \$338,041 from last year, as of 31 March 2011, which is a 12.85% decrease. Article 40 and 42 sales taxes, which go to the school system, are also down by \$256,699 from last year, as of 31 March 2011, a 21.5% decrease. The slow receipt of sales tax revenue is an illustration of the slow recovery of the economy, which directly impacts local government's revenue stream.

Ad Valorem Taxes

Ad valorem taxes are the primary source of revenue (52.9%) available to the county to balance the budget. This has been a no growth year for Ad valorem tax revenues in Stokes County. Based on the last Stokes County audit, the FY2009/10 actual collection rate was 96.41%. This proposed budget uses a more conservative collection rate of 95.5%. Should the BOCC desire to do so, the collection percentage could be raised as high as 96.41% for this year's budgeting purposes.

Fire Departments and Fire Tax

The City of King and the Town of Rural Hall both requested one cent increases in their fire tax rate. My recommendation is that both requests be denied for this budget and perhaps considered later when the economy starts to show improvement. Both municipalities' current fire tax rates are the same as the Stokes County Fire Service District.

Federal Inmate Reimbursement

Reimbursement for the housing of Federal inmates is approximately \$170,000 less than the amount budgeted in the FY2010/11 budget. This revenue projection was reduced significantly in the FY2011/12 budget recommendation to \$7,000. Indications are that the state plans to shift additional misdemeanor inmates to the counties during the next fiscal year, which would significantly reduce the space available to house Federal inmates.

Mandated Communications Upgrade

My proposed budget allocates funding for the unfunded federal mandate to upgrade the county's communication systems by January 2013. Additional fact finding is in process to determine the cost and best course of action to meet this mandate.

Miscellaneous Requests from Other Agencies

Several outside agencies requested funding in the Stokes County 2011/12 budget. Agencies that were denied funding were:

- YVEDDI – Separate request for \$25K for purchase of new facility
- Roanoke River Basin – Request was for \$3,722

- N.C. Wildlife Resource Commission – Request was for \$4,000
- King Chamber of Commerce – Request was for \$5,500. Funds for the chamber will continue to be provided through Economic Development Office. Approximately \$3,600 was provided during this fiscal year.

Summary

In summary, my recommended budget attempts to put the county on the best possible glide slope to re-baseline the budget by next year (FY 2012/13) to operate without the annual \$2 Million “Hold Harmless” revenue. It deals with the funds owed to Baptist Hospital, the unfunded federal mandate to upgrade communications and the approved new school and community college construction and associated costs. It also deals with the effects of a sluggish economy where local government revenues are down and expenses are up.

1. What this budget does not do.....

- Does not require furlough of county employees
- Does not Impact the longevity increases in the salary plan
- Does not reduce the county 1% match for 401K
- Does not provide a cost of living adjustment for county employees
- Does not require employees to cost share health and dental insurance premiums
- Does not appropriate any General Fund balance
- Does not eliminate any existing services currently provided by the county

2. What this budget does do.....

- It segregates the Ad valorem tax levy into two segments, one that will be used for the current county government and school system operations / capital expense and one that will be used for the sole purpose of new school construction / renovation to include the new community college
- Does provide clear plan to the LGC for repayment of new school construction debt
- Does reduce service levels and could impact county responsiveness

Conclusion / Recommendation

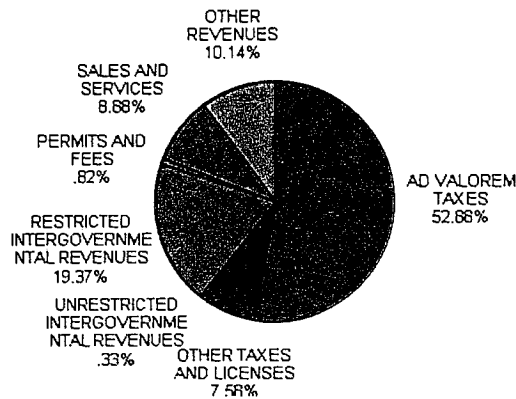
In developing this budget, it was my conclusion that to meet the operational requirements of the county government and school system, plus fund the new school / FTCC construction and operations, there are two alternatives.

Alt #1 – Adopt my recommended budget which includes a four cent Ad Valorem tax increase for new school construction. This alternative also transfers the one time appropriation of approximately \$1.7M from the “Dedicated Fund” to the General Fund.

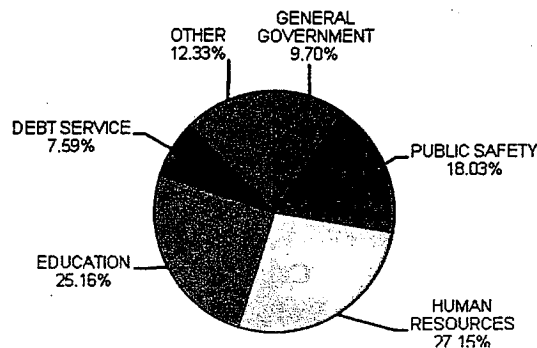
Alt # 2 – Adopt a budget that increases or decreases my recommended budget. Additional increases, which would likely have a negative impact next year, would require the search for additional revenues this year, beyond those recommended in Alt #1. Further decreases could reduce risk for next year, but would possibly jeopardize the delivery of services to the citizens of the county this year.

Graphic Breakout of Revenues & Expenses for FY 2011/12 Recommended Budget

REVENUES FISCAL YEAR 2011-12



EXPENDITURES FISCAL YEAR 2011-12



Chairman Lankford reiterated the Public Hearing scheduled for June 6th at 7:00 pm and the Work Sessions scheduled for June.

PUBLIC COMMENTS

There were no public comments.

CONSENT AGENDA

Chairman Lankford entertained a motion to approve or amend the following items on the

Consent Agenda:

Minutes

- Minutes of May 9, 2011

Social Services Department - Budget Amendment #74

Finance Director Julia Edwards submitted Budget Amendment #74.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
Social Services				
100.5310.394	Independent Living (LINKS)	<u>\$25,000.00</u>	<u>\$5,000.00</u>	<u>\$30,000.00</u>
Totals		\$25,000.00	\$5,000.00	\$30,000.00

This budget amendment is justified as follows:

To appropriate additional funding for Independent Living Services. This is 100% Federal and State Funding.

This will result in a net increase of \$5,000.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3301.202	SS County Federal	\$2,121,755.00	\$4,000.00	\$2,125,755.00
100.3301.203	SS County State	<u>\$305,617.00</u>	<u>\$1,000.00</u>	<u>\$306,617.00</u>
Totals		\$2,427,372.00	\$5,000.00	\$2,432,372.00

Social Services Department - Budget Amendment #75

Finance Director Julia Edwards submitted Budget Amendment #75.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
Social Services				
100.5310.315	Medicaid Transportation	<u>\$420,000.00</u>	<u>\$85,000.00</u>	<u>\$505,000.00</u>
Totals		\$420,000.00	\$85,000.00	\$505,000.00

This budget amendment is justified as follows:

To appropriate additional funding for Medicaid Transportation. This is 100% Federal and State Funding.

This will result in a net increase of \$85,000.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3301.202	SS County Federal	\$2,121,755.00	\$55,250.00	\$2,177,005.00
100.3301.203	SS County State	<u>\$305,617.00</u>	<u>\$22,750.00</u>	<u>\$335,367.00</u>
	Totals	\$2,427,372.00	\$85,000.00	\$2,512,372.00

Social Services Department - Budget Amendment #76

Finance Director Julia Edwards submitted Budget Amendment #76.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Social Services			
100.5310.310	Staff Travel	\$3,300.00	\$600.00	\$3,900.00
100.5310.311	Employee Training	<u>\$6,703.00</u>	<u>\$(600.00)</u>	<u>\$6,103.00</u>
	Totals	\$10,003.00	\$00.00	\$10,003.00

This budget amendment is justified as follows:

To appropriate additional funding for Staff Travel

This will result in a net increase of \$00.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Social Services Department - Budget Amendment #77

Finance Director Julia Edwards submitted Budget Amendment #77.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
Social Services				
100.5850.001	TANF – day Care	\$10,000.00	\$(1,500.00)	\$8,500.00
100.5410.004	TANF – Domestic Violence	<u>\$11,276.00</u>	<u>\$1,500.00</u>	<u>\$12,776.00</u>
	Totals	\$21,276.00	\$00.00	\$21,276.00

This budget amendment is justified as follows:

To transfer funding funds for increase in TANF Domestic Violence.

This will result in a net increase of \$00.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Social Services Department - Budget Amendment #78

Finance Director Julia Edwards submitted Budget Amendment #78.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
Social Services				
100.5410.001	TANF- County Initiated	\$135,000.00	\$(40,000.00)	\$95,000.00
100.5410.002	TANF- Emergency Assistance	<u>\$215,000.00</u>	<u>\$40,000.00</u>	<u>\$255,000.00</u>
	Totals	\$350,000.00	\$00.00	\$350,000.00

This budget amendment is justified as follows:

To transfer funds for increase in TANF Emergency Assistance

This will result in a net increase of \$00.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Social Services Department - Budget Amendment #79

Finance Director Julia Edwards submitted Budget Amendment #79.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Social Services			
	Prof Svs- Community Resource			
100.5310.187	Commission	<u>\$00.00</u>	<u>\$3,500.00</u>	<u>\$3,500.00</u>
	Totals	\$00.00	\$3,500.00	\$3,350.00

This budget amendment is justified as follows:

To appropriate funding for a new program for the Aging and Disabled. This is 100% reimbursable from the Northwest Piedmont Council of Governments.

This will result in a net increase of \$3,500.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	NWPCOG- Community			
100.3301.378	Resource Connections	<u>\$00.00</u>	<u>\$3,500.00</u>	<u>\$3,500.00</u>
	Totals	\$00.00	\$3,500.00	\$3,500.00

E911 – Emergency Communications - Budget Amendment #80

Finance Director Julia Edwards submitted Budget Amendment #80.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	E911 Fund			
200.9820.000	Fund Balance Appropriated	<u>\$00.00</u>	<u>\$180,000.00</u>	<u>\$180,000.00</u>
	Totals	\$00.00	\$180,000.00	\$180,000.00
	Capital Reserve Fund			
201.4325.002	Emergency Communications	<u>\$207,500.00</u>	<u>\$180,000.00</u>	<u>\$387,500.00</u>
	Totals	\$207,500.00	\$180,000.00	\$387,500.00

This budget amendment is justified as follows:

To appropriate Fund Balance for the one time appropriation allowed by the State for the radio upgrade

This will result in a net increase of \$180,000.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues

will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
E911 Fund				
200.3991.000	Fund Balance Appropriated	<u>\$115,210.00</u>	<u>\$180,000.00</u>	<u>\$295,210.00</u>
	Totals	\$115,210.00	\$180,000.00	\$295,210.00
Capital Reserve Fund				
201.3981.001	Transferred from E911 Fund	<u>\$00.00</u>	<u>\$180,000.00</u>	<u>\$180,000.00</u>
	Totals	\$00.00	\$180,000.00	\$7,638.00

Tax Administration Report – April 2011

Real and Personal Releases More than \$100.00

Tax Administrator Jake Oakley submitted the following Real and Personal Property Releases (April 2011) which are more than \$100 at the May 9th meeting with a request for approval at the May 23rd meeting:

Releases (Real and Personal Property) More than \$100–April 2011–Per NCGS 105-381 (b)

Jimmy P Powell	03A2003015259	\$56.28	Correction of Appraisal
Jimmy P Powell	04A2004015322	\$56.28	Correction of Appraisal
Jimmy P Powell	05A2005015314	\$101.53	Correction of Appraisal
Jimmy P Powell	06A601000165939	\$101.53	Correction of Appraisal
Jimmy P Powell	07A601000165939	\$103.08	Correction of Appraisal
Jimmy P Powell	08A601000165939	\$103.08	Correction of Appraisal
Jimmy P Powell	09A601000165939	\$109.06	Correction of Appraisal
Jimmy P Powell	10A601000165939	\$109.06	Correction of Appraisal
Larry Posey	10A156022510.07	<u>\$121.79</u>	Double Listed SWMH
	Total Amount	\$861.69	

Present Use Value Late Applications

Tax Administrator Jake Oakley submitted the following Present Use Value Late Applications (April 2011) at the May 9th meeting with a request for approval at the May 23rd meeting:

Tax Payer	Parcel #	Acreage
Mart Taft Gordon	598600607516	24.47 ac
Reason: The land has been owned by Mart Gordon since 1996 and is being farmed by Buster Gordon.		

Tax Payer	Parcel #	Acreage
Olin and Rebecca Joyce	699600137557	28.31 ac
Gina Allen		
Reason: This land has been owned by Mr. & Mrs. Joyce for many years		

PROPOSED FIRE AND RESCUE PROTECTION AND MUTUAL AID AGREEMENTS

Interim Manager Rick Morris submitted the following proposed Fire and Rescue Protection and Mutual Aid Agreements at the May 9th with a request for approval at the May 23rd meeting:

- Danbury Volunteer Fire Department
- Double Creek Volunteer Fire Department
- Francisco Volunteer Fire Department
- Lawsonville Volunteer Fire Department
- Northeast Stokes Volunteer Fire Department
- Pilot Knob Volunteer Fire Department
- Pilot Mountain Rescue Squad and EMS, Inc.
- Pinnacle Volunteer Fire Department
- Sauratown Volunteer Fire Department
- South Stokes Volunteer Fire Department
- Stokes Rockingham Volunteer Fire Department
- Walnut Cove Volunteer Fire Department
- Westfield Volunteer Fire Department

PROPOSED PROCLAMATION – OLDER AMERICANS MONTH – MAY 2011

Interim County Manager Rick Morris submitted the following proposed Proclamation for Older Americans Month – May 2011 at the May 9th with a request for approval at the May 23rd:

Older Americans Month 2011 A Proclamation

Whereas, Stokes County is a community that includes 5,800 plus citizens aged 60 and older; and

May 23, 2011

Whereas, the older adults in Stokes County are the roots from which our community grows, who bestow gifts of wisdom and insight upon younger generations, and strengthen the bonds between neighbors to create a better place to live; and

Whereas, our society can be enhanced by older adults aging peacefully in their communities; and

Whereas, the older adults in Stokes County should be commended for their role in creating and bolstering the fiber of our community and nation; and

Whereas, the community can provide that recognition and respect by enriching the quality of life for older Americans by:

Increasing their opportunities to remain in their communities as active and engaged citizens
Providing services, technologies, and support systems that allow seniors to foster and maintain connections within the community
Emphasizing the value of elders by publically recognizing their contributions to the diversity, strength, and unity of our community.

Now Therefore, we, the Stokes County Commissioners do hereby proclaim May 2011 to be Older Americans Month. We urge every citizen to take time this month to honor our older adults and the professionals, family members, and volunteers who care for them. Our recognition of older Americans and their involvement in our lives can help us achieve stronger and more meaningful connections with each other and enrich our community's quality of life.

Dated this 23rd day of May, 2011
By the Stokes County Commissioners:

Chairman Ernest Lankford

Vice-Chairman J. Leon Inman

Commissioner Jimmy Walker

Commissioner Ronda Jones

Commissioner James D. Booth

Clerk to the Board Darlene M. Bullins

Vice Chairman Inman moved to approve the Consent Agenda as presented.

Commissioner Jones seconded and the motion carried unanimously.

GENERAL GOVERNMENT – GOVERNING BODY – INFORMATION AGENDA

Update – Manager and Board of Commissioners

Chairman Lankford opened the floor for comments.

Chairman Lankford noted that Commissioners were planning on going to County

Assembly Day in Raleigh to talk to Legislators.

Commissioner Walker noted that he would like to comment briefly on the current vacant Income Maintenance Caseworker position at DSS. Commissioner Walker stressed the need to reconsider this position due to the nature of the position and the current economy. Commissioner Walker noted the need to staff the position as soon as possible.

Commissioner Walker noted site preparation work was getting ready to start for the new elementary school.

Commissioner Jones noted that she recently visited Hanging Rock State Park and learned that the Park is one of the top visited State Parks in North Carolina. Park Ranger noted that the Park is considering putting in back country camping.

Commissioner Jones also noted that she attended the Foster Parent Picnic at the Park and commended the job that Foster Parents do.

Jail Inspection Report – April 2011

Jail Captain Kenny Norman presented the following information regarding the recent April Jail Inspection:

- Jail Inspector Litonya Carter, Construction Section of the Division of Health Services Regulation, inspected the jail on April 29, 2011
- Only one item needed any response – painting needed on the wall behind the sink in the kitchen – has already been taken care of
- Very pleased with the inspection

The Board commended Jail Captain Norman and his staff for their continued dedication and hard work at the jail.

GENERAL GOVERNMENT – GOVERNING BODY – DISCUSSION AGENDA

Recommended Financial Model to Support the Proposed Fiscal Year 2011-12 Budget

Interim County Manager Rick Morris noted that he had requested assistance from DEC Associates regarding the four (4) cents tax proposed in the Fiscal Year 2011-12 Budget.

President/Managing Director Doug Carter, DEC Associates, presented a financial model recommended by Interim Manager Rick Morris which will support the proposed fiscal year 2011-12 budget submitted at tonight's meeting.

Director Carter discussed the following with the Board of Commissioners:

- **History of the partnership between the County and DEC Associates**
 - **Engaged by county in the summer of 2008**
 - **Goal to create a Capital Funding Plan for school building projects**
 - Some needs were becoming urgent and costly
 - Prioritize and plan to create least amount of impact to county budget and taxpayers
 - **Creation of the Dedicated Capital Improvement Fund**
 - Separate revenue stream and fund dedicated solely for capital formation and debt service
 - Reduces the "peaks and valleys" of the revenue needed – consistent sources
 - Creates distinctive schedules and priorities with sound fiscal management and minimal budgetary concerns
 - Placed the county in sound financial policy position
- **Review of Prior Financial Plan Presentations**
 - Several models (at least 30 variations) have been presented to the Board of Commissioners since 2008 indicating from \$0.00 to \$0.075 cents tax increase needed for various alternatives
 - No previous variation included operating costs
- **Transactions that have been issued since 2008**
 - **Two privately placed transaction have occurred**
 - June 9, 2009 – two tranches
 - \$2,599,000
 - \$1,454,000 – Land Acquisition – 20 years – level principal – 4.73%
 - \$1,145,000 – Community College PODS purchase – 15 years, level principal – 4.07%
 - February 4, 2010 – one tranche
 - \$11,500,000 – 20 years, 2 years interest only, wrapped principal – 4.89%
 - \$10,000,000 – Nancy Reynolds
 - \$1,500,000 – Community college needs
- **Current projection assumptions of the Debt Model**
 - **Projection adjustments since 2008**
 - Lottery revenue has been lower than expectations and projections since 2008
 - Lottery assumed a starting revenue of \$800,000 in previous models, now assuming \$550,000
 - Growth at 2% a year

- This lowered lottery assumption is equal to approximately one cent (1) of property tax equivalent revenue lost from the model
 - Cumulative effect on the debt capacity model
- Revenue from current Debt Payoff Capacity – remains the same
- Assumed Capital Fund Balance at the end of FY 2010 is \$900,000
 - Growth at a conservative 2% in projected years
- Assumed one cent (1) gross in property tax equivalent of \$346,800 in FY 2011
- Model presented at this meeting removes one time deposits to the General Fund Balance and anticipated deposits from Hold Harmless Funds
- Hold Harmless Funds reprogrammed for operating budget needs
- **New Debt Model Reflecting Two School Projects and Community College Improvements**
 - Adds a four cent (4) Ad Valorem Tax dedicated specially for school construction/renovations, community college, and operating costs
 - By the year 2019, all the debt incurred in 2008 will be paid off
 - Proposed model includes the issuance of QSCBs and QZABs (15 year projected term- could be less) with a projected interest rate of 1%, could be zero for new elementary school and renovations to Southeastern Middle School (\$19m)
 - School construction is projected to start in September 2011
 - In 2013, projected issuance of \$7.5m (\$6m for community college and \$1.5m for Lawsonville Elementary School) with debt starting in 2014
 - Proposed model includes operating costs
 - Full debt service will be in place with highest payment in 2019 and then start to decline
 - With no additional debt at the issuance in 2013, debt could be paid off by 2026-2027
 - Approximately \$900,000 will remain in the Dedicated Fund after the \$1.7m is transferred to the General Fund
 - Reiterated the proposed model recommends a 4 cent Ad Valorem Tax to be levied this fiscal year
 - If 4 cent tax is not levied this year, the tax will have to be increased later in order to catch up
 - If projected debt is issued, there will be over \$40.6m issued in the start of the projects in 2008
 - Model uses revenue neutral, it does not include revaluation
 - Model includes operating costs
 - If \$1.7m remained in the model, it would have a slight impact on the projected tax increase

The Board discussed the proposed model with Director Carter.

Commissioner Walker confirmed the following with Director Carter regarding the proposed (4) cent tax increase:

- Approximately two and a half cents (2.5) to two and three quarters (2.75) of the four (4) cent recommended tax increase relates to the Nancy Reynolds Project, new elementary school and the Southeastern Middle School Renovation Project
- Adding the community college and renovations at Lawsonville would add approximately one and a quarter cents to one and one half cents
- If you wait to add the tax increase for the community college and renovations at Lawsonville in 2014, it would be approximately one quarter cent to one half cent more
- If the economy improves, lottery increases, and a 5% growth, it could account to one to one and a half cents

Commissioner Booth confirmed that if the County had not pursued the QSCBs and QZABs for the \$19m, there would have been approximately one or more additional cents needed.

Director Carter commended the Board on setting up the Dedicated Fund for a sound Financial Capital Program.

Chairman Lankford, on behalf of the Board, expressed appreciation to Director Carter for providing the County with a financial roadmap.

Worker's Compensation Insurance Proposal for Fiscal Year 2011-12

Interim County Manager Rick Morris presented the following information regarding the Worker's Compensation, General Liability, and Automotive Insurance Proposal for Fiscal Year 2011-12:

- Information provided by Support Services Supervisor Danny Stovall
- Proposal received from NCACC
- Worker's Compensation Cost for F/Y 2010-11 = \$312,692.00
- Proposed Worker's Compensation Cost for F/Y 2011-12 = \$320,686.00
- General Liability, Property, and Auto for F/Y 2010-11 = \$249,299.00
- Proposed General Liability, Property, and Auto for F/Y 2011-12 = \$228,685.00
- Multi- Pool Discounts for Workers' Compensation, General Liability, Property, and Auto for F/Y 2010-11 = \$15,794.00
- Proposed Multi- Pool Discounts for Workers' Compensation, General Liability, Property, and Auto for F/Y 2011-12 = \$10,430.00
- Reduction in Multi-Pool Discount due to loss of health and dental insurance

- Proposed total cost for Workers' Compensation, General Liability, Property, and Automotive for F/Y = \$538,941.00
- Recommend no changes in deductibles
- Recommend to stay with the NCACC for Worker's Compensation, General Liability, and Automotive

The Board discussed the proposal with Interim County Manager Morris.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the June 13th Action Agenda.

Senior Meals Proposal for Fiscal Year 2011-12

Interim County Manager Rick Morris presented the following information regarding the proposal for Senior Meals for Fiscal year 2011-12:

- Information provided by Support Services Supervisor Danny Stovall and Senior Services Program Manager Lynn Martens
- Golden Corral's current contract was for (1) one fiscal year with the option to renew for up to (2) more fiscal years with the meal cost being adjusted on a yearly basis
- Proposal from Golden Corral for F/Y 2011-12 is \$3.48 per meal
- Last year's quote from Golden Corral was \$3.30 with a quote from Baptist University Medical Center being \$3.41
- Baptist University Medical Center is no longer in the business of providing senior meals
- Golden Corral's past meal costs:
 - F/Y 10-11 = \$3.30 per meal
 - F/Y 09-10 = \$3.45 per meal
 - F/Y 08-09 = \$3.40 per meal
- Total number of meals projected to be served will be decreased in F/Y 2011-12 due to the increase of the meal cost
- Recommend moving the item to the June 13th Action Agenda

The Board discussed the proposal with Interim County Manager Morris.

Commissioner Walker suggested inquiring with Golden Corral to make sure that this is their best proposal.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the June 13th Action Agenda.

Early College Sewer Options

Interim Manager Rick Morris presented the following information regarding the Early College Sewer Options:

- To install a sewer system just for the additional POD, projected cost is \$150,000
- To install an expanded sewer system to accommodate a community college facility, projected cost is \$200,000 with additional tail lines being added once the facility is built
- Still performing tests on the area
- Will be looking to put in an aggressive effort to seek grants as soon as the budget is adopted, meetings have already been scheduled to start the process

Chairman Lankford suggested spending the least amount possible with hopes that a grant might be available to run sewer to the area.

Commissioner Booth agreed with Chairman Lankford regarding spending the least amount and proceed with trying to pursue grants.

Commissioner Walker agreed with Chairman Lankford and Commissioner Booth unless there would be significant savings in doing the work now.

Vice Chairman Inman agreed to spend the lowest amount now.

Commissioner Jones agreed to spend the lowest amount with possible changes in DEHNR.

Commissioner Booth had recently received a comment regarding the grounds at the Meadows location.

Interim Manager Morris spoke briefly regarding the proposed full time position in the Fiscal Year 2011-12 Budget that could take care of the grounds at the POD location.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the June 13th Agenda Action.

Transportation Proposals for Fiscal Year 2011-12

Interim County Manager Rick Morris presented the following information regarding the Transportation Proposal for Fiscal Year 2011-12:

- Information provided by Support Services Supervisor Danny Stovall
- Proposed rates are from providers who will be providing transportation services to Social Services and Senior Citizens for F/Y 2011-12
- Fiscal Year 2011-12 transportation procurement plan is still in development and will be included on the June 13th Agenda
- **YVEDDI:**
 - \$1.34 base rate plus fuel surcharge
 - Fuel Surcharge: For each five cents (\$.05) above the \$1.95 per gallon cost at the County operated fuel pumps, a charge of one cent (\$.01) per mile will be added.
 - Fuel surcharge cost shall be computed from pump price on the day of billing
- **JD Cruises Transportation Services:**
 - \$1.34 base rate plus fuel surcharge
 - Fuel Surcharge: For each ten cents (\$.10) above \$2.46 per gallon average cost at three (3) agreed upon area gasoline retailers, a charge of one cent (\$.01) per mile will be added. Fuel surcharge will be calculated no more than once per month
 - Short trips that generate less than \$15.00 in trip billing will be a flat rate of \$15.00
 - No shows and after business hours cancellations – billed both ways
- **King Medical :**
 - \$1.35 base rate plus fuel surcharge
 - Fuel surcharge: For each five cents (\$.05) above \$3.00 per gallon cost a charge of one cent (\$.01) per mile will be added. Fuel surcharge cost shall be computed from pump price on day of billing
 - Short trips that generate less than \$10.00 in trip billing will be billed at a flat rate of \$10.00
- As of April 30, 2011, Social Services and Senior Services transportation needs have been met by utilizing the following providers along with issuing fuel vouchers:
 - YVEDDI – 184,709 miles costing \$231,344.23 (2010/11 primary provider)
 - JD Cruises – 190,059 miles costing \$254,259.10 (2010/11 primary provider)
 - Fuel Vouchers = \$83,503.68
 - King Medical Transport = no miles provided (2010-11 Over-flow provider)
- Proposed Transportation Plan will be available at the June 13th meeting

Chairman Lankford requested the Interim Manager have YVEDDI Director Haire at the June 13th meeting to discuss transportation rate.

Commissioner Walker suggested that all the providers be at the meeting.

Commissioner Walker noted that his understanding was that YVEDDI had put the cost of living increase on hold that was calculated in when the Board received the rate increase from YVEDDI in February of this year. Commissioner Walker requested the manager to investigate

whether the county's rate reflects elimination of the cost of living rate.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the June 13th Discussion Agenda.

Job Vacancy

Interim County Manager Rick Morris presented the following information regarding the Telecommunicator vacancies:

- Emergency Communications Director Del Hall notified Administration Tuesday, May 17th that he had received another resignation which makes three vacancies
- Two other full time telecommunicators will be taking Family Leave this summer
- Recommend two positions be filled
- Very uncomfortable with the risk level in the department
- With vacancies, there will be the need for more overtime and part time hours
- Will be doing an assessment of the department due to the amount of resignations in the department and the cost of turnover in this department

The Board discussed the request with Interim Manager Morris.

The Board had no issues with the request from Interim Manager Morris.

Commissioner Walker reiterated the need to also consider the Income Maintenance Caseworker at DSS.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the June 13th Action Agenda.

Appointments

Interim County Manager Rick Morris presented the following vacant appointments:

Juvenile Crime Prevention Council

- JCPC submitted the following recommendations
 - County Manager/Designee = Darlene Bullins
 - County Commissioner Appointee = Amanda Dolinger
 - Stokes Co. Sheriff's Department/Designee = Kelly Craine
 - District Court Judge/Designee = Kathy Ford
 - District Attorney/Designee = Tom Langan
 - Partnership for a Drug Free NC = Jeff Matkins
 - Stokes Friends of Youth = Clyde Stewart
 - County Commissioner Appointee = James Booth

- Terms will expire June 30, 2013
- BOCC appointment is the only appointment that will need to be advertised
- All other appointments are designated by General Statutes
- Student representatives will be submitted for your approval in July or August
- Currently seeking representation from the Faith community
- All members of the JCPC are either residents of Stokes County or work in Stokes County

Workforce Development Program

- Need to appoint Interim County Manager Rick Morris to replace former County Manager Bryan Steen as nonvoting member
- Chairman Ernest Lankford serves as the voting member for the Consortium

Job Training Consortium

- Term for the appointment which Economic Development Director Alan Wood is currently serving for the previous county manager will expire June 2011
- Executive Committee recommends that Economic Development Director Wood be reappointed
- Economic Development Director Wood has indicated that he would be willing to continue if so desired by the Board
- Term will be July 2011 to June 2014

Commissioner Jones nominated the following:

Juvenile Crime Prevention Council

- County Manager/Designee = Darlene Bullins
- County Commissioner Appointee = Amanda Dolinger
- Stokes Co. Sheriff's Department/Designee = Kelly Craine
- District Court Judge/Designee = Kathy Ford
- District Attorney/Designee = Tom Langan
- Partnership for a Drug Free NC = Jeff Matkins
- Stokes Friends of Youth = Clyde Stewart
- County Commissioner Appointee = James Booth

Workforce Development Program

- Interim County Manager Rick Morris – nonvoting member

Job Training Consortium

- Economic Development Director Alan Wood

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the June 13th Action Agenda.

GENERAL GOVERNMENT – GOVERNING BODY – ACTION AGENDA

Chairman Lankford noted that there were no Action Agenda Items.

Closed Session

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

- To consider and take action with respect to the position to be taken by the county in negotiating the price or other material terms of an agreement for the acquisition or lease of real property pursuant to G.S. 143-318.11(a)(5)

Commissioner Booth moved to enter into Closed Session for the following:

- To consider and take action with respect to the position to be taken by the county in negotiating the price or other material terms of an agreement for the acquisition or lease of real property pursuant to G.S. 143-318.11(a)(5)

Commissioner Walker seconded and the motion carried unanimously.

The Board re-entered the regular session of the May 23rd meeting.

Land Acquisition – Board of Education

Chairman Lankford entertained a motion.

Commissioner Walker moved to approve the Board of Education's request to acquire approximately 1.6 acres adjoining South Stokes High School for expansion of sewer system for approximately \$9,400. Commissioner Booth 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 meeting.

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

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman