



- County will be facing revenue issues that will impact the expenditure side of the upcoming fiscal year budget
- See no way to vote for a tax increase this year
- Will request a budget with no tax increase
- Can't vote for a budget with a tax increase
- Can't spend anymore than what the county takes in
- Information from Tax Administrator Jake Oakley is that the assessed value of the county's property is going to be a 5% decrease countywide, feel Jake is being very conservative
- The real estate world is significantly different and a lot worse than Jake's prediction – see it everyday
- Hope we can hold to a 5% decrease
- This could be a possible \$1 million shortfall for four consecutive years
- Can't wait until 2013 – must think about the 2013-14 fiscal year when preparing the 2012-13 fiscal year budget
- Must remember Hold Harmless is only for one more year
- Must look at the reduction in sales tax revenue
- Have seen some positive movement in the sales tax arena lately
- Feels the county is on target to meet budgeted sales tax projections due to budgeting conservative for 2011-12
- Must really look at the revenue side
- Revenue side will drive the budget on the expenditure side
- County has been able to get the Fund Balance in a good place by budgeting revenue very conservative
- Quarterly reviews pulled back unused dollars
- County has a very dedicated staff that has not received a COLA in several years
- Have seen health insurance cost continuing to increase
- Will have to face increased health insurance cost again this year, have had to increase deductibles which ultimately puts more cost to the employees
- Mandated upgrade to the E911 Communications – Viper System (\$3-4 million project)
- Must continue to be very frugal
- Tax office has done a marvelous job in the collection area
- Commend the way the citizens of Stokes County have paid their taxes
- Over half of the counties are laying off employees
- Surry County cut 96 employees yesterday, closed their Home Health
- People are amazed that Stokes County can build schools in such an economic climate
- Reiterate that the revenues will drive the expenditure side of this year's budget
- Goal is to not have furlough days – same as last year
- Would love to give employees a bonus if possible
- One thing that was done last year about this time of the year was to put a hiring freeze on until budget time, would like to explore that option, worked out very good like last year

Chairman Lankford agreed with Vice Chairman Inman that revenues would drive the expenditure side of this year's budget.

Commissioner Jones noted:

- Ditto everything said by Vice Chairman Inman
- Another unexpected expenditure – additional request from CenterPoint Human Services
- Need to protect the Fund Balance
- Do not want to have to start drawing down the Fund Balance
- Would like to get to a point to pay as we go
- Tax increase is not an option

Commissioner Walker noted:

- Good information from Vice Chairman Inman and Commissioner Jones
- When thinking of a goal session, part of what seems appropriate to consider is the progress made on the goals set last year
- Think it is only fair to evaluate what has been accomplished
- County will have some challenges this budget year
- Goals need to focus around economic development
- Have supported the school steadfastly
- Tried to help the county by supporting some very needed school construction/renovation projects and will continue to do that to whatever extent reasonably possible
- Community College is extremely large in the County's future plans because it is an economic development engine for the County
- Need a stand alone community college to draw businesses to Stokes County
- Projected revenues are the easiest way to get into a bind with a budget
- Have had more expenses associated with Stokes Reynolds Memorial Hospital than was expected, wasn't anything that the County could have prepared for, must deal with the issues
- We do have options available that were not expected such as another year of Hold Harmless funds – great news
- Will be a very challenging year, will find a way to get through it
- It will be the manager's job as budget officer to recommend a budget to the Board
- Was a wise move it appears to have established and continue to maintain a school fund
- Have not had much push back from the citizens about the 4 cent tax; it seems to have been expected for the most part by the citizens
- The fact that the school fund is set aside from the regular budget allows everyone to see what is going into the fund and what is coming out of the fund
- Good move on the part of the Board to establish the school fund which includes the community college
- Board has had some different views and will continue to have some, feels this is a plus

- With any group, there is always diversity which is good
- Made it through a tough year, have made progress this year and believe will continue to make progress
- Hopefully the good working relationship between the Board of Education and Board of Commissioners will continue
- Working together – things get done
- Have made some very significant progress this year
- Will provide specific goals at a later time

Chairman Lankford noted:

- Also, supports no tax increase for this coming year
- Supports implementing a hiring freeze for the last three months of this fiscal year
- Have and should continue to focus on eliminating waste
- Continue to hold the spending down
- Revenues are going to be tight
- Maintaining services for the county at the same level with no decrease
- Currently in negotiations with United Health Care and do expect an increase this year
- One goal for this year is to complete the Danbury Water Project – should be completed by October or November of 2012
- Will improve the water in the county and improve the pressure for the citizens of Danbury
- Try to keep the budget level the same as last year
- Working diligently to obtain grants in many areas – communications, water/sewer to community college site, etc.
- Haven't maintained and repaired asphalt needs on the government campus – need to try to focus on that area
- Goal last year was to review county policies; some revisions have been made to policies
- Really close to target on expenditures and revenue for this year's fiscal budget
- Goal was to maintain a Fund Balance of 20% which was accomplished
- Hope to not go below 20% this year
- Hope to maintain same or better revenue levels
- Lottery funds will be based on ADM calculations – expected to be around \$500,000 this year
- Public Safety – want to continue to make sure citizens are covered and feel the current Sheriff is doing a good job providing safety for the citizens of Stokes County

County Manager Morris entered the meeting.

Chairman Lankford noted that the Board would continue Goals discussion after discussion regarding the Qualified School Construction Bonds.

## Qualified School Construction Bonds - Roofing

County Manager Rick Morris provided the following additional information regarding the roofs submitted for consideration:

- Emailed Superintendent Ronnie Mendenhall to get the following information from the Board of Education:
  - If only one roof could be repaired, what would it be – North Stokes (A Building)
  - If two roofs could be repaired, what would they be – North Stokes (A Building) and South Stokes (C Building)
  - If three roofs could be repaired, what would they be – North Stokes, South Stokes, and Chestnut Grove
- Will probably allocate the same as last year for capital expenditures – approximately \$1.2 million

The Board discussed the different types of roofs available – tapered and metal roofs.

Director Burge explained why some of the metal roofs are not practical for some of the school; there are several things that must be considered.

Chairman Lankford confirmed with Superintendent Mendenhall that all the roofs listed had had leaked and been repaired.

The Board discussed the schools that still have flat roofs with Director Burge.

Commissioner Jones noted the need to get the type roof that will last for a long time.

Director Burge noted that his philosophy when replacing a roof is to install a metal “A” roof if feasible.

Director Burge noted that 40 year pro rated architectural shingles were placed on the new Popular Springs Elementary School which has received positive comments.

Commissioner Walker requested information regarding the repair history of the top four schools.

Director Burge responded:

- The school system has spent \$15,000 during the past seven months for roof repairs
- Doesn't include damage done to the interior of the schools such as ceiling tiles, computers, carpet, etc.

Commissioner Jones stated that one thing that really bothers her is that the County went into all this debt for new schools and renovations before the roofs were repaired, feels the roofs should have been repaired before going into the debt for new construction.

Commissioner Walker noted that in all fairness to the Board of Education and school administration, they must look at all priorities for maintenance, new construction, and renovations which must be balanced.

Commissioner Walker noted that there has been a shift in the priority list that was previously provided to the Board.

Superintendent Mendenhall responded:

- Priority was changed due to the amount of funding that has been spent on each school and the most that was spent for roof repairs was at North Stokes

Chairman Lankford noted that roofs for North and South Stokes were included in last year's budget request.

Commissioner Walker noted that he wanted to have something from the Board of Education that prioritized the schools that needed roof replacement.

Superintendent Mendenhall noted that the list containing North Stokes, South Stokes, Germanton, and Chestnut Grove as being the four top priorities has been approved by the Board of Education.

The Board discussed the other roofing projects provided by the Board of Education.

Commissioner Walker questioned Manager Morris about how far in the budget process would he need to go to see what funding would be available for the roofing projects.

Manager Morris noted that he would include the roofing projects in the normal budget process.

Manager Morris noted that the county's financial advisor has estimated that if the county allocated QSCB funding for approximately \$1 million, the annual payment would be between

\$68,000 to \$70,000 a year for seventeen years.

Commissioner Walker noted if the County could catch up on the roofing needs, school administration could start a rotation cycle.

Chairman Lankford noted that during his time on the Board of Education, the Board allocated approximately \$300,000 each year for roofs.

Commissioner Walker confirmed with Manager Morris that using the QSCB funding, a large amount of interest would be eliminated.

Commissioner Walker requested the manager provide the Board with payment figures for doing one school-North Stokes; two schools-North and South Stokes; three schools-North and South Stokes and Germanton; all four top school projects – North Stokes, South Stokes, Germanton, and Chestnut Grove.

Commissioner Walker questioned would there be a downside to applying for more than what the County could afford?

Director Burge responded:

- The reason there is funding available now is due to school systems requested the funding last year and were unable to use it
- Do not think there is any penalty in returning unused funding

Commissioner Walker stated that he felt that this was a very good opportunity, but must realize there are limits to what the County can afford with this year's budget.

Commissioner Jones questioned the asbestos abatement listed on the roofing list.

Director Burge noted that the abatement will be done when the roof is replaced.

Commissioner Walker confirmed with Superintendent Mendenhall that the Board of Education is requesting strong consideration for the top four schools ranked equally for roof replacement.

Manager Morris reiterated that Superintendent Mendenhall had questioned the

Board of Education regarding the top priority which is North Stokes.

Manager Morris noted that the Board of Commissioners would need to approve the applications at the next regular meeting in order to meet the deadline.

Commissioner Walker requested the manager to provide the Board with the impact it would impose on the upcoming budget if all four of the top projects were included for funding and requested his personal recommendation.

The Board unanimously agreed to place the item on the March 12<sup>th</sup> Action Agenda.

Chairman Lankford directed the Clerk to place the item on the March 12<sup>th</sup> Agenda.

### **Qualified School Construction Bonds – Lawsonville Elementary School**

County Manager Rick Morris noted the following:

- Eight (8) classrooms have been replaced by six (6) classrooms that will replace all the modular units
- Facility would include some auxiliary space
- Putting more than 6 rooms would entail upgrades to the sewer system which increase the cost of the project dramatically

Director Burge noted:

- Best cost for square footage is the six classrooms – single level

Superintendent Mendenhall noted that the Board of Education had approved the six classroom facility.

Lawsonville Principal Greg Ottaway noted the following:

- Six classrooms with the auxiliary space will take care of the needs at Lawsonville
- Currently have 10 classrooms inside the current facility and five in modular units
- All modular units will be removed except for one which has been requested to be left for storage
- The modular units will most likely come apart when they are moved

Commissioner Jones reiterated the need to have had the roofs repaired before building new schools.

Commissioner Walker noted that in fairness to Chairman Lankford, Vice Chairman Inman, and himself, these requests have not been presented to them.

Vice Chairman Inman confirmed with Superintendent Mendenhall and Director Burge that the six classrooms facility would be sufficient for future growth.

Commissioner Walker noted the need to inform the citizens of plans and make sure the promises are kept.

Commissioner Walker noted the following construction/renovations that had been promised to the citizens of Stokes County:

- New construction and renovation at Nancy Reynolds Elementary School
- New elementary school in Yadkin Township
- New construction and renovation at Southeastern Middle School
- New construction and renovation at Lawsonville Elementary School
- Community College

Superintendent Mendenhall noted that the Board of Education agreed that it was the right time to move on the Lawsonville Project with the possibility of getting the low interest bonds.

Chairman Lankford noted the Lawsonville Renovation Project was already on the March 12<sup>th</sup> Action Agenda.

### **Goals**

Chairman Lankford requested the Clerk provide Commissioner Booth's goals to the Board.

Clerk Bullins provided the Board with the following goals from Commissioner Booth:

- To continue with the school construction/renovations projects that have already been approved
- To continue to keep the tax rate at 60 cents for general county and 4 cents for New Schools/F-Tech Fund

- To provide county employees a COLA if feasible, if not, provide county employees with a bonus if feasible
- To continue to work toward the construction of a community college at the Meadows location with input regarding the architectural design
- To adopt a conservative budget for the 2012-13 fiscal year and prepare for the \$1 million shortfall from revaluation which will start with Fiscal Year 2013-14 budget and continue for the next three which equates to \$4 million over a 4 year period

Chairman Lankford continued with his goals:

- Make available financing for next school priorities
- Provide funding at the 2011-12 level to the schools
- Retain and promote growth in economic development
- Follow and assist present businesses in the county
- Obtain three new businesses that would create at least 25 new jobs and add \$1 million to the tax base
- Create and improve the county's infrastructure by obtaining grants
- Join forces with CenturyLink to make Broadband more available to the remote areas of the county
- Make available technology by providing faster internet, more cost effective telephone system
- Health Care – provide health care through many outlets in the county and promoting the health care facilities in the county along with the Health Department and Home Health
- Continue making a profit in Home Health
- Continue promoting Home Health to outside facilities such as hospitals

Commissioner Jones continued with her goals:

- Continue everything that has been started, would like to see projects wrapped up such as the hospital, sprinkler system for the hospital, etc.
- Would like to look into the possibility of providing mental health services at the hospital
- Would like to look into the various boards to see which ones are effective and possibly disband the ones that aren't effective
- Have been to several meetings with some of the boards and it seems the meetings are just a lot of talking and not a lot getting accomplished
- Don't see the point in providing Board members with stipends when nothing is getting accomplished
- Would like to see the sewer project completed not only for the community college, but to bring economic development to the area
- Continue to encourage education, but must realize there is a limit

Commissioner Walker continued with his goals:

- Concur with most of the goals provided by Commissioner Booth

- Feel the Board members are on similar wave links
- Number one economic development goal is the need for jobs and the question is how do we get them
- Very fortunate to have ED Director Alan Wood in the county
- Like the “Buy Local Campaign” currently being promoted by the EDC
- Continue to hear issues with small businesses who have problems with regulations, would like to see the County become more business friendly and reduce state regulations being placed on new businesses
- Need to make sure that all departments are business friendly
- Senate Bill #433 might give the County some options to change some things
- Want to see a higher spirit of cooperation within the county
- The north/south thing, the division created by the mountain range, old basketball rivalries, etc. still exists within the county
- There is a public correlation between the progress the county makes and how much of that exists
- Feels the community college will help this issue, thinks the early college has helped
- Need for the entire county to come together
- Need for better recreation in the county, encouraged that the Y is looking at providing better recreational opportunities throughout the county
- Need for a public park in the Lawsonville/Sandy Ridge area
- Would even like to see a community center and a pool in that area sometime
- Would be a real plus if the county could help someday to establish a park, community center, pool in that area
- Need to stay in touch with the citizens in the County, feel the Board is doing a fairly good job with that
- Would support a countywide survey to see what is being missed, what is working through the county, what is needed, and how we can help
- Continue with the user friendly approach
- Manager Morris continues to support and promote user friendly within the county departments
- Have had compliments on how user friendly the Tax Department and Register of Deeds are
- Need to look at employee utilization, need job sharing
- Need to look at a possible performance agreement for nonprofits
- Need to make sure there is no duplication of services with the nonprofits
- Interested in a salary compensation plan that includes merit increases
- Longevity alone punishes the good workers
- Law Enforcement seems to be working – no negative comments being reported
- EMS functioning well
- County has been able to support the Health and Social Services Departments
- Need to look at the future needs for mental health, the cost, and how we can best serve those in need of mental health services
- Quality of Life is what makes our county a good place to live – libraries, YMCA, schools, etc.
- Continue to look at ways to reduce waste and save money

- Very fortunate to get some high mileage gas cars which is very fortunate with the high cost of gasoline, hope to continue the trend
- Need to have an assessment of county facilities to make sure they are being used at the highest level
- Community college which is on everyone's list
- Continue to improve the image of the county
- Tourism and lodging – very beautiful county with lots of potential – 600,000 visits to Hanging Rock State Park each
- High speed internet – continuous need and challenge to get service to the unserved areas along with faster service to the underserved areas
- Strategic Plan for the county which might help to unite the county better
- May have other items to add later

County Manager Morris noted the following:

- The Planning Department wrote a large number of permits in February to beat the new requirements for energy savings that took effect March 1<sup>st</sup>
- Director Sudderth has stated that it will increase the cost of a \$100,000 house by \$10,000
- Most of the regulations and requirements that citizens have issues with is controlled in Raleigh, not Stokes County
- Employees must make sure regulations are met in order to retain their own licenses
- This new energy requirement is another sample of regulations passed down from the federal and state government
- Homeowners will have to have their house plans approved and show that these energy requirements will be met before permits are issued
- Had 17 permits in February 2012
- Will increase the inspections for the Planning Department

Commissioner Walker noted that he believed that last February 2011 – there were no permits issued.

Vice Chairman Inman noted the following:

- Feels there has been a lot good goals put on the table
- Definitely concur with the goals submitted by Commissioner Booth
- Goals begin with a balanced budget
- Reiterated that he will not support a tax increase
- Goal is to adopt a budget that has no decrease in services to the citizens of Stokes – County – maintain the same level of services provided in the County with the 60 cent general tax along with the 4 cent tax earmarked for approved school construction/renovation projects and the new stand alone community college
- Complete the approved school projects along with the community college
- See it the same as Commissioner Walker – the community college is an essential element for economic development

- Need a well trained workforce
- Need to have a strategy for each goal, goals can be written on a piece of paper every day, but you must a strategy to accomplish these goals
- Need a strategy to bring economic development to Stokes County
- The new community college is a strategy
- The community college will only be an anchor store in that area with possibly other things developing around it and enhancing economic development in all parts of the county
- County has a tremendous dependency on the ad valorem tax rate which means the average taxpayer is paying a huge portion of the county bill
- Good strategy on the part of the Board of Commissioners to develop the Economic Development Commission which has a 4 prong strategy plan – Business Expansion/Retention, Business/Industry Recruitment, Entrepreneurship, Tourism
- Need to have an environment that makes businesses want to come to Stokes County
- If we don't have that type of environment, need strategies to help cultivate the environment and make it more business friendly
- There is one question that needs to be answered: Does Stokes County have an environment that makes businesses want to come to Stokes County?
- Tourism is going well in Stokes County
- Have a State Park that attracts 600,000+ visitors to this county
- County has to make sure that visitors have something to do in the County – not come to visit the Park and leave without spending any money
- Feels the County does have some strategies already in place such as the purchasing of the old Art Market and the potential renovation of the building
- Feels a visitor center in the middle of Danbury could provide information as to where visitors can go to spend money
- Got to get broadband to the underserved and unserved areas in order for those who want to create entrepreneurial activities in their home
- Need a strategy to work with CenturyLink to expand services in Stokes County
- Reiterated the need to try to provide a COLA or bonus to the dedicated county employees
- Maintaining a conservative budget while keeping the Fund Balance as high as possible
- Could be possible to have to dip into the Fund Balance this year to balance the budget
- Directed the county manager to make sure that every goal that is adopted by the BOCC has a strategy to make the sure that goal can be accomplished

Commissioner Walker commended:

- Excellent observation presented by Vice Chairman Inman
- Appreciated his comments
- Someone wanting to locate a business in Stokes County always looks at schools, libraries, parks, recreational opportunities, Quality of Life, etc.
- Need to make sure we have those types of things readily available if at all possible

Chairman Lankford noted:

- When elected Commissioner, took an oath to serve 47,000+ citizens in Stokes County and that is why I disagree with Commissioner Walker regarding the division in the County
- Feel that this County is not divided
- This County has individuals that think their own way; there is nothing wrong with that
- If I needed help from any part of the county, all I would need to do is ask
- Sports do create competition which is normal
- Feels if there is a need in one part of the County, there is always someone in another part of the county that is willing to help

Manager Morris noted that he wanted to capture some goals on the humane treatment of animals at the next session.

### **Goals**

The Board discussed another meeting.

The Board unanimously agreed to schedule another Goals Session on Wednesday, March 28<sup>th</sup> at 10:00 am if agreeable with Commissioner Booth. The Board unanimously agreed to schedule the Goals Session on Tuesday, March 27<sup>th</sup> at 10:00 am if the 28<sup>th</sup> is not workable.

The Board agreed to try to wrap up the goals at the March 28<sup>th</sup> meeting.

Commissioner Walker requested a review be given regarding the progress made with last year's goals.

### **Adjournment**

There being no further business to come before the Board, Chairman Lankford entertained a motion to adjourn the goals session.

Vice Chairman Inman moved to adjourn the goals session. Commissioner Jones seconded and the motion carried (4-0) with Commissioner Booth absent.

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

March 8, 2012

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**Ernest Lankford**  
**Chairman**

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