

STATE OF NORTH CAROLINA)
)
COUNTY OF STOKES)
)

OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
JUNE 21, 2011

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Budget Work Session in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Tuesday, June 21, 2011 at 10:00 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 Budget Work Session to order.

Commissioner Booth 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.

Budget Work Session – Continued Discussion

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

Interim County Manager Rick Morris discussed the following emerging budget issues since the Fiscal Year 2011-12 Proposed Budget was submitted:

- Next year's problem:
 - Approximate \$942k shortfall projection for next year
 - No "Hold Harmless" funds to address problem
 - No dedicated fund dollars to draw from next year
 - \$942k shortfall projection assumes \$758K is saved from this year's Hold Harmless to address next year's projected shortfall
 - Without the \$758k from this year, projected shortfall would be \$1.7m
 - Health and dental uncertainty
 - Question: How do we fix next year's problem, tax increase, or appropriate from Fund Balance
 - If neither of the above, the other major source is additional personnel reductions
- Cell Phones/Air cards:
 - Approximate monthly cost for cell phones/air cards is \$2,390
 - Paid for with combination of county/state/federal funding
 - Air Cards (\$688); Blackberry (\$69); Cell phones (\$1633)
 - Cell phones by department:

Health Dept	\$498.00
Home Health	\$438.00
EMS	\$527.00
Public Buildings	\$ 36.00
Economic Dev.	\$ 69.00*
DSS	\$265.00
Fire Marshal	\$ 43.00
Animal Control	\$ 32.00
E911	\$150.00
Environ. Health	\$ 86.00

 - *Blackberry
 - Cell phones were issued based on justifications approved by previous county manager
 - Snapshot review of cell phone usage reflects low usage for some phones
 - Plan is to conduct a review with department heads of each individual cell phone and air card and to revalidate the need for keeping this equipment
- County Vehicles:
 - County currently operates 161 vehicles based on insurance records
 - Approximately 12 of these are scheduled for auction along with an additional 26 vehicles in the impoundment lot
 - Vehicles are taken home by the following departments:
 - EMS, Animal Control, Fire Marshal, Vehicle Maintenance and Sheriff's Department
 - Primary justification for taking vehicles home is that personnel is on call to respond during non-duty hours
 - Animal Control also uses vehicles to check animal traps before reporting to the office
 - Vehicles are also taken home on an exception basis for special circumstances when approved by the department head and the county manager

- Items for Board to Approve:
 - Recommended Budget Items:
 - Tax increase – four (4) cents
 - Transferring of \$1.7m from Dedicated Fund to General Fund
 - Reclassification/new position
 - Deputy I to Deputy II (3 positions) and hire at Deputy II after July 1st
 - Reclassify Deputy/Sgt/DARE to Deputy/LT/DARE/SRO Community to reorganize due to proposed position layoff
 - New position Maintenance/Security Early College
 - Funding of PHNII position that was not funded (Home Health) client reimbursement
 - Personnel Reductions – Unfunded positions
 - Cooperative Extension – Effective 11-01-2011
 - Planning position
 - Economic Development position
 - EMS (3) positions, putting the shift supervisors on the ambulance with maintaining supervisor duties
 - Environmental Health position
 - GIS Mapping position
 - Health Department – two part time Registered Nurse positions
 - Home Health position (billing contracted)
 - Natural Resources – 50% position
 - Register of Deeds – 50% position effective 11-01-2011
 - Solid Waste position- closing Greenbox Sites one additional day per week (possible Wednesdays)
 - Social Services – 50% position
 - Fire Marshal position
 - Sheriff's Department position
 - Funding for schools recommended level- Current Expense and Capital Outlay
 - Economic Development mileage reimbursement/travel allowance (taxable)
 - Terminating Governing Body mileage reimbursement
- New Budget Items:
 - EMS fees increase \$130,000 plus \$4,300 totaling \$134,300
 - Fire Marshal Fee for inspections
 - EMS equipment for financing and adding \$10,000 to EMS equipment and proceeds from financing to purchase (4) defibrillators instead of (2) so that the county will not have to budget any next year
 - Tax Office position – Eliminate part time (\$11,842); Full time staff estimated at \$36,020 – increase of only \$24,178 for a full time employee; (approximately \$10,000,000 for discoveries which will increase the Ad Valorem taxes by \$57,300)
 - Furlough days request from Interim County Manager and Veteran Service Officer
 - Add \$2,250 to Economic Development back to the (decrease in error) travel line item for EDC reimbursements (recommend setting up a new account number (100.4920.190) Board Reimbursement so this will not happen again

- \$51,000 Kobe Wieland Grant addition due to value increase
- Fluorescent light exchange:
 - Must be completed by June 30, 2012
 - Project cost is \$67,803; rebate is \$17,926
 - Annual savings estimated at \$9,823
- Consider not closing the Pinnacle and Walnut Cove sites for one additional day per week
 - Additional cost approximately \$9,744 part time salaries and \$7,500 for fuel
- Information Item:
 - Clerk of Court charging fees for Child Support program filing fees; estimated cost approximately \$36,000
 - \$19,000 federal funding; \$1,548 state funding; and \$15,452 county funding
 - Latest update indicates a low probability this will occur in F/Y 2011-12

Interim Manager Morris reiterated that this year's budget was developed while keeping next year's budget in mind and the uncertainty of Stokes Reynolds Memorial Hospital.

The Board discussed the Solid Waste Program at the Greenbox Sites:

- Possible pilot sticker program at selected Greenbox Sites to eliminate trash being dumped from outside of Stokes County
- Closing one day of the week at all sites except the Pinnacle and Walnut Cove sites due to the volume of trash at these two locations

Commissioner Walker expressed concerns with the proposed \$.04 increase in property taxes.

The Board briefly discussed the proposed \$.04 cent tax for schools and F-Tech.

Vice Chairman Inman stated that he never wanted an increase in property taxes, but if this proposed budget is adopted with a tax increase, the citizens can't stand another increase next year and would definitely not support a tax increase two years in a row.

The Board discussed County capital projects that were continuing to get behind.

The Board briefly discussed the interim manager's appropriation for the schools.

Commissioner Walker requested clarification of the \$51,000 Kobe Wieland Grant addition due to value increase.

Finance Director Julia Edwards responded to Commissioner Walker's question regarding

Kobe Wieland:

- Grant #2 was estimated during the budget development at \$173,000
- After further information from Tax Administrator regarding the value, re-calculation indicates that Stokes County will owe Kobe Wieland approximately \$224,000
- Value has increased due to the completion of the project
- Payment is paid after taxes are paid by Kobe Wieland
- Payment would be smaller next year due to depreciation

The Board discussed the incentive grant.

Vice Chairman Inman noted that the items provided by Interim Manager Morris that directly deal with the Fiscal Year 2011-12 need to be discussed on an individual basis in order to allow Commissioners to vote for or against the item.

The Board had no issue with discussing and voting on the separate items that the Board needs to approve or disapprove for the upcoming Fiscal Year 2011-12 Budget.

Commissioner Walker did note the following regarding the proposed Fiscal Year 2011-12

Budget:

- Feels that this is a very strange proposed budget
- Very concerned that the Hold Harmless Funding and the estimated \$1.4m owed to Baptist Hospital is not included in the proposed budget
- Concerned with the \$300,000 included for Stokes Reynolds Memorial Hospital considering the County has not signed any lease at the present time
- Concerned auditors would question why the Hold Harmless funding and the amount owed to Baptist is not in the budget
- Not ready to vote for some items presented by Interim Manager Morris

Interim Manager Rick Morris noted that the Hold Harmless Revenue and the amount owed to Baptist could easily be added to the budget and that both were not included due to not knowing the exact amounts and the \$1.4m owed to Baptist was not included in last year's budget.

The Board discussed adding the Hold Harmless Revenue and the amount owed to Baptist.

Finance Director Julia Edwards noted that there was no requirement to appropriate the Hold Harmless Revenue in the proposed F/Y 2011-12 Budget and a budget amendment could

be done when the exact amount owed to Baptist is determined. Finance Director Edwards reiterated that any funding not appropriated would automatically fall into Fund Balance at the end of June 30, 2012.

Commissioner Walker confirmed with Director Edwards that there would be no adverse reaction from the auditor or LGC if the Hold Harmless Revenue was not appropriated in this upcoming budget.

Chairman Lankford, with full consensus of the Board, directed the Interim Manager to appropriate funding for the estimated \$1.38m owed to Baptist in the proposed budget.

Items for the Board to Consider

Chairman Lankford presented the following items for the Board to consider for the upcoming F/Y 2011-12 Budget:

EMS Increase Fees:

- No issues with increasing the EMS fees to fall in line with the Medicare/Medicaid schedule

The Board discussed the proposed EMS Fee increase.

Vice Chairman Inman stated that he did have some concerns with the proposal to place the Shift Supervisors back on the EMS Unit. Vice Chairman Inman noted that he had spoken with EMS Director Stevens regarding the impact of putting the Shift Supervisors back on the Unit.

EMS Director Stevens responded that scheduling would be difficult.

Vice Chairman Inman confirmed the following with Interim Manager Morris regarding placement of the Shift Supervisors on the truck:

- No delay in response time
- Dr. Darrell Nelson will hold off from starting the new program which would provide patients anesthesia before getting to the hospital to which benefits the patient's breathing
- The new program requires two paramedics
- Detailed data will be kept for the first six months to determine how many times the new program could have been used

- Putting the Shift Supervisors only on the trucks after EMS Staff leaves could be a real nightmare to schedule part time employees to cover

Vice Chairman Inman stated that he would like a quarterly assessment instead of six months.

Chairman Lankford agreed an assessment should be done to determine if the recommendation is working effectively.

Commissioner Booth noted that he thought the Interim Manager had indicated in previous Budget Sessions that all the recommended unfunded positions would be looked at to determine if the right decision was made.

Interim Manager Morris stated that there was \$119,285 in Personnel Contingency in case unfunded positions need to be funded during the upcoming fiscal year.

Commissioner Walker stated that he had a different position on this issue, his position has always been and will remain to have the best emergency care available for Stokes County especially for the northern area. Commissioner Walker expressed concerns with not starting the program that Dr. Nelson wanted that could possibly save a life and would rather put a little more funding up front to get the best medical care possible.

Commissioner Booth noted that services at Stokes Reynolds should improve if the lease is approved with Pioneer Health Services.

Commissioner Walker stated that he wasn't convinced that services at the hospital would improve that fast and reiterated that he wanted the best emergency services/equipment available if possible.

Commissioner Booth stated that he felt the entire Board also wanted the best emergency services/equipment available if possible for the citizens of the County.

Vice Chairman Inman noted the response time is the most important factor involved when trying to get to a patient.

Commissioner Booth confirmed with Interim Manager Morris that placing the Shift Supervisors on the units should not have any effect on the response time.

Commissioner Jones also agreed the response time is the important issue and have no issue placing the Shift Supervisors back on the unit for a six month trial.

Interim Manager Rick Morris stated that he felt confident that EMS Medical Director Nelson and EMS Director Stevens would immediately notify the County if services were having to be altered due to transferring the Shift Supervisors back to the unit.

Chairman Lankford agree that not one member of this Board did not have emergency services as a top priority and feels the Board can take immediate action if needed.

Chairman Lankford stated it was the consensus of the Board to increase the EMS fees as recommended in the proposed F/Y Budget.

Commissioner Walker noted that the County needs to maintain fees at or near the Medicare reimbursement rate.

Fire Marshal Fee

The Board discussed the recommendation from the Fire Marshal to increase the Fire Marshal.

Chairman Lankford stated it was the consensus of the Board to deny the recommend for charging a fee for fire inspections.

EMS Equipment

The Board discussed the recommendation from EMS Director Monty Stevens to purchase (4) four defibrillators instead of (2) two which would be financed and would eliminate having to purchase defibrillators in next year's budget. The Board had no issues with the recommendation.

Chairman Lankford stated it was the consensus of the Board to purchase (finance) (4) four defibrillators in the F/Y 2011-12 Budget.

Tax Office Position

Interim Manager Rick Morris explained the following recommendation from Tax Administrator Jake Oakley:

- Eliminate part time tax position (\$11,842) who works with discoveries
- Replace the part time position with a full time position (\$36,020) to work with discoveries
- Proposed F/Y 2011-12 Budget would increase \$24,178 in salaries and benefits
- Revenues could be increased with a full time position
- Full time position could find approximately \$10,000,000 of discoveries which would increase Ad Valorem Taxes by \$57,300

The Board discussed the item.

Commissioner Walker suggested looking at adding another part time position instead of a full time position.

Commissioner Booth questioned why this was not already being done and that he had been told by one GIS employee that he could do another full time position for more money.

Interim Manager Morris noted that the GIS employee who made the remark would be taking on more duties once the position was eliminated in the GIS Department.

Commissioner Jones agreed it would be worth the extra funding to increase revenues.

Vice Chairman Inman noted that he often found discoveries that were on the GIS System.

Interim Manager Morris noted that one full time position knowing exactly what has been done in the position would probably be better than two part time positions.

Commissioner Walker questioned if there would be a point in time when most of the discoveries have been found.

Vice Chairman Inman noted that a lot of discoveries such as renovating a basement are not found out by the Tax Department. Vice Chairman Inman agreed with Commissioner
June 21, 2011

Walker's suggestion of possibly looking at hiring two part time positions instead of one full time position.

Interim Manager Morris noted that the Tax Administrator had requested this full time position in the past two budgets and that if the reduction in force employee was chosen for the position, he brings a great knowledge of GIS experience to the table. Interim Manager Morris also noted that the position could be a valuable support for the upcoming revaluation.

The Board unanimously agreed that the position must have a positive return as suggested (possibly \$57,300) and would have quarterly reviews to make sure the position is producing additional revenue.

Chairman Lankford stated the Board unanimously agreed that to eliminate the part time position and replace with a full time position for discoveries in the F/Y 2011-12 Budget.

Furlough Days for Interim County Manager and Veteran Service Officer

Chairman Lankford requested if there were any issues with allowing the Interim County Manager and the Veteran Service Officer to take furlough days during the upcoming fiscal year.

Commissioner Walker stated that he felt both employees should be able to use vacation time instead of taking off time without pay.

Interim Manager Morris stated that along with the Veteran Service Officer, both were happy to take the time off without pay.

The Board, except Commissioner Walker, had no issues with allowing the Interim County Manager and the Veteran Service Officer to take furlough days during the upcoming fiscal year.

Economic Development Travel Line Item

Interim Manager Morris noted the need to add \$2,250 to the Economic Development travel line item for EDC meeting reimbursement. Interim Manager Morris noted that the

amount was deducted from the travel line item in error and suggested setting up a new account number (100.4920.190) to eliminate this type of error in the future.

Commissioner Walker requested the Board visit the travel allowance as it pertains to the Economic Development Director at a later date.

The Board had no issues with the request.

Chairman Lankford stated it was the consensus of the Board to add \$2,250 to the Economic Development's travel line item for the F/Y 2011-12 Budget.

Kobe Wieland Grant

The Board continued discussion regarding the additional \$51,000 needed for the Kobe Wieland Grant for the upcoming fiscal year due to the value increase.

The Board had no issues with adding the additional \$51,000 since the Ad Valorem taxes would increase due to the value increase.

Chairman Lankford stated it was the consensus of the Board to add the \$51,000 to the upcoming F/Y 2011-12 Budget.

Fluorescent Light Exchange

The Board discussed the fluorescent light exchange program estimated at a cost \$67,803, Duke Energy Rebate of \$17,296 and projected annual energy savings of \$9,823.

Commissioner Jones noted rates are continuing to increase, the cost will probably not be cheaper, replacement fluorescent bulbs will not be available, and would be a good idea for the County to be proactive.

Chairman Lankford stated that it was the consensus of the Board to go ahead with the Fluorescent Light Exchange in order to receive the rebate and start the energy savings.

Vice Chairman Inman questioned how the project would be funded.

Interim Manager Morris noted that funding for each of the items approved today by the Board would be brought back to the next Budget Work Session.

Closing of Greenbox Sites

The Board continued discussion regarding the closing of the all Greenbox Sites one day a week except Pinnacle and Walnut Cove on a trial basis.

The Board noted the need to continue to look at a possible sticker program to eliminate trash being brought to the sites from other counties.

Interim Manager Morris noted that the Landfill will continue to be open on the suggested closed day – probably being Wednesdays.

Interim Manager Morris noted that even putting the Walnut Cove and Pinnacle Sites back in the budget, the Sanitation Truck Driver could still be eliminated. The part time salaries of \$9,744 requesting to be added back to the budget are for the Greenbox Site Attendants.

Finance Director Julia Edwards noted that the \$7,500 for fuel being requested to add back to the budget could possibly be taken from the Fuel Contingency.

Vice Chairman Inman suggested monitoring the traffic of the sites in case of possibly having to close additional days next year.

Commissioner Walker suggested looking at seasonal closing, possibly closing more days in the winter months and keeping the sites open during the busier times, most important, keep a schedule that best fits the needs of the citizens.

Chairman Lankford suggested looking at a “Spring Cleaning Day” which would allow citizens to bring items to the Landfill at no charge.

Vice Chairman Inman noted that this would encourage communities to possibly clean up the neighborhood if they knew there would be no Landfill charges.

The Board agreed with Chairman Lankford's suggestion regarding the "Spring Cleaning Day" which would allow church and civics group to plan clean up days and be able to take the trash to the Landfill at no cost.

Chairman Lankford stated that it was the consensus of the Board to add funding back to the F/Y 2011-12 Budget to not close the Pinnacle and Walnut Cove Sites one day a week.

King Senior Center

Finance Director Julia Edwards noted that she would include the previously approved funding for the King Senior Center (increase to \$7,259) along with the items approved by the Board today and have them ready for the next Budget Work Session.

Stokes County Schools

Vice Chairman Inman provided the Board with the following information:

- Received a call from the incoming Superintendent and two Board of Education members last night requesting any additional funding
- Not advocating any additional funding, but did agreed to bring the request to the Board of Commissioners' attention
- Board of Education stated that they would have to make some very hard decisions if additional funding was not allocated
- Board of Education wanted to remind the Board of Commissioners that next year was going to be worse with the elimination of special funding and the amount that would have to be sent back to the State
- Board of Education stated that with the current funding for capital projects, only one of the following projects could be done: North Stokes – roof or Piney Grove Middle School – chiller
- Retirement increase for employees is estimated at \$100,000 increase
- Confirmed with Finance Director Lanette Moore that a position at Central Office would be eliminated, one assistant principal would be eliminated, possibly shared clerical positions, along with some of the open positions not being filled
- Additional points – the average daily attendance at Francisco is 92 students and there will possibly be no School Resource Officers at the middle schools

Commissioner Jones stated that she had also received a call this morning regarding a request for additional funding from a Board of Education member.

The Board discussed the declining student enrollment as previously stated by former Superintendent Hobbs.

The Board discussed the increasing operational costs regarding the schools.

Vice Chairman Inman noted the only budget that the school system really has control over is the local current expense budget, the other funding is pass through funding from State and Federal.

Finance Director Edwards reiterated that the cost calculation for the items approved today would be ready for the next Budget Work Session.

The Board discussed recessing today's Budget Work Session to Wednesday, June 22nd.

Adjournment

There being no further business to come before the Board, Chairman Lankford recessed the Budget Work Session to Wednesday, June 22nd at 10:00 am.

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman