

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
JUNE 15, 2011

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Recessed Budget Work Session (recessed from the June 14th Budget Work Session) in the Conference Room of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Wednesday, June 15, 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:
Interim County Manager Richard D. Morris
Clerk to the Board Darlene Bullins
Finance Director Julia Edward

Chairman Ernest Lankford called the Recessed Budget Work Session to order.

Budget Work Session – Continued Discussion

Chairman Lankford opened the floor for continued discussion regarding the proposed Fiscal Year 2011-12 Budget.

Vice Chairman Inman commented the following:

- Looks like the House Budget will go forward with classroom size being increased
- Very concerned about the school budget this year, but more concerned about next year's school budget after the joint meeting with the School Board
- Commend the Interim Manager for looking at next year's possible budget situation
- Economic Development must lay the groundwork to take the burden off the taxpayers
- Concerned about the upcoming Revaluation with the continuing decrease in property values
- Reviewed and discussed the projected Ad Valorem Tax Revenue = \$20,768,193

- Would like to see the King Senior Center receive the same amount of county funding (\$7,250) as the Walnut Cove Senior Center
- Reviewed and discussed the Contingencies:
 - Contingency = \$150,000
 - Leave Cost = \$100,000
 - Personnel Cost = \$119,285
 - Fuel Contingency = \$45,000
 - Total = \$414,285
- Very firm about not appropriating Hold Harmless
- Very firm about not appropriating Fund Balance
- Must face that Hold Harmless will soon be eliminated
- Would like to review and discuss the closing of the Greenbox Sites on Wednesdays
- Requested the Interim County Manager provide the BOCC with Greenbox Sites' schedules from surrounding counties

Commissioner Booth commented the following:

- Do not want to increase taxes, but see no other way this year
- Also commended the Interim Manager for looking at next year's possible budget – loss of Hold Harmless
- Have reviewed the proposed budget
- Feels the Interim Manager has submitted a proposed budget for this year and already looked ahead at next's year budget
- Ready to go forward

Commissioner Walker commented the following:

- Feels that last year's budget was one of the best governmental budget that was approved that he had worked on
- Felt last year's budget did what it needed to do without a tax increase
- Very concerned about several issues in this year's proposed budget
- Very concerned about proposed the tax increase
- Very concerned about transferring the funding from the Dedicated Fund
- Feels any fiscal year budget should be transparent so that anyone can understand what was done
- Feels the citizens of the County put him in office to be responsible and do what is best for the entire county and its citizens and will always keep that in mind with every issue
- Feels it is his responsibility to make sure any budget allocates the funding to provide the best possible services to the citizens of the County
- Have concerns about the proposed funding for school capital outlay
- Have concerns about the \$300,000 allocated for hospital operations when the County is considering getting out of the hospital business
- Several loose ends to work on

- Would like to discuss several issues such as vehicle fleet, school resource officers, school funding, hospital funding, etc. (just to mention a few items)
- Would like further discuss the proposed 4 cent tax increase

Commissioner Jones commented the following:

- Feels the proposed budget includes some good decisions and recommendations
- Agree that any budget must be transparent so that the citizens can understand what transactions have occurred
- Will not accept a budget that doesn't have transparency
- Can't vote on a budget unless something is done for Economic Development
- Must look at compromises and concessions to get started to reach a final point

Chairman Lankford commented the following:

- Disagree with Commissioner Walker's comments regarding last year's budget – did not support
- Reiterated the recommended budget is \$40,824,874
- Concerned about the lottery funding for this year

Vice Chairman Inman noted the \$100,000 (Hold Harmless) allocated in the schools' budget (current expenses) last year for recurring expense.

Commissioner Jones reiterated the need to provide Economic Development the funding needed to function.

Vice Chairman Inman also commented on the investment that must be made in Economic Development in order to hopefully bring jobs to Stokes County. Vice Chairman Inman noted a recent grant secured by Economic Development Director Wood that provided 75+ businesses in Stokes County with new business websites.

Commissioner Booth noted that he did not want to have to lay any employee off and agreed with Interim Manager Morris' recommendation to try to relocate employees who are terminated.

Commissioner Jones echoed Commissioner Booth's comments regarding employees who might lose their jobs.

Commissioner Walker questioned the decreased (\$700,000 to \$600,000) projected revenue for prior year taxes.

Interim Manager Morris responded:

- Tax Administrator Oakley recommended the revenue figures
- Measures are in place now to increase tax collections which reduces prior years
- Tax Department uses a Collection Agency and Debt Setoff which also reduces prior years
- Tax Department working with taxpayers to set up payment arrangements which can also reduce prior years

The Board discussed the following with Interim Manager Morris:

- Sales tax revenue
- RGP Transportation Funding
- Decrease in Federal Inmate Reimbursement
- Limited amount of equipment being recommended
- Projected Lottery Funding
- Decrease in investment earnings
- Increased revenue for EMS if rate increased is approved
- Reduction in revenues
- Projected Hold Harmless revenue
 - Final F/Y 2010-11 = \$42,537,831
 - Projected F/Y 2011-12 = \$40,824,874
- Increase in Emergency Management Revenue (from \$25,815 to \$32,749)
- Lack of NC Veterans Revenue (\$2,000)
- Hold Harmless not being appropriated in this year's budget versus being included in last year's budget

Chairman Lankford, in order to save time, suggested possibly two Commissioners at a time meet with the Interim Manager and staff to review and discuss specific questions before the next Work Session.

Commissioner Walker stated that he did not agree with Chairman Lankford's suggestion for Commissioners to meet with the Interim Manager to discuss budget questions. Chairman Walker commented that he learned from the other Commissioners' questions and felt this was good to get the concerns on the table for all Commissioners to hear and discuss.

Chairman Lankford noted that the next Budget Work Session is scheduled for

June 21st at 10:00 am.

Adjournment

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

Commissioner Jones moved to adjourn the Recessed Budget Work Session. Commissioner Booth seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman