

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
MARCH 12, 2012

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, March 12, 2012 at 1:30 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:
County Manager Richard D. Morris
Clerk to the Board Darlene Bullins
Finance Director Julia Edwards
Tax Administrator Jake Oakley
County Attorney Edward Powell
DSS Director Kristy Preston
Health Director Scott Lenhart

Chairman Ernest Lankford called the meeting to order.

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

- Open thy mouth, judge righteously, and plead the cause of the poor and needy

Chairman Lankford 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 March 12, 2012 Agenda.

Commissioner Jones moved to approve the March 12th Agenda as submitted.

Vice Chairman Inman seconded and the motion carried unanimously.

PUBLIC COMMENTS

The following spoke during Public Comments:

Mayor Jack Warren

141 Elinor Court

King, NC 27021

Re: **King Police Department and Stokes County**

Mayor Warren expressed the following comments regarding the King Police Department and the County:

- Appreciate being allowed to speak at today's meeting
- Greatest concern is that both the King City Council and the Board of Commissioners are getting ready to enter a very busy budget time
- Expressed deepest apology for even asking, but would like the Board of Commissioners to consider moving this item to today's Action Agenda
- City of King needs an answer, as well as, the Board of Commissioners
- Might have gone about this issue in the wrong way
- There was not enough information given to the Board of Commissioners
- Could not give the County figures, when the City Council had not met to decide what they really wanted
- Requesting the County provide figures or tell the Council whether the County can or cannot do this
- Speaking as the mayor and a citizen, would like to have seen the Council handle the issue during their budget sessions, given the opportunity to try to work it out; if not, then come to the County and ask for help
- If this had been a smooth transition, the County could have then decided whether it could have worked or not
- Maybe it was a little unfair to the County the way it was thrown in the County's lap
- I am sure the County is wondering how this happened, I am not blaming anyone
- I am the mayor, it is my ship and it falls on my shoulders
- Will take the blame, it did not happen the way it should have happened
- Reiterated the request for the Board to consider the item on today's Action Agenda would be greatly appreciated
- If the County says yes, the City will work with the County
- If the County says no, the City will understand and will continue to work with the County with everyone doing their job

Mr. Bill Davis
1075 Beatrice Drive
King, NC 27021
Re: **King Police Department**

Mr. Davis expressed the following comments regarding the King Police Department:

- Appreciate the time to speak
- Would like to share some of my common sense thoughts for law enforcement throughout the County
- Have a King address but don't live in the city limits
- Everyone is aware that criminals are out there, casing the joint, looking to break in somewhere and taking things that don't belong to him or just doing damage to someone else's property
- The more law enforcement is throughout the County, the more they are likely to spot a suspicious character and follow up on it
- With more law enforcement out there, criminals might deter from committing a crime
- If a crime is committed, the closer the officer is to the crime, the more likely they are able to stop some of the damage, keep someone from getting hurt, keep something from being stolen, or possibly catch the criminal
- Therefore, it makes no sense to reduce the amount of law enforcement throughout the County
- Please think about this, criminals are always out there ready to take something that does not belong to them

Mr. Steven Hewett
141 Willowbend Drive
King, NC 27021
Re: **King/County Police**

Mr. Hewett expressed the following comments regarding the King Police Department and the County:

- Appreciate the Board allowing the time to speak
- Appreciate the Mayor of King being here today representing the City and his position
- Agree with the Mayor that this item should be tabled for a while instead of taking a vote on it today
- Feel it should be looked into quite a bit more in order to understand all the ramifications of all the different angles
- A rational decision needs to be made, not an emotional one
- Would like to point out a few things
 - With the budgetary constraints that have already been estimated by the County for the next fiscal year in the amount of \$800,000 to \$1,000,000 in

lost revenues, how does the county feel it could absorb the King Police Department's budget of approximately \$1.5 million?

- There will be some type of fee associated for keeping 3-5 deputies for each shift located within the city limits to answer calls, but can the County absorb the run over that would be associated with such a move?
 - Three to five deputies equates to 20 full time deputies to cover all the rotating shifts
 - Currently, the city has put on hold \$60,000 worth of new patrol cars
 - Believe that if the County takes over the police department, the city would not have to fund the cost, leaving it up to the County to absorb that cost
 - Would the rest of the County like their taxes increased to support law enforcement for the City of King?
 - Will Walnut Cove follow suit?
 - Who will deputies report to: Sheriff, City Manager, or City Council?
 - What are the duties of the current county deputies versus the duties of the city police officers?
 - The Sheriff's Department does not have a traffic division; they do not run radar and do not enforce moving violations unless directly in front of them
 - The Sheriff's Department does not work DUIs; they turn them over to the Highway Patrol
 - What will happen to the current police officers of the city, will they be grandfathered into the Sheriff's Department, will officers retain their current rank?
- Prefer the Police Department remain in the hands of the City
 - But if it is financially unable to, will the County be willing to take on the extra expenses and the needs of the citizens of King?
 - In closing, we need leadership that has to make a tough decision concerning these matters and believe the County Council can do just that
 - However, there are those who are running for Council that are in this room that have checkered military and criminal pasts and this individual is a candidate for council that I would not support
 - Leadership starts with character, to be a leader you have to start with it
 - Believe this Council does have character and leadership and do believe they will make the correct decisions for the entire county and not just for the citizens of King

CONSENT AGENDA

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

Consent Agenda:

Minutes

- Minutes of February 23, 2012
- Minutes of February 27, 2012
- Minutes of February 29, 2012

Commissioner Walker questioned the following wordage on page 5 of the February 23rd minutes: Hobbs and Upchurch's estimate of \$4.383 million for Comparing Routes* (Material drawn from previous Hobbs and Upchurch Work)

Clerk Darlene Bullins noted that this information was copied directly from the presentation Director Charles Anderson, Pilot View RC&D presented to the BOCC at the special meeting.

Commissioner Walker stated that he felt it should be comparable routes.

There was no change made to the minutes due to this being directly copied from Director Anderson's power point presentation.

Commissioner Walker questioned if additional wordage about the Clean Water Grant should be added to the following sentence on page 16 of the February 23rd minutes: County would be responsible to pay Pilot View (not to exceed) \$373,113 for Phase I. Commissioner Walker noted that Director Anderson had mentioned the Clean Water Grant on page 8 of the February 23rd minutes.

Clerk Bullins noted that Director Anderson did not include anything about the Clean Water Grant in his response at that particular time of the meeting.

Manager Morris noted that Director Anderson would be at the meeting later today and could be questioned for clarification if so desired by the Board.

There were no changes made to the minutes.

Danbury Water Fund - 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
	Danbury Water Fund			
502.7140.350	Maint. & Repair-Equipment	<u>\$6,000.00</u>	<u>\$2,700.00</u>	<u>\$8,700.00</u>
	Totals	\$6,000.00	\$2,700.00	\$8,700.00

This budget amendment is justified as follows:
To appropriate funds from a grant to close wells.

This will result in a net increase of \$2,700.00 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
502.3839.000	Miscellaneous Revenue	<u>\$00.00</u>	<u>\$2,700.00</u>	<u>\$2,700.00</u>
	Totals	\$00.00	\$2,700.00	\$2,700.00

Fire Marshal - 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
	Fire Marshal			
100.4340.081	On Call	\$00.00	\$1,400.00	\$1,400.00
	Contingency			
100.9910.000	Contingency	<u>\$128,730.00</u>	<u>\$(1,400.00)</u>	<u>\$127,330.00</u>
	Totals	\$128,730.00	\$00.00	\$128,730.00

This budget amendment is justified as follows:
To transfer funds for on call pay due to employee on family medical leave.

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

Social Services - 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
	Social Services			
100.5310.315	Medicaid Transportation	<u>\$450,000.00</u>	<u>\$130,000.00</u>	<u>\$580,000.00</u>
	Totals	\$450,000.00	\$130,000.00	\$580,000.00

This budget amendment is justified as follows:

To appropriate additional Medicaid Transportation Funding which is 100% federal and state funding.

This will result in a net increase of \$130,000.00 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	Social Services-Federal	\$2,244,653.00	\$84,500.00	\$2,329,153.00
100.3301.203	Social Services-State	<u>\$308,751.00</u>	<u>\$45,500.00</u>	<u>\$354,251.00</u>
	Totals	\$2,553,404.00	\$130,000.00	\$2,683,404.00

YVEDDI/DOT - Budget Amendment #81

Finance Director Julia Edwards submitted Budget Amendment #81.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Special Appropriations			
100.4520.490	YVEDDI	\$155,811.00	\$11,000.00	\$166,811.00
	Social Services			
100.5310.316	DOT-WorkFirst -Travel	<u>\$20,366.00</u>	<u>\$(11,000.00)</u>	<u>\$9,366.00</u>
	Totals	\$176,177.00	\$00.00	\$176,177.00

This budget amendment is justified as follows:

To transfer funds from Social Services NCDOT Transportation Funds to YVEDDI for transportation programs in Stokes County. These are state funds and can be transferred between programs.

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.

Sheriff's Department - Budget Amendment #82

Finance Director Julia Edwards submitted Budget Amendment #82.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Sheriff's Department			
100.4320.590	Improvements	\$00.00	\$12,556.00	\$12,556.00
	Totals	\$00.00	\$12,556.00	\$12,556.00

This budget amendment is justified as follows:

To appropriate SCAAP and State Fines & Forfeiture Funds to install a covered walkway and privacy fence between the Jail and the Government Center.

This will result in a net increase of \$12,556.00 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
100.3301.418	SCAAP	\$00.00	\$9,196.00	\$9,196.00
100.3301.413	State Fines & Forfeitures	\$20,361.00	\$3,360.00	\$23,721.00
	Totals	\$20,361.00	\$12,556.00	\$32,917.00

Stokes Reynolds Memorial Hospital Fund - Budget Amendment #83

Finance Director Julia Edwards submitted Budget Amendment #83.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	General Fund			
	Transfer to Stokes Reynolds			
100.9820.984	Hospital Fund	\$300,000.00	\$371,676.00	\$671,676.00
	Totals	\$300,000.00	\$371,676.00	\$671,676.00

Stokes Rey. Hospital Fund				
500.5700.003	SRMH, Inc – Expenditures	<u>\$100,000.00</u>	<u>\$371,676.00</u>	<u>\$471,676.00</u>
	Totals	\$100,000.00	\$371,676.00	\$471,676.00

This budget amendment is justified as follows:

To transfer funds from General Fund for Medicaid Cost Settlement Report for Stokes Reynolds Memorial Hospital, Inc.

This will result in a net increase of \$371,676.00 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
General Fund				
100.3327.100	State Funds – Hold Harmless	<u>\$00.00</u>	<u>\$371,676.00</u>	<u>\$371,676.00</u>
	Totals	\$00.00	\$371,676.00	\$371,676.00
Stokes Rey. Hospital Fund				
500.3981.000	Transfer from General Fund	<u>\$300,000.00</u>	<u>\$371,676.00</u>	<u>\$671,676.00</u>
	Totals	\$300,000.00	\$371,676.00	\$671,676.00

Proposed Resolution – Farmer's Appreciation Day

Clerk Darlene Bullins presented the following proposed Resolution proclaiming

Farmer Appreciation Day in Stokes County for the Board's approval:

RESOLUTION PROCLAIMING FARMER APPRECIATION DAY IN STOKES COUNTY

Whereas, the County of Stokes, the Stokes Soil & Water Conservation District, the Cooperative Extension, Farm Service Agency, the Natural Resources Conservation Service and the NC Forest Service desire to sponsor the Farmer Appreciation Day to recognize the contributions of our farmers to Stokes County; and

Whereas, the Board of Commissioners recognizes that the county's farmers contribute greatly to Stokes County's economic base; and

Whereas, the Board believes that all county citizens benefit from farming activities in some manner; and

Whereas, the Board agrees that a Farmer Appreciation Day would show our county's support for the existing farming community and honor past activities that have contributed so much to the culture and heritage of Stokes County; and

Whereas, the Board recognizes and supports a BBQ and Chicken Dinner along with live entertainment that will be held at North Stokes High School with all Stokes County citizens invited.

NOW THEREFORE BE IT RESOLVED, THAT

The Stokes County Board of Commissioners hereby proclaims April 13, 2012 as **Farmer Appreciation Day** in Stokes County and extends its appreciation and gratitude to the county's farmers for their many contributions to Stokes County.

Adopted by the Stokes County Board of Commissioners this **12th day March, 2012.**

Chairman Ernest Lankford

Vice Chairman J. Leon Inman

Commissioner Jimmy Walker

Commissioner Ronda Jones

Commissioner James D. Booth

Attest:

Darlene M. Bullins
Clerk to the Board

Commissioner Jones moved to approve the Consent Agenda as submitted. Commissioner Booth seconded and the motion carried unanimously.

GENERAL GOVERNMENT – GOVERNING BODY – INFORMATION AGENDA

Comments – Board of Commissioners

Chairman Lankford opened the floor for comments from the Board of Commissioners and County Manager:

County Manager Rick Morris noted the following:

- Grand Opening – Sheetz in King – March 15, 2012
 - Established in 1952 in Altoona, PA
 - One of America's fastest growing family owned and operated convenience restaurant chains
 - Vice President Travis Sheetz will be at the grand opening
 - Company has more than \$5 Billion in annual revenue with more than 14,500 employees
 - Very positive addition to the County and the City of King
 - Invite everyone to attend the grand opening
 - Gift cards will be given to the first 50 in line
- Received \$7,500 from the State's White Goods Fund for the recent purchase of a loader for the Landfill – reducing county cost

Commissioner Booth noted the following:

- Read the Farmer Appreciation Day Resolution which was adopted today in the Board's Consent Agenda
- Farmer Appreciation Day is scheduled for Friday, April 13, 2012 – North Stokes High School
- Recently in a meeting with N.C. Agriculture Commissioner Steve Troxler this past week and he stated that agriculture accounts for \$70 billion in North Carolina
- Reiterated that Farmer Appreciation Day shows the county's support for the existing farming community and honors the past activities that have contributed to the culture and heritage of Stokes County along with a contribution to Stokes County's economic base
- All citizens are invited
- There is no cost for the event to the County, businesses in the County have sponsored the entire event for the past 11 years

Commissioner Walker noted the following:

- Appreciate Commissioner Booth reading the Farmer Appreciation Day Resolution
- Reiterated the contributions made by the farming community to the culture and heritage of Stokes County
- Very positive and well attended event
- Very enjoyable event with good food

Chairman Lankford noted the following:

- Looking forward to the new business in King – Sheetz – will bring a very attractive business to the area
- County appreciates any new business
- Great addition to the business community

Vice Chairman Inman noted the following:

- Ditto the comments from fellow Commissioners

Commissioner Jones noted the following:

- Stokes Future Inc. which has recently been formed to help feed the hungry will have a booth at the Farmer Appreciation Day event
- Invite everyone to stop by the booth for more information
- Appreciate those taking the time to attend today's meeting

Stokes County Community Child Protection Team -2011 Annual Report

DSS Director Kristy Preston presented the 2011 Annual Stokes County Community Child Protection Team Report. Director Preston noted the following:

- Per GS 7B-1409, the CCPT must review:
 - Selected active cases in which children are being served by Child Protective Services

- Cases in which a child died as a result of suspected abuse or neglect, and
 - (1) A report or abuse or neglect has been made about the child or the child's family to the County Department of Social Services within the previous 12 months or (2) the child or the child's family was a recipient of Child Protective Services within the previous 12 months
- CCPT met five times in 2011, Commissioner Jones is the appointed Commissioner for the CCPT
- Six specific cases were reviewed during the year
- CCPT had good suggestions for the caseworkers
- Following system deficiencies were noted:
 - Lack of transportation for families to access needed resources
 - Lack of local mental health treatment options for families experiencing a need
 - Lack of legal resources to assist kinship providers in pursuing legal custody of children
- Community Child Protection Team and Child Fatality Prevention Team merged in November 2011, first meeting was held in January 2012
- In 2011:
 - 414 reports of child abuse or neglect were investigated by the Stokes County Department of Social Services
 - 861 children were involved
 - Population (according to the most recent census data) under age 18 in Stokes County is 10,523, which means that approximately 8% of the children in the county have been investigated (consistent with recent years)
 - The number of children involved represents a duplicated count, which means that the same children have been reported more than one time
 - Of these cases reported, approximately 19% were substantiated for abuse, neglect, or dependency or found to be in need of services
- Team Recommendations:
 - Board of County Commissioners continues to support efforts by service providers to make resources such as transportation, mental health treatment and legal services available to Stokes County citizens
- CCPT remains focused on the task of identifying system deficiencies in Stokes County as they relate to child abuse and neglect
- Goal is to make Stokes County a safer place for all our children and families
- 2012 Stokes County Community Child Protection and Child Fatality Prevention Team:
 - DSS Director Kristy Preston – Co-Chair
 - Health Director Scott Lenhart – Co-Chair
 - Social Work Supervisor Marsha Marshall
 - Detective Kelly Crain
 - Sheriff Mike Marshall
 - District Attorney Tom Langan
 - Jeannie Easter/Bridgett Stowe - YVEDDI
 - Todd Martin – Stokes County Schools
 - Patricia Hairston – Social Services Board

- Linda Hicks – Social Services Board
- Ed Eklund or Victor Armstrong, CenterPoint Human Services
- Jaime Kehoe – Guardian ad Litem Coordinator
- Dr. Sam Newsome
- Greg Collins – Stokes EMS
- Judge Spencer Key
- Commissioner Ronda Jones
- Commissioner Jimmy Walker
- Martina Tunat – Health Department
- Rusty Slate – Department of Juvenile Justice
- Clyde Stewart – Stokes Friends of Youth
- Melissa Hiatt – Stokes SCAN
- Pam Hooker – Community Representative
- Sheila Bowen – Community Representative
- Wanda East – Team Coordinator

Chairman Lankford expressed the Board's appreciation for the CCPT Annual Report.

Commissioner Walker questioned if there had been any progress made on the deficiencies noted by the CCPT.

Director Preston responded:

- There are some members of the CCPT that have knowledge in some of the areas mentioned
- CCPT has started brainstorming to try to find ways to try to meet the needs of the citizens
- Social Workers try, if possible, to connect families with providers

Commissioner Walker suggested that if opportunities are identified, recommendations should be made to the Board of Commissioners to possibly improve some of the deficiencies.

Director Preston reiterated the CCPT recommends that the Board of Commissioners continues to support the efforts by service providers to make resources such as transportation, mental health treatment, and legal services available to Stokes County citizens.

Vice Chairman Inman confirmed with Director Preston that this year's numbers remain consistent with past years and that approximately 20% of the cases were substantiated for abuse, neglect or dependency or found to be in need of services.

Director Preston noted that the agency had changed its service model which has made the

percent drop from 40% to 20%; but reiterated that services were being provided and feels that this model is working more efficiently.

Commissioner Booth expressed appreciation for the combining of the two teams and agreed that this would be more efficient.

Stokes County Child Fatality Prevention Team – 2011 Annual Report

Health Director Scott Lenhart presented the 2011 Annual Child Fatality Prevention Report.

Director Lenhart noted the following:

- CFPT reviews child death cases
- In calendar year 2011:
 - Team reviewed five fatalities
 - Causes of death
 - Infantile Cerebral Palsy, unspecified
 - Karyotype 47
 - Extreme Immaturity
 - Other Preterm Infants
 - Hypoplastic left heart syndrome
- CFPT continues to collaborate with local agencies to increase awareness of the Child Fatality Team as a team that seeks interventions and ways to prevent child deaths
- For example, with the premature infants, efforts are made to see if the mother attended prenatal visits, received vitamins, smoked during pregnancy, etc.
- Agrees with Director Preston that the combining of the two teams will definitely be more efficient.

Chairman Lankford expressed the Board's appreciation for the CFPT Annual Report.

GENERAL GOVERNMENT – GOVERNING BODY – DISCUSSION AGENDA

Discussion- Stokes County Sheriff's Department Providing Law Enforcement Services to the City of King

County Manager Rick Morris presented the following information for Board discussion:

Background

- King City Council has announced publically that they are reviewing their police department and the council's options for providing law enforcement to the residents of King.
 - The cost of operating the police department is the key matter under review based on feedback from the city manager.

- A public hearing has been scheduled by the council for 13 March 2012 to receive public feedback on the police department.
 - One option under consideration by the council is to abolish the King Police Dept. and contract with the Stokes County Sheriff's Department for the city's law enforcement.
- The King City Council has requested that the Stokes County Board of Commissioners (BOCC) take under consideration the City of King contracting with the Sheriff's Department for law enforcement in King.
 - The Mayor of King, at the request of the City Council has specifically requested a meeting between the King City Council and the Stokes County BOCC, if the BOCC is interested in pursuing this matter further.
- As a result of the request from the Mayor, the BOCC has included this topic for discussion on their 12 March 2012 meeting agenda.
- At the request of the BOCC, the County Manager, in consultation with the Sheriff, has prepared a cost estimate to be paid by the City of King to Stokes County for contracting with the Sheriff / County to provide law enforcement to the City of King.

Cost Estimate – Supporting Data

- Estimate is a conservative cost estimate that assumes “unknowns” will occur
- Estimate does not address law enforcement for King residents who live in Forsyth County (City of King would have to make arrangements with the Forsyth County Sheriff) (Sheriffs do not cross county lines)
- Estimate is for 23 total personnel
 - 16 patrol officers
 - 3 detectives
 - 2 Sheriff's Office administrative staff
 - 2 additional county staff (one mechanic & one IT person)
 - Estimate aligns salaries of additional personnel with county salary scale & benefits
- Estimate assumes the county will provide maintenance for additional law enforcement vehicles internally at the county garage to remain consistent with maintenance procedures of the current fleet of county vehicles.
 - This assumption requires a minimum of one additional garage bay to provide adequate space for maintaining additional vehicles.
 - Have done some preliminary work and there may be room for one bay at the existing facility
- Basis for county overhead estimate is addition of two personnel (IT person & vehicle mechanic) plus indirect support to additional personnel by the five county departments listed below: (Both IT and Vehicle Maintenance are at capacity serving the current county departments)
 - (Indirect Costs: Finance, Administration, Purchasing, Information Systems, County Garage)

Cost Estimate – Done in consultation with Sheriff Mike Marshall

• Salaries & Wages	\$645,547.00
• Salaries & Wages-Part Time	\$35,000.00
• FICA	\$42,194.00

• Medicare Tax	\$9,868.00
• Retirement	\$47,911.00
• 401K 1%	\$562.00
• 401K 5%	\$29,481.00
• Group Insurance	\$94,291.00
• Dental Insurance	\$7,311.00
• Workers' Comp	\$25,000.00
• Training	\$2,000.00
• Uniforms	\$10,000.00
• Automotive Supplies	\$50,000.00
• Maint. & Repairs Equipment	\$7,000.00
• Maint. & Repairs Auto	\$40,000.00
• Telephone	\$5,000.00
• Postage	\$1,000.00
• Printing	\$1,000.00
• Rental of Equipment	\$2,000.00
• Dues & Subscriptions	\$1,000.00
• Departmental Supplies	\$10,000.00
• Equipment	\$90,000.00
• Equipment Non Capitalized	\$10,000.00
• Drug Operations	\$8,000.00
• Car Insurance	\$11,000.00
• Garage Addition	\$100,000.00
• County Indirect / Overhead Cost	\$142,567.00
• Contingency / Risk Funds	<u>\$145,000.00</u>
Total Estimated Contract Cost	\$1,572,732.00

Manager Morris reiterated the following cost estimates:

- Garage Addition - \$100,000 – a onetime cost if County provided maintenance to vehicles – understands that King currently contracts these services
- County Indirect/Overhead Cost - \$142,567 – allocation for additional employees
- Contingency/Risk Funds - \$145,000 – to address unknowns that may appear
- Rough Order of Magnitude Cost Estimate = \$1,572,732 for providing a comparable level of service to the City of King

Summary/Conclusion

- County cost estimate is a conservative one
- Other than the County's cost estimate, no other information has been compiled by the County due to the preliminary nature of this matter.
- If the Stokes County BOCC is interested in pursuing this matter further, the Board will need to come to a decision on the next step.

Chairman Lankford opened the floor for discussion.

Vice Chairman Inman noted:

- Confirmed that Manager Morris estimated the need for 23 total personnel
- Would like to know what is the total number of personnel currently working for the King City Police Department
- Confirmed that the salary figures used in the estimate are consistent with the county's salary schedule which is not consistent with the City's salary schedule
- Understands there is a significant decrease in the County's salary schedule as compared to the City's salary schedule which could contribute to a savings, if there is any savings

Manager Morris noted that he did not know the total personnel, but would be glad to get a complete breakdown of staff.

Commissioner Jones noted:

- There are approximately 680 citizens who live in Forsyth County that would not be served by the County
- There has not been any proposal as to what will happen to their part of the taxes currently being paid for law enforcement
- Would like to know more about this issue
- There has been mention of a public meeting that will be taking place on March 13th, feel that no decision should be made by this Board until after the public meeting

Commissioner Booth noted:

- Agree with the comments made by fellow commissioners
- Need to hear what the citizens of King want, agree no decision should be made until after the public meeting on March 13th
- Have lots of questions that need to be answered
- Feel this is a budgetary issue

Commissioner Walker noted:

- Confirmed with Mayor Warren that the Public Meeting has been rescheduled to March 19th due to a facility conflict
- Lots of questions have been brought out today
- Would like to know how many officers are performing patrol duties
- Would like to know if Sheriff's deputies would do traffic investigations
- Want to see something work out that makes sense, that will work, is in the best interest of the citizens of King and Stokes County along with those in Forsyth County
- Need to take time to gather the necessary information to make the right decision
- Very complex, serious, and involved situation
- Need to fit the pieces together to have an end results that makes sense
- Don't know the answer at this particular time
- Interested in getting more information

- Feel the answer is out there if both Boards work together to figure out what the best solution would be
- Appreciate the input given at today's meeting
- Appreciate those attending today's meeting
- Very interested in finding out where the people of King are at regarding this issue
- Feel the public hearing on the 19th will be the first start

Chairman Lankford noted the following:

- When the issue became public, started doing a personal assessment of the issue
- First thing noted was that the King Police Department has been in existence for over 29 years and that tells me that something has been working right for the citizens of King
- Having a police department for 29 years gives stability and something for the citizens of King to be proud of
- Provides a safety net for the residents of King to have a quick response within the 2 mile+ area
- Sheriff is elected for the entire County
- When I took the sworn oath to represent the entire county (47,000+ citizens), I feel I have to look at whole entire county
- Need to study how this issue would affect the entire county
- Appears the County Manager has put together a realistic budget with the budget information provided by the City Manager
- Agree more information is definitely needed

Vice Chairman Inman confirmed that the estimated budget did not include any consideration for the upcoming E911 mandatory conversion. Manager Morris noted the County will be purchasing the equipment for the City of King and Town of Walnut Cove, with both municipalities paying the County for their equipment. Manager Morris noted that his understanding was that the funding was included in this year's city budget (approximately \$200,000).

Vice Chairman Inman requested a copy of the King Police Department's current budget to see if there is any cost savings

Commissioner Booth expressed appreciation to Manager Morris for the briefing.

Manager Morris noted he would follow up on the Board's questions and to email him any other questions or requests.

Commissioner Walker stated that he felt there had been some progress made today.

Chairman Lankford stated that he agreed with the Mayor of King that both Boards are getting ready to enter an extremely busy budget time and the item does need to be put to rest.

Chairman Lankford requested consensus from the Board to place the item on the March 26th Action Agenda and that action will take place if at all possible.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the March 26th Action Agenda.

County Manager Morris reiterated that this is a cost estimate for the first year and that budget always change.

Tax Administration Report – February 2012

Administrator Jake Oakley presented the following informational data for the February report:

Fiscal Year 2011-12	Budget Amt	Collected Amt	Over Budget	Under Budget
County Regular & Motor Vehicles	\$(20,825,493.00)	\$19,501,820.48		\$1,323,672.52
New Schools F-Tech Fund	\$479,154.00	\$1,262,092.38	\$782,938.38	
Prior Taxes 1993-2010 Tax Years County Regular & Motor Vehicles	\$600,000.00	\$560,462.95		\$39,537.05

EMS Collections

Total Collected (02-01-12/02-29-12)	\$41,988.79
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Total Collected (07-01-11/06-30-12)	\$121,073.30
Delinquent accounts received from EMS - none	

Personal Property Discovery Report Audit Dates	# of Accts	Total Value	Taxes Due
02-01-12/02-29-12	31	\$215,371.00	\$2,129.74
07-01-11/06-30-12	349	\$3,023,679.00	\$27,219.09

March 12, 2012

Business Personal Property Discovery

Report	# of	Total	Taxes
Audit Dates	Accts	Value	Due
02-01-12/02-29-12	0	\$00.00	\$00.00
07-01-11/06-30-12	7	\$117,192.00	\$1,323.42

Motor Vehicle Release

Report	Accounts	Total Value
Audit Dates		
02-01-12/02-29-12	37	\$753.83

Motor Vehicle Refund

Report	Accounts	Total Value
Audit Dates		
02-01-12/02-29-12	6	\$105.01
Number billed for February 2012	3455	

Garnishment Totals

Month	Total Accounts	Original Levy Amt	Collected Amt
02-01-12/02-29-12	173	\$35,645.58	\$37,694.74
F/Year 2011-12			
(7-1-11/6-30-12)	1257	\$341,137.65	\$268,996.74

Interstate Collection Report

	Collection	Total Collected
Total Collected for February 2012		
Cumulative Total Collected	NC Debt Setoff	\$102,620.57
Cumulative Total Collected (to date)	Motor Vehicles	\$76,186.81
Cumulative Total Collected (to date)	Property Taxes	\$18,046.74
Cumulative Total Collected (to date)	EMS	<u>\$93,702.17</u>
Cumulative Total Collected (to date)	All Categories	\$187,935.72

Tax Administrator Jake Oakley presented the following Real and Personal Property Releases (February 2012) which are less than \$100 for the Board's review:

Releases (Real and Personal Property)**Less than \$100—February 2012—Per NCGS 105-381 (b)**

H&R Block, Inc	11A155909040.09	\$1.90
Savannah Abbott	11A155909352.04	<u>\$35.15</u>
Total Amount		\$37.05

Tax Administrator Jake Oakley presented the following Present-Use Value Late Applications for the Board's consideration:

Taxpayer	Parcels	Acreage	Reason
Andrew J. Miller	602000112718	2	Parcels have been in agricultural production for many years
Ellen Phipps	602000000895	15.87	
	602000006870	25.46	
	602000102942	13.18	
	602000118686	13.68	
	602000124089	10.39	
	602000223321	1.25	
Kenneth W. Lawson	600100097498	43.51	Parcel has been in agricultural production for many years
Leonard R. Gammons	508100603450	50.5	Parcel has been in agricultural production for many years
Gary Bullins Nancy Bullins	603000961292	14.6	Cattle Farm which has been owned by current owners since 1994
Mary C. Martin	597203325185	63	Land has been under a Forestry management plan since 2009
Mike Taylor	691203027189	29	Agricultural/Forestry Land - inherited by current owners and has been owned by the family for many years
David Taylor	690204914882	24.89	
Donna Beck	691203342564	27	
	691201468304	5.26	
	691202664537	57	

Tax Administrator Oakley requests the following be placed on the March 26th Consent Agenda:

- Present Use Value Late Applications

Chairman Lankford, with consensus of the Board, directed the Clerk to place the Present Use Value Late Applications on the March 26th Consent Agenda.

Health Department – Public Health Nurse II – External Posting

County Manager Rick Morris presented the following request from Health Director Scott Lenhart:

- Request permission to post the Child Health Coordinator (PHNII) externally

- There have been no qualified internal applicants for the past PHNs positions that were posted
- There has only been one application received with the last PHN position posted externally
- Position approved in the current budget

Chairman Lankford, with consensus of the Board, directed the Clerk to place the item on the March 26th Consent Agenda.

Medicare Overpayment for Stokes Reynolds Memorial Hospital, Inc

County Manager Rick Morris presented the following information regarding the Medicare overpayment for Stokes Reynolds Memorial Hospital:

- Stokes Reynolds recently completed the last 13 month cost report which resulted in two overpayments
 - Medicaid - \$371,676 – Budget Amendment #83 (approved in today's Consent Agenda) allocates the funding to repay this overpayment
 - Medicare \$801,590 - \$20,000 has already been paid toward this overpayment
- County has made a request to Medicare for payment arrangements for the next four years with an interest rate of 10% (County is not guaranteed the request for payment arrangements will be approved by Medicare)
- If the County continues to pay \$20,000 monthly payments for the next four years, County would incur \$7,000 for each \$20,000 payment (approximately \$200,000 in interest payments)
- County can pay the entire amount by March 20th and avoid all interest payments
- Recommend the County use unallocated Hold Harmless Funding (F/Y 2011-12) to refund the entire amount to Medicare
- If consensus of the Board is to pay the entire amount, request the item be moved to today's Action Agenda in order to pay Medicare by March 20th

Chairman Lankford opened the floor for discussion.

Commissioner Walker noted:

- Based on information from the Hospital Board of Trustees' meeting, there is no disputing these overpayments
- Is a very good thing that the County will be getting Hold Harmless this upcoming year
- Confirmed with Manager Morris there is no other choice, overpayments must be repaid

County Manager Morris reiterated that the recommendation will be allocating the repayment from the current year's Hold Harmless, not fiscal year 2012-13.

Chairman Lankford noted:

- Reiterated that the overpayments are based on the 13 month independent audit
- Want the citizens to know that during the time the County operated Stokes Reynolds Memorial Hospital, the funds were being paid from Medicare to Stokes Reynolds and funds were not having to be paid by tax dollars to fund the hospital
- Overpayment must be paid back to Medicaid and Medicare
- Not caused any by error, Medicaid and Medicare were billed and both overpaid Stokes Reynolds Memorial

Vice Chairman Inman confirmed with Finance Director that the funding is in the Fund Balance and feels the County should pay the entire amount to avoid paying interest which is wasting tax payers' dollars.

Commissioner Jones noted:

- Must be paid, only ethical thing to do
- No sense in wasting tax payers' money to pay interest

Commissioner Booth noted:

- County contracted in 2010 with HMC to manage the hospital
- HMC increased some of the fees at the hospital
- With both Medicaid and Medicare, if expenditures (such as new equipment) are not increased along with the fees, there is a difference which results in an overpayment
- Very glad the Board transitioned the hospital to Pioneer to someone who knows hospital business
- Had no idea this was going to happen
- Agree that it needs to be paid in full to avoid any interest

The Board discussed placing the item on today's Action Agenda to avoid any interest charges. The Board unanimously agreed to place the item on today's Action Agenda.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on today's Action Agenda.

GENERAL GOVERNMENT – GOVERNING BODY – ACTION AGENDA

NCDOT – Request to Abandon a Portion of SR#1915 – Pipe Plant Road from Secondary Roads System

Chairman Lankford entertained a motion regarding the request from NCDOT to abandon a portion of SR#1915 –Pipe Plant Road from the Secondary Roads System which was presented at

the February 27th meeting.

Commissioner Booth moved to abandon a portion of SR#1915 –Pipe Plant Road from the Secondary Roads System. Commissioner Jones seconded and the motion carried unanimously.

Proposed Resolution – Request to Abandon a Portion of the Right of Way for SR#1915 - Pipe Plant Road

County Manager Rick Morris presented the following proposed Resolution to start statutory procedures to abandon a portion of the right of way for SR#1915-Pipe Plant Road:

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
STOKES COUNTY PROPOSING THE CLOSING OF A
PORTION OF SR#1915 - PIPE PLANT ROAD**

WHEREAS, it is the intent of the Stokes County Board of Commissioner to close a portion of SR#1915 – Pipe Plant Road; and

WHEREAS, pursuant to N.C.G.S. 153A-241, the Stokes County Board of Commissioners will hold a Public Hearing regarding the closing of a portion of SR#1915 – Pipe Plant Road on Tuesday, April 10, 2012 at its regular scheduled meeting; and

WHEREAS, pursuant to N.C.G.S. 153A-241, the notice of the Public Hearing will be advertised in the Stokes News for three successive weeks – March 15th, March 22nd, and March 29th; and

WHEREAS, pursuant to N.C.G.S. 153A-241, the notice of closing and public hearing will be prominently posted in at least two places along the road; and

WHEREAS, pursuant to N.C.G.S. 153A-241, a copy of the Resolution will be sent by certified mail to each owner (if applicable) as shown on the county tax records of property adjoining the public road; and

WHEREAS, the sole property owner petitioned to abandon approximately 5,914' along their property only from the Secondary Road System prior to this Resolution on February 27, 2012; and

WHEREAS, a portion of the SR#1915 – Pipe Plant Road has already been petitioned by the North Carolina Department of Transportation and approved by the Stokes County Board of Commissioners on March 12, 2012 to be removed from the Secondary Road System; and

WHEREAS, the closing SR#1915 – Pipe Plant Road does not affect any other property owner.

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of the County of Stokes that since the State will not maintain the abandoned portion of SR #1915 - Pipe Plant

Road and the closing of the said portion of the road does not affect any other property owner, the portion of
SR #1915-Pipe Plant Road will be considered by the Board of Commissioners to be closed pursuant to N.C.G.S. 153A-241.

Adopted this, the 12th day of March 2012.

WITNESS, my hand and official seal this the 12th day of March 2012.

Ernest Lankford - Chairman

J. Leon Inman – Vice Chairman

Jimmy Walker - Commissioner

Ronda Jones - Commissioner

James D. Booth – Commissioner

Attest:

Darlene M. Bullins – Clerk to the Board

Chairman Lankford entertained a motion.

Commissioner Jones moved to approve the proposed Resolution to start statutory procedures to abandon a portion of the right of way for SR#1915 – Pipe Plant Road. Commissioner Booth seconded and the motion carried unanimously.

Appointments – Juvenile Crime Prevention Council

Chairman Lankford stated the following were nominated at the February 27th meeting:

- Dustin Nichols – Defense Attorney
- Gerald Jones – Member of the Faith Community

Chairman Lankford entertained a motion to close the nominations.

Commissioner Jones moved to close the nominations. Commissioner Booth seconded and the motion carried unanimously.

Chairman Lankford polled the Board.

Commissioner Jones: Dustin Nichols and Gerald Jones
Vice Chairman Inman: Dustin Nichols and Gerald Jones
Chairman Lankford: Dustin Nichols and Gerald Jones

Commissioner Walker: Dustin Nichols and Gerald Jones
Commissioner Booth: Dustin Nichols and Gerald Jones

The Board unanimously approved the following to serve on the Stokes County

Juvenile Crime Prevention Council:

- Dustin Nichols – Defense Attorney
- Gerald Jones – Member of the Faith Community

Proposed Application Qualified School Construction Bonds– Lawsonville Elem. School Project

County Manager Rick Morris presented the following information regarding proposed applications for Qualified School Construction Bonds:

- On March 6th, the Board of Education approved the following projects for consideration by the Board of Commissioners:

Lawsonville Elementary School	\$2,000,000.00
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Top (4) Roofs

Ranked equally in need of replacement

Chestnut Grove Middle School 1973 & 1980 Buildings	\$ 891,275.00
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Germanton Elementary School -1974 Building	\$ 325,250.00
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North Stokes High School - 1963 (A) Building	\$ 452,000.00
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South Stokes High School - 1963 (C) Building	\$ 343,100.00
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Total	\$2,011,625.00
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Other Roofing Projects

listed in alphabetical order

Mount Olive Elementary School - 1973 Building	\$ 709,375.00
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North Stokes High School- 1963 Media/Aud. Building	\$ 139,800.00
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Pinnacle Elementary 1957 Classroom Building	\$ 378,838.00
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South Stokes High School 1963 (A) Building	\$ 314,400.00
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South Stokes High School 1963 (E) Building	\$ 143,000.00
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South Stokes High School 1963 Media/Aud. Building	\$ 200,075.00
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Total	\$1,885,488.00
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Chairman Lankford opened the floor for discussion regarding the application for QSCB funding for the Lawsonville Elementary Renovation/Construction Project.

Manager Morris reiterated that he had confirmed with the County's Financial Advisor there would be no issues with going ahead with the \$2 million project for Lawsonville Elementary School which is already included in the 4 cent tax.

The Board had no issues with moving forward with the Lawsonville project.

County Manager Rick Morris presented the following information regarding the roofing projects:

- If debt was taken out for North Stokes and South Stokes, there would be an annual payment of approximately \$55,000 for 17 years (provided by Finance Director Edwards)
- If debt was taken out for North Stokes, South Stokes, and Germanton, there would be an annual payment of approximately \$77,000 for 17 years (provided by Finance Director Edwards)
- If debt was taken for the top four projects – North Stokes, South Stokes, Germanton, and Chestnut Grove, there would be an annual payment of approximately \$138,000 for 17 years (provided by Finance Director Edwards)
- Debt for any of these projects can be taken from sales tax revenue allocated to the school system
- School system received approximately \$220,000 last year for capital improvements and was approved to spend \$300,000 from the schools' fund balance if desired and available
- Current school debt being funded from sales tax revenue is approximately \$1 million each year
- If debt for these roofing projects is not taken from the sales tax revenue, it would have to come from general fund
- Requested Superintendent Mendenhall rank the need of the top four roofing projects that were given to the Board as equally important
- Superintendent Mendenhall responded per Board of Education's direction:
 - If only one roof – North Stokes High School (most money spent over the past 6 months for repairs)
 - If two roofs – North and South Stokes High Schools
 - If three roofs – North Stokes, South Stokes, and Chestnut
- Very hard to make a recommendation due to:
 - Not knowing what the budget is going to be like this year
 - Not knowing what the requests will be from all the other departments
 - Unsure of the Board's comfort level for funding capital needs if funding was taken from the amount allocated last year
- Would recommend not doing any more than three projects – North Stokes, South Stokes, and Germanton

- Funding has to be borrowed by December 31, 2012

Vice Chairman Inman noted:

- Understand the need for all the roofing projects listed
- Not sure how to answer this question due to the unknowns of the upcoming fiscal year budget and shortfalls
- Questioned if there is any downfall to applying for the funding and not using the funding?
- Very committed to the projects that have already been approved
- NCACC is trying to get back some of the lottery funding that was held by the Governor

Commissioner Jones noted:

- Reiterated the disappointment that these roofing issues had not been taken care of before going into debt for other school projects
- Agree it is a very hard decision without having all the other budget information for this upcoming year
- Can go with the manager's recommendation

Commissioner Booth noted:

- Very hard decision to make without knowing the County's entire upcoming budget
- Agree with Vice Chairman Inman, not sure how to answer the question right now

Commissioner Walker noted:

- Appreciate the information provided by the Board of Education regarding the roofing projects for all the schools
- Like to have information to be able to track decisions that are made
- Confirmed with Finance Director Julia Edwards that there is no downside to applying for all the top four projects
- Willing to make application for the top four projects and see how much funding is granted and see how this fits into the county's budget
- Can always return the funding if not needed
- Questioned Operations Director David Burge regarding the amount of capital funding that was received from the County last year?

Operations Director David Burge responded:

- County provided \$231,500 for capital expenditures
- County approved for the school to spend up to \$300,000 from the school's general expense fund balance if available
- Request from all the schools exceeded over \$3 million
- Any part of the \$531,500 could have been used for roofing, but that amount would have only done one roof with very little left for other expenditures
- No roofs were done due to other major mandatory issues - chiller at Piney Grove was over \$100,000; DEHNR wastewater upgrades at North and South Stokes - \$75,000 each; DEHNR drinking water upgrade at Sandy Ridge will exceed \$50,000
- There is no funding left for roofs

Commissioner Walker questioned what steps must be done to lock in the funding by December 31, 2012.

Finance Director Julia Edwards noted that the County would have to make application to Local Government Commission (LGC), approval received from LGC, and funding must be borrowed by December 31, 2012.

Commissioner Walker questioned if these roofs would have been the topic of discussion if had not learned of the QCSB funding.

Director Burge responded:

- These roofs would have been included in this year's budget request
- Five to six years ago, the Board allocated over a million dollars a year which has decreased each year

Finance Director Edwards noted that sales tax revenue was used to help pay the debt on West Stokes and Piney Grove which can be used for capital outlay or debt service.

Finance Director Edwards noted the decrease in sales tax revenue, the sales tax calculation now being the point of sales instead point of delivery which is another decrease, and the loss of ADM funding which was taken by the State.

Commissioner Walker feels that this is a budget question and feels there is no downside in applying for the top four projects.

Manager Morris noted the county currently receives approximately \$1.2 million each year in sales tax revenue earmarked specifically for the schools.

Chairman Lankford noted that he could not go with any more than the three projects recommended by the manager – North Stokes, South Stokes, and Germanton (approximately \$77,000 per year for 17 years) due to predicted revenue shortfalls and other budgetary issues.

Chairman Lankford entertained a motion regarding the QSCB application for the Lawsonville Project.

Commissioner Jones noted:

- Remind the Board of Commissioners that the Board of Education told the County last year during budget time of a significant shortfall that they would be experiencing this year
- County needs to tread very cautiously
- Need to see what the school's budget is for the upcoming fiscal year
- Need to be mindful of this

Vice Chairman Inman moved to approve the QSCB application for the Lawsonville Elementary Renovation/Construction Project. Commissioner Jones seconded the motion.

Commissioner Walker confirmed with Manager Morris that the amount of the application is \$2 million exclusively for the Lawsonville Project, has no connection with the roofing projects, and is included in the 4 cent tax.

Commissioner Booth confirmed that the Lawsonville project is now 6 classrooms instead of 8 classrooms with some auxiliary space.

Chairman Lankford noted that the \$2 million is only an estimate and could come in lower. The motion carried unanimously.

Chairman Lankford entertained a motion regarding the QCSB applications for roofing projects.

Vice Chairman Inman confirmed the following with Finance Director Edwards:

- \$1,123,050 for three roofs
- \$2,011, 625 for four roofs

Commissioner Walker moved to approve QCSB applications for the four roofing projects totaling \$2,011,625 – North Stokes, South Stokes, Germanton, and Chestnut Grove with the provision that it becomes part of the budget process with final decision on the number of roofs to be done with the adoption of the budget. Vice Chairman Inman seconded the motion.

Vice Chairman Inman stated that the only reason that he seconded the motion was that there is no downside to applying for the \$2+ million with final decision being done with the budget

process. Vice Chairman Inman reiterated that his second to the motion in no ways states that he is going to approve four roofs. Vice Chairman Inman confirmed with Director Burge that North and South Stokes were built in 1963 with Germanton and Chestnut Grove being built in 1975.

Chairman Lankford stated that he could not support applying for four roofs with payments estimated to be \$138,000 a year with all the other debt the county has recently undertaken and that he felt it was not feasible to ask for it.

Commissioner Booth reiterated that if the \$77,000 is to be taken from the General Fund, feels it is more than the County can deal with, can't determine what can be done until the budget process is done. Commissioner Booth stated that he hoped the Board of Education understands that the funding is not being approved today, only approval to apply for the QSCB funding for low interest if the debt can be incorporated into the county's budget.

Commissioner Booth noted that he could possibly support some funding for roofs if it came out of the already dedicated funding and the County received approval for the QSCB funding with low interest; the big question is how much can the County really afford?

Vice Chairman Inman reiterated that his second to the motion did not approve debt for four roofing projects, only application for funding for roofing projects, budget decisions will determine what can be funded this year.

Commissioner Booth also reiterated that he is only approving submission of the applications requesting funding for roof projects and that his decision will have to be made during the budget process to see if the County can afford to incur any further debt.

Commissioner Walker concurred with Vice Chairman Inman and Commissioner Booth that the motion only approves application for funding which will give the manager the flexibility to look at all options.

Vice Chairman Inman stated that this might be a joint decision for the Board of Education

and the Board of Commissioners to make when it comes to that point on what is really needed.

Commissioner Booth reiterated that all options will need to be explored and that type of decision can't be made until the entire budget is looked at.

Manager Morris reiterated that his recommendation would be to take the funding from the current allocation for capital expenditures.

The motion carried (4-0) with Chairman Lankford voting against the motion.

County Manager Rick Morris presented the Board the following which must accompany the applications:

Qualified School Construction Bonds
School Planning Section
North Carolina Department of Public Instruction
6319 Mail Service Center
Raleigh, NC 27699-6319

Re: Schools

Dear Sir:

The County intends to repay the Bond principal upon maturity by any legal source of the County and if necessary will make the appropriate increase in the County's tax rate to pay debt service as needed.

If I can be of any further assistance, please don't hesitate to contact me at 336-593-2448.

Thank you.

Sincerely yours,

Ernest Lankford
Chairman
Stokes County Board of Commissioners

Manager Morris noted the Board needed to authorize the Chairman to execute the letter on behalf of Stokes County.

Chairman Lankford entertained a motion.

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Vice Chairman Inman moved to authorize Chairman Lankford to execute the letter on behalf of Stokes County. Commissioner Booth seconded and the motion carried unanimously.

Proposed Agreement – Water and Sewer Extension to Forsyth Tech. Community College Location

County Manager Rick Morris presented the following final proposed agreement between the County and Pilot View RC&D and Budget Amendment #84 for the Board's consideration:

**Project Agreement
Between
Pilot View RC&D & County of Stokes**

This agreement ("Project Agreement") is made and entered into as of the __th day of January, 2012, by and between Pilot View Resource Conservation and Development, Inc. located at 2714 Henning Drive in Winston-Salem, North Carolina, hereinafter referred to as "Pilot View," and County of Stokes, a North Carolina entity of government, hereinafter referred to as "SPONSOR," (separately "Party" and collectively "Parties").

Recitals

WHEREAS, Pilot View and SPONSOR support the need to address failing septic systems to improve water quality and in need to provide water and sewer to the new Stokes Campus – Forsyth Technical College located at the Meadows Community, Pilot View will assist the Sponsor to help develop the necessary resources for a new water and sewer project. The approximate length of the project is two miles with the objective to bring water and sewer from the Town of Danbury out to the new campus location on Dodgetown Road (all of the foregoing hereinafter referred to as the "Project"), and

WHEREAS, the Parties intend for Pilot View to serve as a pass-through conduit for engineering, design and in a subsequent phase construction contractors (Pilot View is not a professional engineer, designer or construction contractor) to perform work for SPONSOR as a direct intended third party beneficiary with respect to the Project.

NOW, THEREFORE, in consideration of the foregoing Recitals, the sums to be paid by SPONSOR to Pilot View, the mutual covenants and agreements set forth herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged by the Parties, the Parties agree as follows:

Section I. Agreement of the Parties

1. SPONSOR agrees to do the following:
 - A. Provide resource data that is available from previous inventories and investigations of the watershed area.
 - B. Obtain and provide to Pilot View ingress and egress permits/easements from all properties within the Project area under the control of SPONSOR or any of its affiliates, or other third party property owners, to provide access for surveys, designs, data collection, and as otherwise needed for the administration and design of the Project. To the extent of any needed ingress and egress permits/easements from properties not under the control of

SPONSOR or any of its affiliates, SPONSOR will make its best efforts to obtain and provide same. In the event Pilot View has to spend time and resources pursuing necessary ingress and egress permits/easements which cannot be secured by SPONSOR, SPONSOR will reimburse Pilot View for all of its reasonable additional costs in connection with same.

C. Pay Pilot View amounts calculated as follows:

1. Design Phase.

- a. Phase I - Sponsor shall provide to Pilot View an amount not to exceed \$373,113.00. The Parties understand and agree that Pilot View will contract a portion of the work to Michael Baker Engineering; that such amount includes a sum for contingencies as set forth in such Design Agreement; and that any net savings as a result of the non-occurrence of such contingencies will be passed on to Sponsor. Pilot View will submit monthly invoices to Sponsor, prepared in such form and detail as Sponsor may reasonably specify; Sponsor will pay Pilot View monthly within 21 days after Sponsor's receipt and approval of such invoices for work performed. The Design Phase shall consist of the planning, permitting, data collection, administration fee, survey and design portion of the Project.
- b. Phase II - Construction Phase - Sponsor shall pay Resource Institute an amount calculated as twelve percent (12%) of the cost for Phase II - Construction with payment to be made to Resource Institute prior to the beginning of construction or when funds have been obtained for construction. Phase II shall consist of construction, Project oversight, management, final reports, as-builts if required, Project and financial administration. The total estimated cost of the Project at this time until Project is contracted is \$4,500,000. The amount the Sponsor ultimately commits to for the construction phase shall be determined in the contract regarding the construction after approval from funding sources, and this Project Agreement shall be modified accordingly pursuant to Section VI below.
- c. In the event that any remaining funds are needed to complete the Project beyond what is achieved from funding sources, the Sponsor agrees to provide the balance of funds or reserve the right to withdraw from the Project.
- d. SPONSOR will make an initial payment of \$30,000.00 upon the execution by the Parties of this Project Agreement.

D. SPONSOR will secure conservation easements, using the template conservation easement of the Clean Water Management Trust Fund ("CWMTF") or other approved easement template as reasonably modified by SPONSOR and accepted by the CWMTF and other applicable funding agencies to maintain the Project in perpetuity at the time the design of the project is completed.

2. Pilot View agrees to do the following:

- A. Seek other funding sources needed to help complete the Project for the future construction phase, but makes no guarantee that it will secure these funds.
- B. Seek to secure permits, as needed, to complete the Project.
- C. Secure the technical resources to prepare the designs, surveys, data collection, and permitting of the Project.

- D. Facilitate the planning and design of the Project with all parties including consultants and funders.
 - E. Provide administrative and financial management for the Project.
 - F. Require all consultants or others contracted by Pilot View hereunder to carry and maintain insurance of the types and in the amounts as may reasonably be required by SPONSOR. If SPONSOR's requested insurance is more than the coverage normally carried by Pilot View's contractors and subcontractors, SPONSOR will pay the difference up to an amount of insurance coverage that is commercially reasonable.
- 3. Other Terms and Conditions, is attached and incorporated herein as Attachment A by this reference.
 - 4. Pilot View RC&D is aligning itself with the Resource Institute, Inc. another 501 c(3) non-profit and has been partnering for years on projects in the State of North Carolina. This alignment will strengthen the two organizations financially and in project development. During the process of carrying this project to completion Pilot View reserves the right to move this project and its contract with Sponsor over to the Resource Institute.

Section II. Governing Law

This Project Agreement shall be governed by, and construed in accordance with, the Laws of the State of North Carolina.

Section III. Waiver

The failure of either Party to this Project Agreement to insist upon the performance of any of the terms and conditions of this Project Agreement, or the waiver of any breach of any of the terms and conditions of this Project Agreement, shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

Section IV. Effect of Partial Invalidity

The invalidity of any portion of this Project Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Project Agreement is held to be invalid, the Parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both Parties subsequent to the deletion of the invalid provision.

Section V. Entire Agreement

This Project Agreement and any Attachments to this Project Agreement contain the entire agreement between the Parties. Each Party agrees that no other promises or inducements have been made to it by the other Party unless contained in a writing attached to this Project Agreement or incorporated in this Project Agreement by reference.

Section VI. Modification of Agreement

Any modification of this Project Agreement or additional obligation assumed by either Party in connection with this Project Agreement shall be binding only if evidenced in writing signed by each Party or an authorized representative of each Party.

Section VII. Binding Effect

This Project Agreement shall bind and inure to the benefit of the respective successors, and assigns of the Parties.

Section VIII. Assignments

This Project Agreement may not be assigned without the written consent of both Parties, but if assigned by agreement, and then this Project Agreement shall be binding on the assignee and the assignee's successors and assigns.

Section IX. Indemnification and Waiver

To the fullest extent permitted by law, each Party shall defend, indemnify and hold harmless the other Party, its affiliates, agents, partners and employees from and against claims, damages, losses, and expenses ("Claims") arising out of or resulting from performance or failure to perform obligations under this Project Agreement, provided that (a) such Claims are attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the services itself) including loss of use resulting from the destruction of tangible property; and (b) indemnification shall apply only to the extent caused by the negligent acts or omissions of the liable Party (excluding subcontractors of any tier of the liable Party), or anyone directly employed by it or them or anyone for whose acts it or they may be liable. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to an indemnified Party or person described in this paragraph. Such indemnification shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the liable Party, or a subcontractor under worker's compensation acts, disability benefit acts or other employee benefit acts.

IN WITNESS WHEREOF, the parties have caused this Project Agreement to be executed under seal by their duly authorized representatives as of the date stated above.

ATTEST:

COUNTY OF STOKES

Darlene Bullins
Title: Clerk to the Board

By: _____
Richard D. Morris
County Manager

[SEAL]

Budget Amendment #84

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
Capital Project Fund				
400.5916.620	Professional Services	\$00.00	\$373,000.00	\$373,000.00
Nancy Reynolds Elem. School				
400.5914.650	Site Development	\$139,487.00	\$(71,047.00)	\$68,440.00
400.5914.970	Contingency	\$100,745.00	\$(51,953.00)	\$48,792.00
	Total Nancy Rey. Elm. School	\$240,232.00	\$(123,000.00)	\$117,232.00
	Totals	\$240,232.00	\$250,000.00	\$490,232.00
Regional Sewer Fund				
501.9810.001	Transfer to Capital Project	\$00.00	\$250,000.00	\$250,000.00
	Totals	\$00.00	\$250,000.00	\$250,000.00

This budget amendment is justified as follows:

To appropriate funds from Regional Sewer Fund and transfer funds from Nancy Reynolds Elementary School Project for the contract for professional services with Pilot View RC&D for the Community College Sewer and Water Project.

This will result in a net increase of \$250,000.00 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
Capital Project Fund				
400.3981.003	Transfer from Reg. Sewer FD	<u>\$00.00</u>	<u>\$250,000.00</u>	<u>\$250,000.00</u>
	Totals	\$00.00	\$250,000.00	\$250,000.00
Regional Sewer Fund				
501.3991.000	Fund Balance	<u>\$00.00</u>	<u>\$250,000.00</u>	<u>\$250,000.00</u>
	Totals	\$00.00	\$250,000.00	\$250,000.00

Chairman Lankford opened the floor for discussion.

County Manager Morris noted the following:

- County Attorney Ed Powell has approved the proposed agreement as to legal sufficiency
- Understand that everyone is clear on the fee structure in Phase II- County shall pay Pilot RC&D an amount calculated as 12% of the construction cost for Phase II
- Director Anderson has applied for a grant for the Phase I
- Budget Amendment #84 allocates funding for Phase I if no other grant funding is available (\$373,113)
- Recommend the County approves the Agreement and Budget Amendment #84 unless there are other concerns

Vice Chairman Inman requested Manager to explain Phase I and Phase II to make sure everyone is on the same page.

Manager Morris responded:

- County is responsible to pay Pilot View an amount not to exceed \$373,113 if no grant funding is available
- County will pay Pilot View an initial payment of \$30,000 upon execution of the project agreement, the \$30,000 is part of the \$373,113
- Pilot View will submit quarterly invoices for work performed
- Pilot View's 12% is included in the \$373,113 total
- Agreement has termination clause for convenience by either party
- Agreement has flexibility

- Phase I will consist of planning, permitting, data collection, administration fee, survey and design portion of the Project
- Team will begin applying for grant funding in Phase I for Phase II construction costs
- For example: if construction cost is estimated in Phase I to be \$5 million and \$2 million has been secured through grants, the County has the option to stop the project, down scope the project, or the County could fund the other portion
- Pilot View's fees would be based on the actual amount of construction cost in Phase II
- If the project was cancelled in Phase II by the County, Pilot View would receive no fee
- Even if the project is cancelled in Phase II, the County would have a deliverable from the Design Phase – a complete design package that could be used to execute Phase II when funding is available, the design package may have to be updated if not used within a reasonable time

Commissioner Booth confirmed with Director Anderson that fees will only be associated in Phase II with construction cost that occurs, if the total cost of the project is contracted for \$5 million, the county would owe Pilot View 12% of the contracted cost.

Chairman Lankford entertained a motion.

Vice Chairman Inman moved to approve the proposed agreement for water and sewer extension to the Forsyth Tech Community College location with Pilot View RC&D and Budget Amendment #84. Commissioner Jones seconded the motion.

Commissioner Walker confirmed with Manager Morris, if approved today, the County's commitment/obligation would be the following:

- Fund Phase I (Design Phase) unless funded by grants (\$373,113)
- Work with Director Anderson to obtain funds to complete Phase II for water and sewer

Manager Morris reiterated that there is a termination clause included in the agreement in case the "big unknown" occurs which allows the County or Pilot View to terminate.

Manager Morris also noted the funding remaining from the Nancy Reynolds Project has been approved by the Bond Attorney Don Ubell to be used for connection to the community college site and will be working closely with Director Anderson to make sure the funds are used solely for

connection to the community college site and not to connect to any economic development purpose not related to the community college.

Commissioner Walker confirmed with Manager Morris that the source of the funding for Phase I could be grants, sewer funds, remaining funds from the Nancy Reynolds Project or a combination of all. Manager Morris noted the funding would be used from grant funding first, then sewer funds, and only the Nancy Reynolds funding if needed.

Commissioner Walker questioned Director Anderson regarding if sufficient grants were received, could the county's 12% be paid from grant funding?

Director Anderson responded:

- Could be a possibility, provided the funder who provides those grants allows for it, some do and some don't, have had some funders who allow this, will work each funder separately

Commissioner Booth noted the following:

- This is a partnership with a 20% match
- Even with the partnership, there could a \$1 million match with a \$5 million construction cost
- Some grantors will not fund projects unless there is funding from the partners
- Need to find the County's partners
- Hopefully the \$250,000 allocated by legislation can be used for this purpose and receive possible funding from NCDOT
- If not, the match will be the county's responsibility

Director Anderson noted that everything possible will be used to leverage funding such as the design cost, purchase of land, etc. and that it is left up to the funder as to whether it is accepted.

Commissioner Walker confirmed with Director Anderson that the placement of the PODS could be used as an opportunity to develop the community college further from the early college, it would be left up to the funder.

Commissioner Booth confirmed with Director Anderson and Project Manager Debbie
March 12, 2012

Dodson that the project is a worthwhile project.

Director Anderson noted that anytime you are trying to further educate a community, retool citizens for job skills/development and provide some economic development to an area; it always positive; funders always want to see their funding go for things that will grow and benefit a community.

Commissioner Walker questioned Director Anderson regarding his presentation that was included in the February 23rd minutes using the wordage "For Comparing Routes".

Director Anderson noted the presentation should have read "From Comparing Routes".

The motion carried unanimously.

Medicare Overpayment for Stokes Reynolds Memorial Hospital, Inc.

County Manager Rick presented Budget Amendment #85 which allocates funding from Hold Harmless for the Medicare overpayment for the Board's consideration:

Budget Amendment #85

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
General Fund				
100.9820.984	Transfer to Stokes Reynolds Hospital Fund	<u>\$671,676.00</u>	<u>\$801,590.00</u>	<u>\$1,473,266.00</u>
	Totals	\$671,676.00	\$801,590.00	\$1,476,266.00
Stokes Rey. Hospital Fund				
500.5700.003	SRMH, Inc – Expenditures	<u>\$471,676.00</u>	<u>\$801,590.00</u>	<u>\$1,273,266.00</u>
	Totals	\$471,676.00	\$801,590.00	\$1,273,266.00

This budget amendment is justified as follows:

To transfer funds from General Fund for Medicare Cost Settlement Report for payment to Medicare for overpayment to Stokes Reynolds Memorial Hospital, Inc.

This will result in a net increase of \$801,590.00 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
General Fund				
100.3327.100	State Funds – Hold Harmless	<u>\$371,676.00</u>	<u>\$801,590.00</u>	<u>\$1,173,266.00</u>
	Totals	\$371,676.00	\$801,590.00	\$1,173,266.00
Stokes Rey. Hospital Fund				
500.3981.000	Transfer from General Fund	<u>\$671,676.00</u>	<u>\$801,590.00</u>	<u>\$1,473,266.00</u>
	Totals	\$671,676.00	\$801,590.00	\$1,473,266.00

Chairman Lankford entertained a motion to approve Budget Amendment #85 for repayment to Medicare previously discussed today.

Commissioner Booth moved to approved Budget Amendment #85 for repayment to Medicare. Commissioner Jones 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 Jones seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman