

- Two Telecommunicators
 - Custodian/Security Technician
 - Emergency Planner in the Health Department
 - Hopefully most Reduction in Force employees can be placed in another department with one exception - the employee in GIS/Mapping Department
 - Tax Administrator Jake Oakley has submitted the following recommendation;
 - Eliminate a part time position in the Tax Department
 - Request a full time position to work on discoveries
 - Position can generate enough to pay for the full time position
- EMS Rate Increase
 - Department Head has recommended the following increases
 - Raise current mileage rate from \$6.00 to \$8.00
 - Raise ALS rate from \$475.00 to \$575.00
 - These increases would not penalize the citizens but would help county revenues and would also help on out the Medicaid Settlement Report
- Charging for Fire Inspections
 - Do not recommend charging for Fire Inspections
- Defibrillator Change
 - Propose the recommendation from EMS Director to add \$10,000 to the F/Y 2011-12 budget and all four defibrillators can be purchased with no purchases in the F/Y 2012-13 budget (all will be financed with the remounts)
 - All defibrillators will be up to date at a lower price
 - EMS Director did extensive research on the purchase of the defibrillators
- Furlough Requests
 - Veteran Service Officer has requested a voluntary furlough for six days in July
 - Interim County Manager would also like a voluntary furlough for one week in July
- Florescent Light Exchange Program
 - Will fall into Fiscal Year 2012-13 budget- approximate cost \$60,000
 - Must switch light bulbs by July 2013
- Prisoner Reimbursement Program
 - Will keep BOCC updated if the state continues to proceed with the program

Commissioner Walker suggested the County possibly look into the energy savings program (Johnson Controls) that the School Administration is currently doing. The Board discussed the pros and cons of the program. Chairman Lankford noted that the County approved a Resolution which states that the County can't decrease the school's utility budget once the program was started.

The Board discussed the excessive utility bills at the new Nancy Reynolds Elementary School.

Interim County Manager Rick Morris noted the following untruths that were recently published in the Stokes News:

- Misuse of lottery funding – untrue
- Transfer of funding from the Dedicated Fund was lottery funding – untrue
- Chairman of Board of Education is stating that the School System is being blamed for the tax increase for a Community College facility – fund was named specially to indicate the uses – New School/Forsyth Tech Fund
- Claiming the County is reaping benefits from the QSCB and QZAB Funding – untrue, the length of the loan could be reduced by 5 years which will make the net payment more, but a tremendous amount of interest will be saved
- School Board announced cuts to their budget which were cuts made after the request of the \$700,000 increase in capital outlay and the \$538,000 increase in current expense over last year

Commissioner Walker noted that with the needed financing this year, there would not have to be a tax increase this year. Interim Manager Morris and Chairman Lankford both disagreed and that there would have to be a tax increase for the loan payments.

Commissioner Jones noted that it was Commissioner Booth who actually got the wheels turning to get the School Administration to look into the QSCB and QZAB funding to save interest.

Commissioner Jones requested a rundown of the total school debt service for this fiscal year. Interim Manager Morris noted it was approximately \$2.6 million.

The Board discussed the school debt service.

The Board discussed the current financial model that includes operational costs for the new elementary school as well as for a future community college.

Chairman Lankford noted that the financial model included a 2% growth which has not occurred in Stokes County due to the economy.

Commissioner Walker noted 5% of the proposed budget is dedicated to the hospital.

Chairman Lankford disagreed that 5% of the proposed budget is dedicated to the hospital.

Commissioner Booth noted that next year is not going to be any better, it may even be worse.

The Board discussed the amount being proposed for the school budget.

Interim Manager Morris noted that he would be willing to meet with any of the school officials or anyone else to explain the concept of the budget.

Finance Director Julia Edwards provided the Board with documentation to validate funding that had been transferred to the Dedicated Fund – no lottery funds were used.

Commissioner Walker confirmed with Finance Director Edwards that the loan payment schedule depends on when the loan is approved.

The Board discussed prior school construction loans for West Stokes High School and Piney Grove Middle School.

Finance Director Julia Edwards noted that the Financial Advisor would determine if any of the previous loans could be refinanced for a lower interest rate when applying for the QSCB and QZAB funding.

Commissioner Booth noted the increases that had occurred this year such as the increase in health and dental premiums.

Commissioner Walker noted there may come a time that the County will have to look at benefits with the upcoming challenges that the County will have to face.

The Board discussed the increase in health and dental premiums.

Vice Chairman Inman noted the decrease in real estate values with the upcoming 2013 Revaluation for the County. Vice Chairman Inman noted that at least 1/3 of the counties across the State that did a revaluation this year produced a decrease in assessed value. Vice Chairman Inman noted that he was very concerned with upcoming 2013 revaluation values.

Chairman Lankford requested the Board members to express concerns with the proposed 2011-12 Budget for future discussion:

Vice Chairman Inman expressed the following:

- Facing decreasing revenues
- Continue to not use any Hold Harmless for recurring expenses as previous budgets
- Replacement of the Hold Harmless revenue next year
- Transparency in the Fiscal Year budget is extremely important especially if a tax is levied for a specific issue such as schools
- Currently have no issue with the proposed tax for school construction, but the tax should fall off once the debt is retired
- This proposed budget has several issues – loss of revenues, schools, increase in health and dental premiums, retirement, hospital, etc.
- Would have probably had to have a tax increase without the new school construction/renovations
- Decrease in lottery funding
- Unknowns about the hospital debt
- Covering hospital losses
- Hospital debt to NC Baptist
- Revenues must be budgeted conservatively

Interim Manager Rick Morris discussed his concept regarding the proposed 4 cent tax increase for schools/community college. Interim Manager Morris wanted the taxpayer to know exactly what the school construction along with a future community college facility cost.

Commissioner Booth expressed the following:

- Agree with the overview expressed by Vice Chairman Inman
- Concerned about next year's budget
- Concerned with the unknowns
- Noted the first financial models did not include operating cost
- Early College = grant will be expired within three years
- Don't like putting a bandage on issues
- Feels the proposed budget is in line with what the County needs this year and next year
- Can't count on Hold Harmless anymore
- Absolutely have to consider next year's budget this year

Commissioner Walker expressed the following:

- Basic goal remains the same as it has been over previous years – have the best County we possibly can
- Have not gone through the budget line item by line item, but plan to do so

- Remember the disaster that occurred the year when the Hold Harmless was taken unexpectedly by the State
- Still have questions on this proposed budget
- Would like to possibly go line item by line item in each budget for discussion, feel that discussion among the Board is a good way to bring out any concerns that can hopefully be resolved, good dialogue between Commissioners
- Have heard estimates from the financial advisor on a needed tax increase from \$.003 cents to the current proposed \$.04 cents
- Need more time to analysis the proposed budget
- Need to access the wants, needs, and concerns of the citizens – schools, jobs, hospital, taxes, etc.
- Would like to commend the previous and current Board of Commissioners for building up the Fund Balance

Commissioner Jones expressed the following:

- Agreed with items mentioned by Vice Chairman Inman and Commissioner Booth
- Do have some concerns that the citizens did not get to vote on the capital projects
- 40% of the counties are dipping into their Fund Balance
- Would like to increase revenues to eliminate relying on others
- Concerned about Economic Development – need for administration support not necessarily a full time person, but some type of administrative support
- Need someone (Economic Development) who can represent Stokes County
- The blame game is very bothersome
- County must pay their bills, too
- Proud the County is proactive in getting old debts off
- Concerned the Dedicated Fund can be re-appropriated – this can give the citizens the wrong impression – would like to see it stay in that specific account
- Need to educate the Public
- Be ready for the unexpected

Chairman Lankford expressed the following:

- Don't think that the funding from the special account could be used due to the large payments projected by the financial advisor, agree it should be used for the purpose it was set up for
- Don't believe a Board would take the funding out of the Dedicated Fund
- The money has been borrowed and must be paid back
- Believe this Board is planning for the future
- Still believe that Hold Harmless should not be used for recurring expenses
- It is now time to pay for the debt
- Concerned with putting off county capital projects, COLA for employees, etc.
- Time to continue to look forward
- Excellent job by the Interim County Manager regarding the proposed budget

Interim Manager Morris reviewed the impact of the reduction in force positions and the upcoming openings that hopefully some of the reduction in force employees can apply for.

Commissioner Jones questioned how much the hiring suspension has saved Stokes County.

Finance Director Edwards noted that she could provide the information requested by Commissioner Jones.

Commissioner Booth stated that he would like for the reduction in force employees to be placed if possible.

Vice Chairman Inman noted that importance of jobs in Stokes County. Vice Chairman Inman also noted the need to have good infrastructure such as schools, community college, etc. to hopefully bring jobs to Stokes County.

Vice Chairman Inman reiterated that Economic Development is very important for Stokes County.

Commissioner Walker stated the following:

- Understand the concerns of Commissioner Jones regarding a Bond Referendum
- Nancy Reynolds Renovation Project had no Bond Referendum, so it set a pattern (precedent)
- Have received several calls regarding the loss of Administrative Secretary, several citizens have voiced strong opinions about the loss of the position (biggest concern)
- Very little feedback regarding a tax increase
- Communication received that there was a lack of transparency in this budget
- Some feel the schools are being tagged exclusively for the tax increase
- Very little feedback regarding the 4 cents tax increase
- Would like to see if negotiations can be arranged with Baptist regarding the debt owed (approximately \$1.3 million) the sooner the better
- Positive feedback about new school construction/renovations

Chairman Lankford stated the following;

- Haven't heard of a lot negative comments about the budget, not even regarding the tax increase
- Lot of concerns about keeping and getting better health care in the County
- Lots of comments about schools

- Doesn't believe one position (ED Administrative Assistant) can be that important that the department can continue to effectively function without it

The Board discussed possible other meeting dates.

The Board unanimously agreed to recess today's meeting to Wednesday, June 15th at 9:00 am.

Adjournment

There being no further business to come before the Board, Chairman Lankford recessed the Budget Work Session to Wednesday, June 15, 2011 at 9:00 am.

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman