

STATE OF NORTH CAROLINA)
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COUNTY OF STOKES)
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OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
JUNE 18, 2013

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 Tuesday, June 18, 2013 at 10:00 am with the following members present:

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

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

Chairman Ernest Lankford called the Budget Work Session to order.

Vice Chairman Booth delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman Lankford opened the meeting by inviting everyone in attendance to join the Board in the Pledge of Allegiance.

Chairman Lankford informed the Board that there needed to be two Closed Sessions before any budget discussion.

CLOSED SESSION

Chairman Lankford entertained a motion to enter Closed Session for the following:

- To consider the initial employment or appointment of an individual to any office or position, other than a vacancy in the Board of County Commissioners or any other

public body, or to consider the qualifications, competence, performance, character, and fitness of any public officer or employee, other than a member of the Board of Commissioners or of some other public body pursuant to G.S. 143-318.11(6).

Commissioner Inman moved to enter Closed Session for the following:

- To consider the initial employment or appointment of an individual to any office or position, other than a vacancy in the Board of County Commissioners or any other public body, or to consider the qualifications, competence, performance, character, and fitness of any public officer or employee, other than a member of the Board of Commissioners or of some other public body pursuant to G.S. 143-318.11(6).

Commissioner Jones seconded and the motion carried unanimously.

The Board returned to the regular session of the Budget Work Session.

Legal Services

Chairman Lankford entertained a motion.

Commissioner Walker moved to approve Attorney Tyrone Browder as the Assistant County Attorney effective June 18, 2013 until June 30, 2013 with a compensation of \$2,000.00 and approve Attorney Tyrone Browder as the County Attorney effective July 1, 2013 contingent upon final approval of legal contract to be submitted at the regular June 24th meeting.

Commissioner Jones seconded and the motion carried unanimously.

The Board welcomed Attorney Browder.

Attorney Browder noted he looked forward to working with the Board.

CLOSED SESSION

Chairman Lankford entertained a motion to enter Closed Session for the following:

- To prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes G.S. 143-318.11(a)(1)
- To discuss matters relating to the location or expansion of industries or other businesses in the County pursuant to G.S. 143-318.11(a)(4)

Commissioner Inman moved to enter Closed Session for the following:

- To prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes G.S. 143-318.11(a)(1)
- To discuss matters relating to the location or expansion of industries or other businesses in the County pursuant to G.S. 143-318.11(a)(4)

Commissioner Jones seconded and the motion carried unanimously.

The Board returned to the regular session of the Budget Work Session.

Budget Work Session

Chairman Lankford opened the floor for discussion.

Chairman Lankford questioned Board members if there was any additional information needed from the Manager relating to the joint meeting with the School Board yesterday?

Commissioner Walker commented:

- Very disturbing information presented yesterday regarding school capital needs
- Seems they are geared to keeping things “business as usual” on their end and not giving consideration to what the County is facing

Chairman Lankford commented:

- One thing that I have been monitoring over the past couple of years is that the student population is decreasing
- This year’s student population is estimated at 6,707
- A few years ago (4-5 years ago), the student population was over 7,500
- 800 students is basically a school
- My question would be if the School Board has made the changes that offset the reduction instead of going along operating as usual?
- Adjustments have to be made; the county is making adjustments

Vice Chairman Booth commented:

- Would also like to know the answer to Chairman Lankford’s question, very good question
- County can’t make up the cuts received from the State and Federal
- Would like to know the School Board’s current Fund Balance?

Commissioner Inman responded:

- The Board of Education stated yesterday they had allocated approximately \$1.2 million from Fund Balance to Current Expense

Commissioner Jones noted that the County had to make adjustments for the past few years.

Commissioner Walker noted that the Manager's budget did not decrease the Board of Education appropriation from last year even though the Fund Balance appropriation increased for the County.

Commissioner Jones commented:

- County must remember that the County still has two educational projects (Lawsonville Elementary Renovation/Construction and the Community College) that must be financed and the County needs to stay in sound, financial status to get the best interest rate possible

The Board discussed the Board of Education request.

The Board discussed having to cut major expenditures unless revenues increase.

County Manager Morris noted:

- County could increase the tax rate to offset the revaluation and most taxpayers would not see an increase in the amount of taxes paid
- A few parcels would possibly have a tax increase

Commissioner Walker questioned Chairman Lankford (since he had been a previous school board member) his thoughts about the meeting with the Board of Education yesterday?

Chairman Lankford responded:

- Have seen it several years in the past where items are requested and could not be funded by the County and then the Board of Commissioners are blamed for not providing the funding to the School System
- I didn't vote for many of the budgets presented to the Board of Commissioners while serving on the Board of Education
- It was the concept not to cut the school budget, but to let the Board of Commissioners do the cutting
- Instead of the School Board trying to see what could be cut, it was left to see what the Board of Commissioners cut

County Manager Morris commented:

- They pretend they are in a resource unconstrained environment

Chairman Lankford commented:

- Not trying to be critical of those making decisions, but don't understand why the County has a centralized athletic director with each high school and middle school having an athletic director

Commissioner Walker questioned County Manager, in this extreme tight budget, why was the school funding at the same level as last year with revenues decreasing?

County Manager Morris responded:

- Could be considered
- Understand the School Board has structural increases in their budget each year and keeping them the same will still force them to have to make some tough decisions
- Doesn't mean that in future years, there might to be a decrease in funding

Chairman Lankford responded:

- School Board allocation has been the same for the past two years
- With everything continuing to increase, can understand the Manager not decreasing their budget
- Feel like the School Board must do like the Board of Commissioners and make some very tough decisions to make the funding work

County Manager Morris commented:

- Funding is budgeted by purpose and function

Chairman Lankford noted that there are approximately 19 county paid positions in the school's budget.

Commissioner Walker confirmed with Chairman Lankford that he was comfortable with the amount of funding proposed by County Manager Morris.

The Board briefly discussed the energy program the Board of Education approved a few years back.

Commissioner Walker noted that he would like to know if there were allocations for school roofs provided by the Board of Commissioners and that funding was not used for roofs.

Chairman Lankford noted that during his time as a Board of Education member, there was \$300,000 in each budget for roofs and several years ago additional funding was provided to the Board of Education for roofing.

Commissioner Inman noted that ADM Funding used to be available for roofs, which is no longer available.

Chairman Lankford noted that ADM funding actually paid for building of Walnut Cove Elementary School.

County Manager Rick Morris noted the following updates for discussion at the next Budget Work Session:

- Failed to put in the budget a request from Mr. Hairston (requested during Public Comments) who requested \$2,000 for East Walnut Cove Park; would not have recommended the funding
- Rural Hall Vol. Fire Tax – Town Manager Frank James is requesting a fire tax increase for new trucks, can't see increasing one department more than any other department
 - Have found a solution which Town Manager James agreed to: take \$9,416 from the Fire Department's Fund Balance leaving a \$575 balance
- This will allow them to purchase the needed fire trucks
- Made it clear, in my opinion, there will be no fire tax increase next year and very limited Fund Balance
- If the County accepts the proposal for the Stokes County Sheriff's Office to provide coverage to the Town, the recommended budget will have to be modified to show the expenditures and revenue
- Would recommend to the Board that the Town of Walnut Cove purchase the needed VIPER radios from the County separately, not to be included in the \$140,000 contract price
- Sheriff Marshall and Emergency Communications Hall agreed with the manager's suggestion (take the remaining radios ordered for Walnut Cove Police and maintain by the County for future sale)
- Walnut Cove Library Improvement Project:
 - \$40,000 appropriation in the year's proposed budget
 - \$40,000 last appropriation will be in 2014-15 budget with an additional \$50,000 due July 1, 2014
 - Walnut Cove Library staff agreed to have fundraisers to try to eliminate the County and Town from the last payment
 - To my knowledge, no efforts have been done to raise the additional funding
- Need to add \$7,500 back to the Jail budget due to not approving the requested new position requested by the Sheriff
- Autumn Square Building – Have a contingency plan in place for the move (\$75,000) and have \$38,000 in Capital Reserve to use if needed; closing is planned for June 27th
- Mr. Venable has some furniture he would sell to County for a very low price before his public auction
- Has several pieces of furniture he will sell for \$2,000; would request direction from the Board at the next meeting
- Have discussed one new ambulance versus two remounts with Director Collins and agree with Director Collins, one new ambulance is the best decision

- Going back to the smaller boxes creates a weight problem for the chassis; other similar units have already had to have new springs, bearings, etc.

Commissioner Walker confirmed with Manager Morris that if the proposed fire tax in the budget recommended by Manager Morris is adopted, everyone in the County will have the same fire tax.

The Board unanimously agreed with Manager Morris' suggestion that the Town of Walnut Cove will purchase the needed VIPER radios from the County and the County will keep the remaining radios for future use or sale.

Chairman Lankford commented:

- County Manager needs to speak to the Town Manager indicating that fundraising needs to be started to raise the additional \$50,000
- Will not vote to allocate funding if attempts have not been done to raise this additional funding as agreed in the agreement
- Directed the manager to provide the Board with any other available information regarding this arrangement

Commissioner Inman commented:

- Tom Grubbs was very active in the fundraising and due to his health has most likely not be able to help in the fundraising

Commissioner Inman requested the Board be provided with a copy of the agreement.

Vice Chairman Booth confirmed with Manager Morris that the County and the Town of Walnut Cove both must provide an additional \$50,000.

Chairman Lankford reiterated that the agreement also states the funding is due if fundraising has not been successful, not because fundraising was not done.

Manager Morris noted that once the payments are received from both the Town and the County, there will still be approximately \$180,000 left on the debt for the Town's responsibility.

Commissioner Inman commented:

- The County could not get the LGC approval for the Walnut Cove Library renovations without adopting a resolution to increase taxes to pay the debt service
- County transferred the facility to the Town of Walnut to allow the Town to borrow the funding

Commissioner Jones exited the meeting at 12:15 pm.

Finance Director Julia Edwards provided the Board information regarding funding that has been provided to the school system for capital purchases along with ADM and lottery funding.

Adjournment

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

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

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman