

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  
MAY 31, 2012

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a budget work session in the Third Floor Conference Room of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Thursday, May 31, 2012 at 10:00 am with the following members present:

Chairman Ernest Lankford  
Vice Chairman J. Leon Inman  
Commissioner Jimmy Walker  
Commissioner Ronda Jones  
Commissioner James D. Booth

County Personnel in Attendance:  
County Manager Richard D. Morris  
Clerk to the Board Darlene Bullins  
Finance Director Julia Edwards

Chairman Ernest Lankford called the meeting to order.

Commissioner Walker 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.

#### **FY2012/13 Budget Overview For Stokes County Board of County Commissioners (BOCC)**

County Manager Rick Morris presented and discussed the following power point presentation: (Expenditures)

#### **Discussion Topics**

- Budget Overview
- Budget Development Process
- Snapshot of Budget Process

- Overall Budget Assessment
  - Facts Bearing on the FY2011/12 Budget
  - Budget Realities
- Major Contributors to FY2012/13 Budget Increase
- Re-base lining the Budget
- Overview of FY2012/13 County Debt Commitment
- FY 2012/13 Capital Reserve Recommendations
- Board of Education Request
  - Current Expense
  - School Capital Outlay & Capital Reserve
- Department Budget Highlights
  - Administration
  - Animal Control
  - Arts Council
  - Cooperative Extension
  - District Resource Center
  - Economic Development
  - Elections
  - Emergency Communications
  - Emergency Management
  - Emergency Medical Services
  - Environmental Health
  - Finance
  - Fire Marshal
  - Forsyth Tech
  - GIS / Mapping
  - Governing Body
  - Health Department
  - Home Health
  - Information Systems
  - Jail
  - Legal
  - Library
  - Medical Examiner
  - Mental Health
  - Natural Resources
  - Parks
  - Planning
  - Public Buildings
  - Purchasing
  - Recreation
  - Register of Deeds
  - Revaluation
  - Senior Services
  - Sheriff
  - Social Services (Administration)
  - Social Services (Special Assistance)

- Solid Waste
- Special Appropriations
- Superior Court
- Tax Administration/Revaluation
- Transfers
- Vehicle Maintenance
- Veteran Services
- Walnut Cove Senior Center
- School/FTCC Construction/Operating-Debt Service Fund
- E911 Fund
- Enterprise Funds
- Fire Departments (All)
- In Summary, So What's Important

Manager Morris directed the BOCC to ask questions during the presentation if needed.

### **Fiscal Year 2012-13 Overview**

- Based on budget guidance from the BOCC, no Ad Valorem tax increase was considered for this year's budget recommendation
- Recommended budget was developed using a four-year thought process, which addressed current needs plus the impact of this year's decisions on the challenges for the FY 2013/14 through FY 2016/17 budgets
- Total budget recommendation is \$47,375,419
  - \$6,331,019 / 15.42% larger than the FY 2011/12 budget
  - Large increase is driven by new debt payment (for school construction projects), NC Baptist Hospital payment, health & dental insurance, Health Department building, CenterPoint one-time appropriation, fuel cost and communications equipment upgrade (several items will go away in next year's budget)
- Revenues and expenditures continued to be budgeted on a conservative basis due to the slow rebound of the economy
- Recommended budget does not add back any of the 17 positions that were unfunded in last year's budget
- Recommended budget recognizes a 5% projected annual decrease (\$1,043,062) of Ad Valorem tax revenue from revaluation (does not directly impact this year's FY 2012/13 budget)

### **Budget Development Process**

- Department heads and outside agencies submitted budget requests
  - County manager met with department heads to analyze and discuss details of their budget submissions
  - County manager reviewed all requests and made first round of cuts
  - County manager made a second round of cuts focusing on equipment and requests for personnel reclassifications / additions
- After cuts were made in equipment and personnel requests an approximate \$2,000,000 difference remained to be addressed

- County manager next looked at the county fund balance for required funding to balance the budget (fund balance was the only place to look for needed funding instead of a tax increase)
  - Objective was to keep the fund balance at 20% or higher
  - Our best estimate is that General Fund balance will remain above 20%
  - Real un-restricted fund balance is 24% not 28% with GASB changes, which were incorporated into our last audit

Commissioner Walker confirmed with Manager Morris that equipment and personnel costs were the two major areas that were looked at to be cut in the second round of eliminations.

### **Snapshot of the Budget Process**

#### **Requested Budget**

➤ \$48,956,921

#### **Summary**

- Difference between estimated revenues and requested expenditures was short \$5,705,995
- To fund the requested budget a tax rate of 75.95 cents at a 96.08% collection rate would be required

#### **After Cuts:**

#### **Expenses**

➤ \$47,375,419

#### **Revenues**

➤ \$45,375,419

#### **Summary**

- Difference between estimated revenues and recommended expenditures was short \$2,000,000
- Reviewed personnel & equipment requests and made cuts
- Other cuts in varied areas resulted from line item review of each department request

#### **Balanced Budget**

➤ \$47,375,41

#### **Summary**

- Uses \$2,000,000 from General Fund Balance
- 17 positions remained unfunded
- Capital Outlay was limited to essential requirements
- Hold Harmless budgeted for capital outlay, Baptist Working Capital and CenterPoint

#### **FY2013/14 Projected Shortfall**

➤ \$3,043,062

#### **Summary**

- 5% Revaluation revenue reduction (\$1.1M)
- Hold Harmless of \$2.2 million ends
- Communication upgrade becomes debt service
- Hold Harmless should carry us until FY14/15

- Tax rate increase of at least 3 cents should be considered next year

Manager Morris reiterated that the County would have a projected shortfall of \$3,043,062.00 for Fiscal Year 2013-14.

The Board discussed the projected shortfall with Manager Morris.

### **Budget Assessment**

- Major Facts bearing on the FY 2012/13 Budget
  - “Hold Harmless” will definitely end this year
  - Revenues are steady / expenses are up
  - Baptist Hospital debt \$1,261,260
  - Unexpected Medicaid / Medicare bill of approximately \$1.2 M from final Stokes-Reynolds cost report had to be paid immediately
  - Debt payments begin this year for additional new school construction / renovation and associated costs
  - Minimal growth in county Ad valorem taxes and \$1M projected decrease per year for four year period beginning with FY2013 / 14 budget
  - Unfunded mandate to purchase new communications equipment required this year; grant funding request for this equipment was not approved
- Budget Realities
  - Recovery of the U.S. economy remains sluggish
  - During fiscal years 2013/14 through 2016/17, the approved county budget must be re-baseline to absorb the Ad Valorem tax decrease plus the loss of “hold harmless” unless the tax rate, but not necessarily the tax amount is increased
  - A tax rate increase next year would not automatically equal an actual tax increase, it would depend on the size of the rate increase
    - The tax rate could be increased next year without going all the way to revenue neutral
    - Going to revenue neutral next year would be inconsistent and viewed as unfair by taxpayers

Manager Morris noted that Fiscal Year 2012-13 will be the last year of Hold Harmless Revenue.

Commissioner Walker confirmed with Finance Director Edwards that the debt payment for the last two school projects was \$2,770,543.

### **Re-base lining the Budget**

#### **Fiscal Year 2011-12 = \$41,044,400**

- New School QSCB/QZAB Loan Executed
- Paid Stokes-Reynolds Medicaid / Medicare bill from final cost report

- Completed planning for communications upgrade

**Fiscal Year 2012-13 = \$47,375,419**

- Approximate \$2,000,000 shortfall
- Last year of “Hold Harmless”
- Revenues down / expenses increasing
- New School Debt kicks in
- Must fund communications upgrade this year
- Transferred \$2,000,000 from County Fund Balance
- Health insurance increase
- Addressed Baptist Hospital Debt

**Fiscal Year 2013-14 = \$43,966,032**

- Projected \$3,043,062 shortfall
- Another difficult budget year
- Communications upgrade deadline
- \$1M remains available from “Hold Harmless” payment – added to FY 2011/12 Gen Fund balance on 30 June 2012
- \$755,000 should remain available from final Hold Harmless payment to go into Gen Fund on 30 June 2013
- Cut services / raise tax rate at least 3 cents or use more fund balance?
- Health insurance risk continues

Manager Morris noted that the County would have to consider cutting services, raise the tax rate at least 3 cents or use more Fund Balance next year.

The Board briefly discussed revenue neutral for Fiscal Year 2013-14.

Commissioner Walker noted that if the Board continues to do the best they can of holding the line for the F/Y 2012-2013, the next years’ budgets will take care of themselves.

Manager Morris noted the following:

- County is operating very lean
- Did not put much back into Contingency from the financial reviews done during this fiscal year

Commissioner Walker agreed with Manager Morris that the county is operating very lean.

**Recommended Contingency Amounts**

- Budget increased \$154,395 / 39.53%
- Emergency contingency remains at \$150,000
- Adds a bonus contingency line item of \$145,000

- Increases fuel cost contingency from \$45,000 to \$100,000
- Personnel Cost line item reduced from \$96,605 to \$50,000; this line item will remain in place to make any required adjustments needed from the FY 2011/12 reduction in work force
- Leave cost \$100,000 for employee payoff of vacation, comp time and/or holiday leave stays the same

Manager Morris noted that he had increased several of the larger departments' auto supplies (fuel) for the upcoming budget by 10%; most of the departments requested an increase for fuel.

Finance Director Edwards noted that the fuel contingency account allocated for this year has already been used. Finance Director Edwards noted that since this account was started, this is the first year that it has had to be appropriated.

Vice Chairman Inman confirmed with Manager Morris that the Sheriff's Department has seen an increase in fuel due to the increase in calls.

Manager Morris noted that he was doing an inventory of the cars being used by all departments.

The Board discussed the cost of fuel and the payoff for vacation, comp. time and holiday leave.

Finance Director Edwards noted the last gasoline purchased by the County was \$3.14 per gallon.

The Board discussed the use of holiday leave.

Chairman Lankford questioned if the amount of extra funding given this fiscal year to the Sheriff's Department to reduce the holiday time had paid off?

Manager Morris noted that he would provide the BOCC with updated holiday and comp. time balances at the next meeting.

#### **Major Contributors to FY2012/13 Budget Increase**

- Debt service payments start this year for new school construction / renovation
- Communications upgrade must be funded

- Manager Morris noted the upcoming complicated communications upgrade project that must be done by January 2013.
- County is behind due to waiting to see if there was any grant funding available
- Health and Dental Insurance costs are up
  - Manager Morris reiterated the upcoming Health Care Reform which is unknown
  - Maybe able to join the State Health Insurance Plan next year
  - New HRA this year
- New building for Health Dept.
  - No County tax dollars
  - Being funded by Medicaid Title XIX
  - New Building is for administration
  - No intentions to move Home Health from DSS
- Fuel cost and usage
- N.C. Baptist Hospital payment
- CenterPoint one-time appropriation
  - Request for additional \$148,000 this fiscal year for waiver

The Board discussed the Medicaid XIX funding.

Commissioner Booth noted that he wanted to know exactly where the Medicaid XIX funding is at.

Finance Director Julia Edwards noted the following:

- Medicaid XIX Funding is settlement money that must be used in the Health Department

Commissioner Walker questioned when the King Clinic might be reopened, especially since the accreditation was completed; several citizens have questions as to why it is not open.

The Board briefly discussed the King Clinic and Medicaid XIX Settlement.

Vice Chairman Inman noted the following regarding the request from CenterPoint for additional funding:

- Forsyth County is going to wait to see what happens at the state level
- Not sure it is legal to allow CenterPoint to borrow money
- CenterPoint may be authorized from the State to borrow money
- Personally thinks the County should also see what happens at the State level



## **Overview of FY2012/13 County Debt Commitment**

Debt Description	Purpose of Debt	Years Left	Amount (P plus I)
Refinance / GO Bonds	West Stokes & Piney Grove	5	\$1,585,100.00
PODS	Purchase for Early College	11	\$113,616.00
Land Purchase	Poplar Springs Elementary	16	\$119,541.00
School Construction	Nancy Reynolds and Comm. College	17	\$662,350.00
QSCB	Poplar Springs and Southeastern	15	\$1,781,829.00
QZAB	Southeastern	15	\$295,714.00
<b>Total School Debt</b>			<b>\$4,558,150.00</b>
Capital Lease Pymt #1	EMS, Sheriff & DSS Vehicles	0	\$240,628.00
Capital Lease Pymt #2	EMS remounts and other equipment	2	\$65,132.00
Capital Lease Pymt #3	New Roof and EMS Station	6	\$ 50,108.00
<b>Total Cap. Lease Debt</b>			<b>\$355,868.00</b>

The Board discussed the savings by using QSCB and QZAB.

## **FY2012/13 Capital Reserve Fund Recommendations**

- Capital Reserve Fund currently contains \$10,000 for AG Advisory Committee and \$25,000 in Administration Dept for a salary study.
- Recommend the BOCC re-allocate \$35,000 from the accounts above to Elections Dept for future purchase (FY2017/18) of new voting machines
- Transferring \$1,000 for Vehicle Maint. Dept to purchase new scan tool software upgrade; scan tool is required test equipment for vehicle diagnostics

- Transferring \$4,148 from Solid Waste – Electronics Fund toward purchase of Bobcat that will be funded by a grant
  - Bobcat is needed to handle and process electronics items that are received at the landfill solid waste transfer point
- Per lease agreement transferring \$150,000 from SRMH Fund to pay one half of sprinkler system cost for hospital (this amount may decrease with updated estimate using new water pressure increase) (no grant funding currently available)

Chairman Lankford suggested looking into the Clean Water Fund for possible funding for the Sprinkler System at the hospital (50% Pioneer and 50% County).

### **School Current Expense**

- Budget increased \$17,700 / .17%
  - \$117,700 increase is funded from the New Schools / F. Tech Fund (4 cent tax)
    - Funds operating expenses for new Poplar Springs Elementary School
    - No increase requested for Southeastern Stokes Middle School
  - \$10,094,063 is funded from General Fund
    - This is a reduction of \$100,000 from FY 2011-12 appropriation

Manager Morris noted the possibility of additional discretionary funding that the School System may get from the State.

Chairman Lankford noted that Representative Holloway feels that there will be additional funding from the State for the schools. (School System will not have to return as much funding back to the State – negative reversion).

Manager Morris noted the BOCC could revisit this allocation once the State has decided about the discretionary funding.

Commissioner Walker questioned what was the school system's current Fund Balance?

Finance Director Edwards responded:

- Per audit for fiscal year 2010-11 = \$1,592,226 undesignated funding

The Board discussed the possible additional discretionary funding.

Vice Chairman Inman noted that Representative Holloway had worked extremely hard on getting the additional discretionary funding for the school systems.

### **School Capital Outlay and Capital Reserve Fund**

- School requested \$2,768,475 for capital outlay
  - Includes four roofs that were submitted in recent QSCB application, which was not approved (\$2,011,625)
  - \$756,850 was for other capital needs
- \$1,000,000 was recommended for debt service payment
- Recommended capital outlay for BOE is \$320,000 with authorization for use of up to \$1,000,000 from the BOE Current Expense fund balance if so desired
- Sales tax revenues for FY 2012/13 are budgeted in the same amount as last year (\$1,220,000)
- Recommended appropriation of \$320,000 for capital outlay includes \$100,000 from School Capital Outlay and Capital Reserve Fund Balance; This fund balance comes from Articles 40 and 42 sales taxes which is a separate fund

Finance Director Edwards noted that sales taxes were budgeted conservative.

Commissioner Booth noted that his understanding was that the school system's fund balance is only county funding and not any federal and state funding.

The Board briefly discussed the school system using their Fund Balance.

Commissioner Walker confirmed with Finance Director Julia Edwards that this proposed budget allocates \$117,700 more current expense funding to the school system than last fiscal year.

Chairman Lankford noted the additional funding being allocated for the new school construction debt.

### **Dept Highlights – Common Expenditures, All Departments**

(not repeated on every chart)

- Personnel Services
  - Longevity increases
  - Decreased employer retirement contribution this year with a projected increase next year
  - Increase in health insurance cost
    - Premium increase 7.97% + additional HRA expenditures for health insurance
    - Increase of 3% on dental premiums
- Contractual Services
  - Utilities cost from Duke Energy are up 7.2%
- Materials, Supplies & Expense
  - Fuel cost and usage is up in most departments
- Reimbursement of day meal cost for county employees no longer authorized due to IRS change; only overnight meals reimbursed

- Budget recommendation includes policy change to place a \$19,500 floor on full-time salaries (this would effective only 3-4 employees)

The Board discussed the policy change to place a \$19,500 floor on full-time salaries and the projected increase in the employer retirement contributions next year.

The Board discussed the projected energy cost and the new HRA plan for health insurance.

Manager Morris noted that the county has completed the lighting project to get the rebate from Duke Power.

#### **Dept Highlights- Administration**

- Budget increased by \$821 / .53%
- No change in county manager salary / fringes / cell phone / travel and training
- Commercial shredder for all departments use

The Board discussed the manager's recommendation to purchase a commercial shredder and the best location for the shredder.

#### **Dept Highlights - Animal Control**

- Budget increased \$4,446 / 2.51%

#### **Dept Highlights - Arts Council**

- Budget increased \$1,760 / 2.16%
- County only funds personnel cost

#### **Dept Highlights - Cooperative Extension**

- Budget decreased \$2,903 / -1.97%
- FCS Extension Agent not funded because new director will also serve as FCS agent
- One Administrative Secretary position also eliminated

#### **Dept Highlights- District Resource Center**

- Budget decreased \$23,760 / -14.62%
- Transferring 25% of Office Assistant III position to EMS
- County funding increased \$50,829 due to state change, which eliminates salary reimbursement

#### **DRC Change of Functions**

- Change at state level removed salary reimbursement and treatment program from DRC
  - Treatment function now being competed through an RFP
  - PTRC will submit proposal to run treatment program on the RFP for these services
- With absence of treatment program, DRC will expand pre-trial release program
  - This year to date the pre-trial program has 28 participants with 3,137 jail bed day avoided at \$55 per day savings to the county (\$172,535)

- 10 of 28 participants had medical issues (already had one this year that cost \$60,000)
- Greatest financial risk to the county from inmates is potential for large medical bills
- DRC will add new function of running the week-day work program for the Sheriff's misdemeanor confinement program
  - Sheriff requires DRC support to administer misdemeanor work program
- DRC will continue drug testing program for multiple customers
- DRC will continue mowing 11 yards and performing miscellaneous maintenance support functions
- DRC will continue supervision of weekend work program for community services workers

#### **Dept Highlights- Economic Development**

- Budget decreased \$19,454 / -4.73%
- Funds "Industrial Park" (\$30,000) from Capital Reserve (Economic Development funds) instead of General Fund
  - All transfers from capital reserve for "Industrial Park" project will come from EDC Director to the BOCC for approval when funding is required
- Keeps travel allowance same for Director and continues to provide a county car

Commissioner Walker noted that he had already received a call regarding the reduction in the recommended Economic Development Budget.

Vice Chairman Inman noted the following:

- Learned the possibility that the smaller counties in the state may be able to request economic development funding that normally goes to the Piedmont Regional Triad Council (old NWPCOG)
- Feels this is a good idea to get the funds
- Would be approximately \$50,000 for Stokes County
- Not very likely to get funding from the Piedmont Regional Triad Council

The Board discussed getting the funding directly instead of going to the Piedmont Regional Triad Council and the lack of funding that Stokes County gets from the Piedmont Regional Triad Council.

#### **Department Highlights - Elections**

- Budget increased \$4,604 / 2.61%
- State shifted maintenance / repairs of voting machines to county
- Postage increase due to presidential election
- Mandated training

#### **Dept Highlights- Emergency Communications**

- Budget increased \$1,973,559/ 344.15%
- Communications upgrade drives budget increase

- Reclassifies Telecommunicator TAC and QA coordinator to Telecommunicator Supervisors
  - Adds \$3,810 to budget
  - Very important to the communications department
  - Supervisor will be available to assist the telecommunicators in crisis times
  - Already have changed employees' shifts to make sure coverage is provided 24 hours per weekend
  - Have had discussion with Dr. Nelson regarding dispatching calls in 90 seconds
  - Changes should reduce risks
  - Can do without adding full time positions
  - Heavily engaged in this department
  - Other departments depend on Communications such as EMS, Sheriff's, and Fire
- Training for director
- Working with this department to make it the best emergency communications department in the state
- Have had State E911 officials visit the center and provide suggestions

The Board discussed the current positions and job responsibilities in the department with Manager Morris.

Commissioner Walker noted that he had not completely reviewed the budget and wanted to make sure the \$1.9 million increase is transparent.

Commissioner Walker also noted that he is looking for balance in the budget.

Manager Morris noted that his approach is risk analysis – take the highest risk and fix it first.

Manager Morris briefly explained the importance of the Emergency Communications Department and the need to make sure the department is the best it can be.

#### **Relocation of E911 Center**

- Relocation costs funded from "Capital Reserve" fund
- Current E911 Center is in a light weight, pre-fab type building that is barely adequate and subject to destruction by severe weather. The new location is the most secure building in the county.
- Current E911 Center building is better suited for other purposes and could be used to improve inadequate facilities such as the shack currently used by the Public Buildings Department.
- The recommended relocation would improve the efficiency of the center by placing it in close proximity to the Sheriff's Department and make it more accessible to other county facilities.
- Should the BOCC decide in the future to place E911 Communications under the Sheriff's Department, as it is in some other counties, the new location would facilitate that change.

- Installation of the new E911 Center console equipment would be much quicker and more efficient if it was installed in a separate location from the current facility, which would minimize any down time in the transition from the old to the new equipment.
  - The better facilities and new location would improve the morale of the telecommunicators and hopefully reduce the turnover rate.
  - The two rooms at the proposed new E911 Center location would also provide a good dual use location for an Emergency Operations Center (EOC), which was eliminated when the Administration Building third floor was finished. The best location for an EOC would be near the communications center.
  - If the BOCC ever plans to move the E911 Center, the logical time to do it is when new equipment is being installed. Once the new equipment goes into the current location, it becomes much more difficult and costly to move it at a later date.
- Manager Morris reiterated the need to relocate the department if possible with the

new equipment and upgrade.

The Board briefly discussed the relocation of the Communications Department.

#### **Dept Highlights - Emergency Management**

- Budget decreased \$67,808 / -46.69%
- Transfers Office Assistant IV and Office Assistant II to Tax Administration (billing staff)
- Will use clerical staff from DRC

Commissioner Walked questioned if outsourcing billing would be more efficient?

Finance Director Edwards noted that people she had spoken to about outsourcing do not feel it is as productive.

#### **Dept Highlights-Emergency Medical Services**

- Budget decreased \$15,386 / -0.62%
- Personnel Services
  - Continues non-funding of two (2) EMT Intermediate/Paramedic positions and shift supervisors will continue on the ambulances while maintaining supervisory duties
  - Adds administrative support from DRC (shifts 25% of current DRC position)
- Equipment – Procures two ambulance remounts

Manager Morris noted that Dr. Nelson may be at the Public Hearing to express his concerns regarding paramedic positions and shift supervisors.

Manager Morris noted that this is being monitored quarterly to make sure the change continues to work; had no issues this past year.

Commissioner Walker wanted to make sure the county continues to monitor the

change this fiscal year also.

Commissioner Booth noted the positive results provided by Dr. Nelson at the last BOCC meeting.

Commissioner Walker questioned purchasing two ambulance remounts in this tight financial position compared to the equipment that was not recommended to be purchased.

The Board discussed the purchase of Sheriff's vehicles.

Commissioner Walker noted the vehicles that could be bought by Social Services that are fuel efficient, has new tires/warranties, etc., and would only allocate approximately \$7,000 in county funding.

The Board discussed the purchase of vehicles for Social Services.

Commissioner Walker noted the need to purchase these cars for Social Services and then pass down the used vehicles to other departments – saves the county a tremendous amount of money.

**Dept Highlights - Environmental Health**

- Budget increased \$941 / 0.41%
- Personnel Services
  - Keeps staff level same as last year

**Dept Highlights - Finance**

- Budget increased \$4,864 / 1.48%
- Bank charges increased due to increase use of credit cards for payment

The Board discussed the increase in bank charges by the use of credit cards.

**Dept Highlights - Fire Marshal**

- Budget increased \$1,542 / 0.93%
- Equipment
  - Purchase of one MSA Air Quality Monitor

**Dept Highlights - Forsyth Tech**

- Budget increased \$13,440 / 17.01%
- Increase operations / maintenance to operate 2<sup>nd</sup> POD for full year
- Increase on well maintenance, supplies and testing due to 2<sup>nd</sup> POD



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**Dept Highlights - GIS/Mapping**

- Budget increased \$10,330 / 6.28%
- Contractual services increased due to increase charges for GIS server support

**Dept Highlights - Governing Body**

- Budget increased \$210,723 / 27.11%
- Addition of Health Reimbursement Account
- Increase in unemployment insurance
- Increase cost of property / liability insurance

**Dept Highlights -Health Department**

- Budget increased \$631,248 / 37.90%
- Percentage increase without new building and school nurse pass-thru would only be \$6,248 / .37%
  - Building estimate \$475,000
  - School nurse pass-thru \$150,000
- Personnel Services
- Salary reduction due to reorganization in FY2011/12

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Commissioner Booth confirmed with Manager Morris that the salary reduction reorganization done by the Health Director this past year can be seen in the department's requested budget.

Commissioner Booth suggested looking at possibly having a central collection for billing.

Finance Director Edwards noted that the health director had indicated he would be looking at combining Health and Home Health billing if the new building is approved.

The Board discussed the manager looking into a central collection for billing.

**Dept Highlights - Home Health**

- **Budget increased \$50,835 / 6.60%**
- Contractual Services
  - Increase in professional services for physical and occupational therapy contracts
- No county funding, fees cover expenses

Vice Chairman Inman requested to know the revenue for Home Health versus expenditures for the past nine months.

The Board discussed the services being provided by Home Health.

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Commissioner Walker noted recent advertisements he had seen for other Home Health Services being done by other agencies.

**Dept Highlights - Information Systems**

- Budget increased \$83,756 / 41.07%
- Two maintenance contract renewals required this year
- Two new servers required due to obsolescence of current Spillman server and repair parts \$78,579
  - Servers also partially funded by E911 funds

Commissioner Walker noted the computers that Social Services turn over to IT for distribution to other departments, big savings for the County.

**Dept Highlights - Jail**

- Budget increased \$66,726 / 5.0%
- Personnel Services
  - Added a bailiff / transportation position and reduced part time salaries to offset new position
- New contract with Southern Health Partners for inmate medical
- Maintenance and repair contract for doors plus panel repair

**Dept Highlights - Legal**

- Budget decreased \$45,000 / -39.13%
- Reduced due to completion of hospital lease to PHS

**Dept Budget - Highlights - Library**

- Budget stayed the same at \$489,281
- Walnut Cove Library
  - Appropriation for the new addition – Have completed the first \$200,000
  - Now funding 2<sup>nd</sup> appropriation of \$200,000/\$40,000 a year (2 years remaining)
- May have to add up to an additional \$50,000 at completion of second appropriation if private donations leave a deficit
- COLA not recommended

Chairman Lankford suggested the \$50,000 appropriation be raised by private donations.

**Dept Highlights – Medical Examiner**

- Budget increased \$2,000 / 8.7%
- Increased based on actual expenses being incurred

**Dept Highlights – Mental Health**

- No change in base budget (\$398,820)
- BOCC must decide if additional one-time request of \$148,127 will be given to CenterPoint included in the budget from Hold Harmless funding
  - CenterPoint will repay over 5 year period

**Dept Highlights – Natural Resources**

- Budget increased \$3,632 / 2.38%
- Personnel Services
  - Funds grant position
  - Grant position supports numerous additional functions beyond the grant
- Equipment - two items funded by grant
- Watershed commissioner to forego reimbursement

**Dept Highlights – Parks**

- Budget increased \$251 / 1.87%
  - Due to utility cost increase

**Dept Highlights - Planning**

- Budget increased \$ 7,874 / 2.31%

**Dept Highlights - Public Buildings**

- Budget decreased \$33,697 / -3.16%
- No new equipment recommended this year

Chairman Lankford suggested having some of the Public Works trucks painted this year.

Clerk Bullins suggested looking into having Forsyth Tech paint these vehicles (new body shop recently opened) and the only cost is for the paint supplies.

Manager Morris noted he would look into the request to paint trucks in Public Works.

**Dept Highlights - Purchasing**

- Budget increased \$1,112 / 1.58%

**Dept Highlights - Recreation**

- No increase requested by YMCA for this budget; Contract amount remains at FY 2011/12 level of \$117,484
  - YMCA mission is helping people reach their God-given potential in spirit, mind and body.
- Total number of participants in county this year is 8,782
- Programs include
  - Danbury & Walnut Cove Wellness (2612 participants)
  - Family programs (2398 participants)
  - Sports (2007 participants)
  - Day camps (527 participants)
  - Afterschool (1238 participants)
- Along with its weight loss and other wellness programs the YMCA is launching a new program called “Livestrong at the YMCA”, for cancer survivors; This program is free to participants and supports recently treated cancer patients physically, mentally and emotionally.

**Dept Highlights - Register of Deeds**

- Budget decreased \$24,105 / -10.23%
- Computer purchased with technology funds \$2,000
- ROD has completed scanning project, which converted critical documents to electronic format

**Dept Highlights - Revaluation Dept**

- Budget increased \$47,661 / 38.37%
- Increased due to expenses associated with current revaluation activity
- Recommending transfer of Revaluation from a "fund" to a separate department under the General Fund and to remain under supervision of the Tax Administrator

**Dept Highlights - Senior Services**

- Budget increased \$2,676 / .56%

**Dept Highlights - Sheriff's Department**

- Budget increased \$344,110 / 14.35%
- Personnel Services
  - SRO officers are funded by The Board of Education (3 High Schools and 1 for all other schools).
- Additional part time salaries due to increased call volume
- Extra Duty services appropriated in salaries and fringe with a revenue source to cover expenditures
- Equipment
  - Recommending 8 new patrol cars to be financed
  - Bullet Proof Vest program match \$2,750
  - AFIS fingerprint machine being paid for by grant

The BOCC discussed the 8 new patrol cars which will be financed. Sheriff Marshall did not get any new cars last year. The Interceptor, which will replace the Crown Vic, will get better fuel mileage.

The Board briefly discussed the SROs and the new Extra Duty Services Program.

**Dept Budget Highlights - Social Services (Administration)**

- Budget increased \$189,572/ 5.05%
- Personnel Services
  - Salaries contract pay line item increased (no county funds)
- Contractual Services
  - Professional Services increase due to additional child welfare cases
  - Professional Services Community Resource line item added and paid for by grant
- Material Supplies & Expenses
  - Medicaid transportation increased \$150,000 and is funded by Medicaid

The Board discussed the increased Medicaid transportation (\$150,000) which is funded by Medicaid.

**Dept Budget Highlights - Social Services (Special Assistance)**

- Aid to Blind increased \$150 / 5.77%
- Day Care appropriations increased \$100,486 / 7.68% (No County Funding)
- Increased Medical Assistance \$5,000 / 33.33% due to Medicaid audit that may require repayment
- Public Assistance decreased \$607,788 / 24.68%; County funding increased \$40,799
  - Increase in Aid to Disabled / Aid to Aging

**Department Highlights – Solid Waste**

- Budget increased \$36,227/ 2.83%
- Equipment
  - Purchasing 8 green boxes (2 Poplar Springs Elementary School and 6 to other locations)
  - Purchasing a Bobcat funded by E-Waste grant funding
  - Transferring pickup from Sheriff's Dept to Solid Waste

Manager Morris noted that he did not recommend replacing any vehicle that would last another year except for the Sheriff's vehicles and the EMS remounts.

Manager Morris noted the Sheriff's Department will transfer a pickup to Solid Waste, who is in dire need, and replace the vehicle with one from the impound lot.

**Special Appropriations**

- Budget decreased \$23,202 / -4.60%
- JCPC appropriation was not changed
  - SCAN county appropriation had no change
  - Stokes Friends of Youth county appropriation had no change
  - Juvenile Services county appropriation had no change
  - Partnership for a Drug Free NC (Step One) county appropriation had no change
- YVEDDI estimated ROAP transportation funds were estimated to be less than last year.
  - County appropriation was increased \$212.
  - Did not recommend weatherization funding for YVEDDI
- N.C. Forestry Service increased \$372
- King Senior Center requested \$10,000, recommended \$7,246 (same as Walnut Cove Senior Center)
- Recommended no funding for Roanoke River Basin \$3,722 and NC Wildlife Resources Commission \$4,000
- Recommended Stokes County Fire & Rescue Association funding of \$12,400 an increase of \$1,530 over last year
- Walnut Cove Senior Center recommended \$7,246 county match for General Purpose and Senior Center operations grants

**Department Highlights – Superior Court**

- Budget decreased \$4,875 /-9.12%
- Jury Commissioner reimbursement not required again until FY 2013/14
- Juvenile Contractual Services reduced based on actual expenses incurred

**Dept Highlights - Tax Administration**

- Budget increased \$82,161 / 14.81%
- Personnel transfers from Emergency Management
- Computer for Tax Administrator
- Training for certifications and new motor vehicle tax process change

**Centralized Billing and Collections**

- Recommending centralized billing and collections activity under the Tax Administrator
  - Transfers 2 positions from Emergency Management Dept to Tax Department
  - Centralized billing and collections will be located in the current GIS / Mapping office, which will move across the hall
- Objective of centralized billing and collections change is to streamline processes and physically locate personnel for maximum efficiency
  - Improves segregation of duties for internal controls
  - Improves mail flow and reduces administrative duties of the Assistant Finance Officer

Manager Morris noted the transfer should be completed by October 2012.

**Dept Highlights – Transfers**

- Budget increased \$1,052,057/ 91.76%
- Transfers
  - SRMH Fund \$300,000
  - N.C. Baptist Hospital working capital payment of \$1,261,260 funded from FY2012/13 Hold Harmless Revenue
  - Schools/FTCC Construction/Operating Fund-Debt Service, \$637,381 savings from old debt payoff per financial model  
new school / community college debt

**Dept Highlights - Vehicle Maintenance**

- Budget increased \$2,235/ 1.55%
- Scan tool software upgrade of \$1,000 transferred from Capital Reserve

**Dept Highlights - Veteran Services**

- Budget increased \$810 / 4.81%
- Employee accepted longevity increase, which was declined last year

**Dept Highlights – School/FTCC Construction/Operating Fund-Debt Service Fund**

- No appropriation this year from 4 cent AdValorem tax increase.
  - Revenue from Ad Valorem tax will go to this fund's Fund Balance

- County will maximize the use of Lottery funds for debt payment required in FY2012/13
- Transfer from General Fund will be used this year to fund the following:
  - \$125,846 for community college debt service payment for PODS and land
  - \$92,440 for Forsyth Tech operating costs
  - \$117,700 for Poplar Springs Elementary School operating costs
  - \$51,395 will go to this fund's Fund Balance
- Transfer \$250,000 to capital projects for architect services for new community college

The Board agreed that it was a good idea to use Lottery funds for debt payment.

Commissioner Walker noted the following:

- At the last Forsyth Tech Advisory Community Meeting and at all the Commissioners' meetings, it has been stated 2013 for the start of the community college

Vice Chairman Inman noted 2013 is a projected date.

Commissioner Walker reiterated that it has been stated that 2013 will be the start of the new community college and the renovations at Lawsonville Elementary School which is the commitment made to the citizens with the implementation of the 4 cent tax increase.

Commissioner Walker stated that was what the people who were trying to sell the 4 cent tax was telling the citizens.

Commissioner Jones stated that things are getting done.

Vice Chairman Inman noted that the county is in the process of obtaining grant funding for the water and sewer project and will most likely be impossible to start construction in 2013.

Commissioner Walker stated that he thinks if it is tangible and conclusive that the Board maintain credibility.

Vice Chairman Inman noted that nothing had been done to mislead the citizens.

Commissioner Walker stated that he is doing everything he can to keep his commitment to the citizens.

Vice Chairman Inman noted he is not willing to let a contract and then have to come up with \$4 million and raise taxes just to say that we started the project in 2013.

Commissioner Jones agreed with Vice Chairman Inman.

Commissioner Walker reiterated the 2013 start date was sold with the 4 cent tax.

Commissioner Walker noted this was in the BOCC minutes.

Vice Chairman Inman noted the County is trying to do everything possible to get this project started and save the taxpayer money; also noted the original project did not include water and sewer which is currently being worked on.

Commissioner Walker agreed that the water and sewer was an add on to the project.

Manager Morris noted that the first step is finding out what kind of facility to build and Director Ann Watts is trying to do that by holding town hall meetings and sending out surveys.

Commissioner Walker noted the community college is smaller than most schools being built in the county and agreed with Vice Chairman Inman that water and sewer was an add on; could have done the community college project without the water and sewer.

Commissioner Walker stated he felt the water and sewer project is slowing down the community college facility.

Manager Morris stated that he did not feel that the water and sewer project was holding down the start of construction and that most all of construction projects are unpredictable.

Vice Chairman Inman stated that he felt the project was moving along.

Manager Morris noted that the community college project and the Lawsonville project need to be done on one loan application to save money.

Commissioner Walker stated that he felt there needed to be an answer as to why the community college was not started in 2013.

Vice Chairman Inman reiterated that the project is moving along.



### **Dept Highlights – E911 Fund**

- Equipment to be funded FY 2012/13
  - 40 channel communications recording system (\$48,000) to interface with Viper system
  - 4 Computers for consoles (\$18,000)
  - Headsets (\$1,258)
  - Will pay 30% of cost for new Spillman servers (\$33,677)
- Evaluating a change to regional backup center
  - Would be required to receive grant funding

The board discussed the change to the regional backup center.

### **Enterprise Funds**

- Regional Sewer Fund
  - No changes to sewer rates
  - Maintenance to sewer packaging plant (\$130,000)
- Danbury Water Fund
  - Increased \$3,548/ 5.01%
  - Recommend Increase of water rates effective 10/01/2012
  - One-time expense of cleaning pipes to improve water quality
- SRMH Fund
  - Recommended \$300,000 operating appropriation
  - Lease payment exchange with PHS nets county \$10,000 annually for transfer to Capital Reserve for future hospital capital needs
  - Recommends \$150,000 for one half of sprinkler system

The Board discussed the one-time expense (ice piggying) of cleaning the pipes to improve the water quality.

### **Dept Highlights - Fire Departments (all)**

- King Fire District Fund
  - Tax rate remains at 6.5 cents – collection rate 95.50%
- Rural Hall Fire District Fund
  - Tax rate remains at 6.5 cents – collection rate 95.50%
- Walnut Cove Fire District Fund
  - Tax rate remains at 5 cents – collection rate 95.50%
- Service District Fund
  - Tax rate remains at 6.5 cents – collection rate 95.50%

### **Dept Highlights – Walnut Cove Senior Center**

- Budget increased \$5,796 / 7.27%
- Requested additional funds from the County, which was not recommended.
- County appropriation is the matching funds for the Operating and General Purpose grants
- Other funding will come from their fund balance
- Purchase of computer for computer lab

**In Summary, So What's Important?**

- Re-base lining county budget to recognize the loss of "Hold Harmless" and Ad Valorem tax revenue from revaluation
- Resolving the working capital issue with Baptist Hospital
- Keeping the County's "General Fund Balance" at or above 20%
- Completing the communications upgrade of the E911 Center and radios for emergency services
- Continued planning for the Lawsonville and Forsyth Tech projects to keep them on schedule
- Maintaining adequate service levels to citizens

Commissioner Walker confirmed with Manager Morris that there would be monetary penalties if the Communications upgrade is not completed by January 1, 2013.

Commissioner Walker noted that if 2013 is not going to be a viable date for the start of construction for the community college, then the people that I am talking to need to know the official date that they can expect something.

Commissioner Jones stated that it would still be a projected date.

Vice Chairman Inman stated this Board has been very progressively pursuing the project to make it happen.

Commissioner Walker reiterated if 2013 is not going to be the date, then when is the date?

Vice Chairman Inman suggested possibly reviewing the timeline for the community college project.

Commissioner Walker agreed that reviewing the project is a good idea and getting it officially recorded on what the Board has agreed on.

Manager Morris noted that there are several things that must come together for this type of project.

Vice Chairman Inman noted the community college town hall meeting is being held in King on June 14<sup>th</sup> at 7:00 pm.

Commissioner Walker confirmed with Manager Morris that the County is currently providing adequate service level to the citizens.

Commissioner Walker noted that he had not received any complaints on services to the citizens.

Chairman Lankford noted the next Budget Work Session is scheduled for Tuesday, June 5<sup>th</sup> at 7:00pm.

**Adjournment**

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

Vice Chairman Inman moved to adjourn the Budget Work Session. Commissioner Jones seconded and the motion carried unanimously.

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

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**Ernest Lankford**  
**Chairman**