

STATE OF NORTH CAROLINA)
)
COUNTY OF STOKES)
)

OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
OCTOBER 14, 2013

The Board of Commissioners of the County of Stokes, State of North Carolina, met for regular session in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Monday, October 14, 2013 at 1:30 pm 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 D. Morris
Clerk to the Board Darlene Bullins
Finance Director Julia Edwards
Social Services Director Kristy Preston
Tax Administrator Jake Oakley
Health Director Scott Lenhart

Chairman Ernest Lankford called the meeting to order and welcomed those in attendance.

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

- "In making plans, do you seek God's guidance and wait for his peace before proceeding"

Commissioner Inman 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.

GENERAL GOVERNMENT – GOVERNING BODY – APPROVAL OF AGENDA

Chairman Lankford entertained a motion to approve or amend the October 14, 2013
October 14, 2013

Agenda.

Commissioner Jones moved to approve the October 14th Agenda as presented.

Vice Chairman Booth seconded and the motion carried unanimously.

COMMENTS - Manager/Commissioners

Chairman Lankford opened the floor for comments from the County Manager and the Board.

County Manager Rick Morris presented the following comments:

- CDBG Grant
 - Provided the Board with a copy of the Mandatory Monthly Performance Status Report for September 2013
 - All comprehensive rehabilitations completed to date
 - All ERP units completed
 - Close out public hearing is scheduled for Monday, October 28, 2013
- Notification of Property Acquisition – Hanging Rock State Park
 - Just received the information from the State regarding a proposed acquisition
 - Grantee - State of NC Department of Environment and Natural Resources- Division of Parks and Recreation
 - Grantor - Betram and Dorothy Kalet
 - 77.04 acres
 - Unit cost = \$1,700/acre
 - Location - Off Covington Road, Yadkin Township
 - Acquisition of this property provides protection of natural and scenic resources and will provide public access to Cook's Wall, a highly desirable rock climbing feature
 - County has the opportunity, if desired, to provide written comments by October 14th
 - Impact on County – Approximately \$750 less property tax revenue each year
- NCACC- Impact of Obamacare
 - Will be attending a seminar sponsored by NCACC regarding the impact of Obamacare on the counties
 - Will provide the Board with an update at the November Goal/Budget Guidance Work Session
- Joint Meeting with the Board of Education
 - Directed by Board of Commissioners at the joint meeting on September 30th to look at all options for possible funding for the schools' capital needs
 - Met with Superintendent Ronnie Mendenhall and Director of Finance Lanette Moore regarding a proposed option
 - Option – Suggested using any unspent funding from the \$2.1 million that has been borrowed for the Lawsonville Renovation Project for school capital needs instead of taking the unused funds to pay toward debt service (any

savings from the construction and finance costs along with any unused contingency funding)

- Worst case analysis – approximately \$64,000
- Best case analysis – approximately \$228,000
- Will also provide an incentive to save funding on the project in order to have additional funding for other school capital needs
- Superintendent Mendenhall will be discussing the idea with the Board of Education, if approved by the Board of Education, will bring back to the Board of Commissioners for final approval
- Looking at creative ways to provide any amount of funding possible

Commissioner Walker commented:

- Expressed appreciation to Manager Morris for taking a look at options for additional funding for the schools
- Like the sound of the idea
- Would like for the Manager to continue to look at any option out there where funding could be diverted in a good way to help with the needs indicated by the Board of Education at the joint meeting

Commissioner Jones commented:

- Agree with Commissioner Walker's comments
- Will be attending the Environmental Steering Committee in Raleigh on Wednesday
- Will be meeting with PART Program Manager Scott Rhine on Wednesday
- Will be attending the Social Services Board Training in Hickory with Commissioner Inman next week
- Commissioner Walker will be representing me at the Child Fatality Meeting tomorrow

Commissioner Inman commented:

- Will be chairing the Public Education Steering Committee in Raleigh on Thursday
- Also like the incentive for the Board of Education to save funding on the Lawsonville Project
- Just want everyone to know that the Hold Harmless funding received this year was not extra money, will be used to fill a huge gap in the next fiscal year's budget

Chairman Lankford commented:

- Attended the quarterly meeting with CenterPoint Human Services last week
- Appears everything is going well
- Several proactive things going on such as the new wing at Pioneer Community Hospital of Stokes for adult and geriatric behavioral health

Vice Chairman Booth commented:

- Appreciate the Manager looking for options for additional funding for the school capital needs

Commissioner Walker commented:

- Learned a lot when I attended the DSS Board training

- Very concerned about the impact that Health Care Reform will have on the county's plan
- Not hearing good things so far
- Very glad the Manager is going to the training regarding Health Care Reform
- Encouraged to see the progress on the Lawsonville project
- Questioned where the sewer project for the community college stands?

Manager Morris responded:

- Looking at initiating the contracting process in December with the project being completed by the end of 2014
- On schedule and ahead of the community college project

Commissioner Walker questioned what was the status of the bridge project?

Manager Morris responded:

- Met with staff from Mountain to Sea Trails regarding taking ownership of the bridge; have not received an answer yet

Chairman Lankford commented:

- Want to provide a very positive note regarding the sewer project
- Received notification this week from Governor McCrory that Stokes County would be receiving a \$300,000 grant from ARC

County Manager Morris responded:

- Sewer Project is funded except for the NC Rural Center Grant for \$500,000; just waiting on notification from State regarding that grant

PUBLIC COMMENTS

The following spoke during public comments:

E.A. "Buddy" Timm

PO Box 573

Walnut Cove, NC 27052

Re: **Harm from Obamacare**

Mr. Timm read the following:

My concern is whether our County is prepared for Obamacare's harmful effect upon individuals in our County. People are losing their jobs, having hours cut, and losing their homes because of the outrageous high cost of Obamacare insurance premiums. Obamacare's premiums have increased up to three to four times higher than the free market premiums. A sixty-year old woman mentioned her monthly premiums went from over two hundred to over seven hundred dollars and now she is wondering how to pay for necessities. A man mentioned his monthly premiums went from over two hundred to over nine hundred dollars. You can listen to them by googling: The Jason Lewis Show, listen, archives, September 27, 2013, 3rd hour.

We must not forget the flow of Rights and Powers come from our Creator to individuals, who in turn through their State, delegated powers to create the Federal Government. Is it not an abuse of power to claim that which was not delegated to them?

Contrary to the Supreme Court's ruling, the taxing power does not make something constitutionally lawful. Something that is clearly a constitutionally delegated power to the Federal Government makes taxing for it lawful.

The taxing power cannot create a new enumerated power. Federal opinions cannot create or claim a new enumerated power. The enumeration of that power must be clearly written within the pages of the Constitution. The Constitution cannot be a document of unlimited powers, when it is founded on limited delegated powers.

People take an oath to the Constitution and not to the opinions of the Federal Government, and they are to defend it against every aggression either foreign or domestic.

Law must clearly and accurately define; opinions lead to lawlessness and tyranny, especially when the Judiciary tampers with the legislation, calling a fine a tax.

James Madison said, 'By uniting legislative and judicial powers to those of executive, subverts the general principles of free government...'

Vladimir Lenin said, "Socialized medicine is the keystone to the arch of the Socialist State".

We cannot have the invasiveness of Obamacare's Federal questioning, record keeping, and IRS enforcement into our lives and have Freedom.

We do not want to become the United Socialist States of America.

CONSENT AGENDA

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

Consent Agenda:

Minutes

- Minutes of June 25, 2013 – Budget Work Session
- Minutes of June 26, 2013 – Budget Work Session
- Minutes of September 23, 2013 – Regular Meeting
- Minutes of September 30, 2013 – Joint Meeting with the Board of Education
- Minutes of October 1, 2013 – Planning Meeting
- Minutes of October 7, 2013 – Special Called Meeting

Vehicle Maintenance - Budget Amendment #22

Finance Director Julia Edwards submitted Budget Amendment #22.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
Vehicle Maintenance				
100.4250.511	Equipment – Non Capitalized	<u>\$00.00</u>	<u>\$2,910.00</u>	<u>\$2,910.00</u>
	Totals	\$00.00	\$2,910.00	\$2,910.00

October 14, 2013

This budget amendment is justified as follows:

To appropriate impoundment fees for the purchase of a Tommy Lift Gate for the IVECO Box Truck received by the Sheriff's Department by the Court System.

This will result in a net increase of **\$2,910.00** 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
100.3425.410	Impoundment Fees	<u>\$4,000.00</u>	<u>\$2,910.00</u>	<u>\$6,910.00</u>
	Totals	\$4,000.00	\$2,910.00	\$6,910.00

Sheriff's Department and Public Buildings - Budget Amendment #23

Finance Director Julia Edwards submitted Budget Amendment #23.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Public Buildings			
100.4190.511	Equipment – Non capitalized	\$3,500.00	\$1,495.00	\$4,995.00
100.4190.352	Maint. & Repairs-Buildings	\$40,000.00	\$(1,495.00)	\$38,505.00
	Sheriff's Department			
100.4310.511	Equipment – Non capitalized	<u>\$12,295.00</u>	<u>\$1,345.00</u>	<u>\$13,640.00</u>
	Totals	\$55,795.00	\$1,345.00	\$57,140.00
	Capital Reserve Fund			
201.4250.006	Vehicle Maintenance	\$101,147.00	\$(1,345.00)	\$99,802.00
201.9810.000	Transfer to General Fund	<u>\$90,050.00</u>	<u>\$ 1,345.00</u>	<u>\$91,395.00</u>
	Totals	\$191,197.00	\$00.00	\$191,197.00

This budget amendment is justified as follows:

To transfer and appropriate funds for the purchase of storage shelters for the impoundment lot.

This will result in a net increase of **\$1,345.00** 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
100.3982.960	Transfer from Capital Reserve Fund	<u>\$90,050.00</u>	<u>\$1,345.00</u>	<u>\$91,395.00</u>
	Totals	\$90,050.00	\$1,345.00	\$91,395.00

Vehicle Maintenance - Budget Amendment #24

Finance Director Julia Edwards submitted Budget Amendment #24.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Vehicle Maintenance			
100.4250.351	Maintenance & Repairs-Auto	<u>\$1,200.00</u>	<u>\$5,208.00</u>	<u>\$6,408.00</u>
	Totals	\$1,200.00	\$5,208.00	\$6,408.00
	Capital Reserve Fund			
201.4250.006	Vehicle Maintenance	\$99,802.00	\$(5,208.00)	\$94,594.00
201.9810.000	Transfer to General Fund	<u>\$91,395.00</u>	<u>\$5,208.00</u>	<u>\$96,603.00</u>
	Totals	\$191,197.00	\$00.00	\$191,197.00

This budget amendment is justified as follows:

To transfers funds for repairs to the Garage's 2005 International Rollback.

This will result in a net increase of **\$5,208.00** 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
100.3982.960	Transfer from Capital Reserve Fund	<u>\$91,395.00</u>	<u>\$5,208.00</u>	<u>\$96,603.00</u>
	Totals	\$91,395.00	\$5,208.00	\$96,603.00

Governing Body - Budget Amendment #25

Finance Director Julia Edwards submitted Budget Amendment #26.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
Senior Services				
100.4110.180	Professional Services	\$2,600.00	\$11,668.00	\$14,268.00
Contingency				
100.9910.000	Contingency	<u>\$41,750.00</u>	<u>\$(11,668.00)</u>	<u>\$30,082.00</u>
Totals		\$44,350.00	\$00.00	\$44,350.00

This budget amendment is justified as follows:

To transfer funds from Contingency for SpyGlass Cost Savings Reduction Services.

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.

Lawsonville Elementary School Project - Budget Amendment #26

Finance Director Julia Edwards submitted Budget Amendment #26.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
Lawsonville Elem. School				
400.5913.600	General Contract	\$1,365,000.00	\$546,500.00	\$1,911,500.00
400.5913.601	Architect Fees	\$135,000.00	\$(46,500.00)	\$88,500.00
400.5913.751	Financing Fees	<u>\$00.00</u>	<u>\$100,000.00</u>	<u>\$100,000.00</u>
Totals		\$1,500,000.00	\$600,000.00	\$2,100,000.00

This budget amendment is justified as follows:

To appropriate funding from financing for Lawsonville Elementary School Project.

This will result in a net increase of \$600,000.00 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
400.3831.002	Proceeds from Financing	<u>\$1,500,000.00</u>	<u>\$600,000.00</u>	<u>\$2,100,000.00</u>
Totals		\$1,500,000.00	\$600,000.00	\$2,100,000.00

Commissioner Jones moved to approve the Consent Agenda as presented. Commissioner Inman seconded the motion.

Commissioner Walker questioned how the cost savings reduction program (Budget Amendment #25) actually work?

Manager Morris responded:

- Detailed cost savings explanation is attached to the Budget Amendment
- SpyGlass found approximately \$4,585 annual savings
- Working with SpyGlass, Danny Stovall found an additional \$900 per month which SpyGlass does not get any credit which will start in December
- Very productive venture

Commissioner Walker confirmed with Manager Morris that approval had already been received from Local Government Commission regarding the Lawsonville Renovation Project (Budget Amendment #26).

The motion carried unanimously.

GENERAL GOVERNMENT – GOVERNING BODY – INFORMATION AGENDA

NCACC Video

Chairman Lankford directed staff to provide the short video requested by the NCACC to be shown at the first Board of Commissioners' meeting in October.

The following spoke during the presentation:

- NCACC President Ray Jeffers, Person County
 - Invited Board members to join him in helping the NCACC represent the interests of all 100 counties
 - Need every county to be engaged
 - Many ways to become involved
- Legislative Counsel Casandra Skinner
 - Would like to invite Board members to serve on one of the seven steering committees
 - Agriculture
 - Environment
 - Health and Human Services
 - General Government
 - Justice and Public Safety
 - Public Education
 - Taxation and Finance

- Associate Director of Education Jason King
 - Would like to invite Board members and county staff to attend the seminar on the Affordable Care Act and Its Impacts on Counties to be held on October 15th in Orange County
- General Counsel Amy Bason
 - Risk Management Pools were created to help counties to better manage the cost of liability, property, and worker's compensation insurance
 - Programs are specially tailored to meet the unique needs of county government
 - Provides an extensive risk control service to help members reduce their cost by identifying and eliminating potential risks
- NCACC President Ray Jeffers
 - NCACC does a lot for our counties
 - Please join me this year to make the NCACC an even more valuable partner for all 100 counties

Economic Development Commission (EDC) – Update

EDC Chairman Sam Hill presented the following EDC update:

- Appreciate the opportunity to provide the Board with an EDC update
- Have invited Economic Development Director Alan Wood to attend the meeting today
- EDC updated and approved the EDC Priorities on June 19, 2013 which continue to include the following:
 - Business Retention/Expansion
 - Business/Industry Recruitment
 - Entrepreneurial Activities
 - Travel/Tourism Development
- Fifth Annual Business Extravaganza
 - To be held on Thursday, January 16, 2014 – Camp Hanes
 - Has been very popular with the businesses in the County
 - Feels it has brought the businesses in the north, east, west, and south closer together
 - Provides an opportunity for business owners in the county a chance to meet one another
 - NewBridge Bank has agreed to remain the Corporate Sponsor increasing their level of participation
 - Charlotte motivation company, “Leading to Change” will be assisting with the program and providing entertainment this year
 - Anticipate a record group topping the almost 300 that was there last year
- Continuing to build websites for the local businesses in the County
 - During the past three years, 115+ local businesses have been impacted by these efforts
 - Continue to provide social media training sessions for businesses

- Program continues to receive publicity with two surrounding counties looking at ways to implement the program in their county
- Have worked with Forsyth Tech Community College to develop and deliver six seminars on marketing with social media reaching nearly 40 local businesses
- Continue to support the local realty group which has over 30 members
- Tourism
 - Nearing the end of the first year of the Tourism Marketing Campaign
 - Tourism in the County continues to grow showing an increase of almost 4% in 2012
 - Based on information from the NC Department of Commerce, estimated revenues of over \$22 million and over 130 jobs are directly attributed to tourism in Stokes County
 - If this was housed in one establishment, would make it the third largest private employer in the County
 - Marketing Plan this year focused on the Triangle area in North Carolina and hope to expand the reach during next year's campaign
 - There were eight (8) private partners who supplied funding this year and appears that number may double next year
 - Still struggling with lodging
 - EDC and staff still continue to work on ideas that could impact the lodging issues
 - One project includes working with NC State University to design a cabin
 - Plans are to have a model cabin that someone can build to rent; this should save the investors money for plans, designs, etc.
- Efforts to support entrepreneurial activities in the local farming community are ongoing
- A new farmer's market, "Stokes Future" was established this summer
- Will continue to strive to assist these hard working sections of our citizens to earn a living wage
- Staff is engaged with the Rockingham County's Local Foods Coalition in an effort to create new opportunities for current and future farm families; needed with the depletion of the tobacco industry in Stokes County
- Appreciate the work being done by Commissioner Jones regarding "Stokes Future" with the investment of her own money and time
- Business Industry Recruitment
 - With the lack of available facilities and no sites under control, it was determined that the recruitment efforts would need to be bolstered
 - Meetings were held with 12 local business owners
 - County receives requests for available facilities and sites weekly with no sites and/or facilities to show
 - Staff recommended contracting a six to eight week study to quantify how the County can be competitive in business recruitment
 - EDC unanimously approved the project
 - Crystal Morphis, Creative EDC, Inc., will head the project (has 20 years of Economic Development experience)

- Chairman Hill briefly discussed the following scope of the project:
 - Task #1 - Product Assessment
 - Will begin Product Assessment with a review of Stokes County available sites and buildings
 - Will identify the gaps in product based on inquiries to Stokes County and the general knowledge about the site/building development in the Winston-Salem/Triad area
 - Will conduct a Site Selector review of the sites that Stokes County has identified as potential sites for future development near US 52 in the King area
 - Review will include a GIS study, site visit, and collaboration with Moss and Associates on the potential for development
 - Will provide a set of recommendations on how to move forward on the site(s) if the assessment is positive
 - Task #2 – Targeting
 - Creative EDC will review the clusters that have been growing and declining in Stokes County, targets of the region, recent inquiries, and identify the types of businesses that could be targets for recruitment
 - Will survey the existing businesses that could be targets for recruitment
 - Task #3 - Marketing Strategy
 - Creative EDC will develop a targeted marketing strategy to promote the site(s) under development, existing buildings, and other product and assets
 - Marketing strategy will include a budget for specific initiatives
 - Task #4 – Implementation
 - Creative EDC will address organizational structure, funding, and staff support
 - Action Plan recommendations on how to ensure the plan does not just sit on the shelf
 - Task #5 - Action Plan
 - All of the work of the product assessment, marketing strategy, and implementation will be compiled into a detailed Action Plan for Recruitment, Specific Steps, Resources, and Measurements
 - A final written report will be delivered electronically and a presentation of the Action Plan made to its designated group

- Scope of Work – Fee
 - \$10,500 plus travel and expenses
 - Travel is expected not to exceed \$125 for two visits to Stokes County
- As most of you know, I am a very fiscal conservative in nature, but feel this is a very worthwhile project
- County Manager has a strict policy when reviewing proposed contracts and agreements especially when consultants are involved
- This proposed contract with Creative EDC, Inc. is on hold until presented to the Board today
- Want this project to be totally transparent with no unanswered questions
- Would not have agreed to go forward with the project if it had only been a study, but that is not the case, this is intended to be a full and comprehensive action plan to produce results on developing and marketing small businesses in Stokes County
- Would like to see this Board go down in history, as being the Board that took a leap of faith, that puts this county in the running that would produce sensible economic development in Stokes County
- Assistance from the State is continually decreasing
- This is what the business people need and want
- Want to develop programs that will promote properties in Stokes County
- Some believe that when the market begins to turn, Stokes County needs to be ready to bring businesses to Stokes County
- Appreciate the opportunity to speak today

Chairman Lankford expressed appreciation to EDC Chairman Hill for today's update and the EDC's vision for business growth in Stokes County.

Chairman Lankford opened the floor for questions and/or comments.

The Board discussed the proposed project with Chairman Hill and Director Wood.

Chairman Lankford questioned a former plan presented by ED Director Wood to identify land areas that possibly could be taken under control for future development?

Chairman Hill responded:

- That venture did not pan out

Chairman Lankford confirmed with Chairman Hill that there was no guarantee on what this will do for Stokes County and the cost being \$10,500 for the study.

Chairman Hill requested approval from the Board to allow Director Wood to respond to the questions. The Board had no issues with Director Wood responding to questions.

Director Wood responded:

- Confirmed there is no guarantee
- This project is to establish where the County can recruit business and respond to requests for land/facilities
- Had five (5) large requests last week, couldn't respond to any due to not having any property under control
- Helps to identify properties, look at how they can be developed, timeframe for development and how to best market the property once the property is under control
- The project will also be looking at using private dollars instead of county dollars

Commissioner Inman commented:

- County will be hosting a manufacturing forum on Tuesday, November 12th which will involve business leaders, school system, Forsyth Tech and others
- Forum will be implemented by the Institute of Emerging Issues at NC State
- Reality is that manufacturing is still out there, but not what it used to be
- Need to get prepared for the new manufacturing
- Know the ED Director in Davie County, Terry Brawley, who is making things happen – Brawley and staff have a strategic plan in place that identifies sites
- Need to be proactive and have sites available
- Not going to attract a 300 employee manufacturing company, but if you attract 30 small businesses that employs 10 people, it is the same results
- Noted companies like DMSquare who employs 16 to 17 people
- One last thing, a county that continues to depend solely on Ad Valorem taxes is not sustainable
- Need income from business and industry; can't continue to go back to the taxpayers wanting more

Commissioner Jones commented:

- Feels this is a doable project
- Feels that county needs to try the concept
- Support proposed project
- Have to do whatever we can to be ready when the market turns

Vice Chairman Booth commented:

- Already know where the infrastructure is in King
- Confirmed with Director Wood that the County does not have any property under control in the King area
- Confirmed with Director Wood that properties are known, but not developed enough to be able to present the property to a potential business
- Confirmed with Director Wood that the study will give the County the steps needed to possibly get properties under control

- Also thought, like Chairman Lankford, there was some property in the King area that was under control

Director Wood responded:

- Made a run about a year ago with no money down and up front trying to get property under control
- Was not able to get the property under control
- This project will not only identify, but will provide the County a plan for what is needed as far as the assets to put the property under control
- This plan will provide information about what kind of business will go on particular sites, what it will cost for grading, how long it will take to possibly put a facility on the property, etc.

Vice Chairman Booth confirmed with Director Wood that even though the property is already identified in the King area, the project will provide much more.

Commissioner Walker commented:

- Expressed appreciation to Chairman Hill and Director Wood for the update
- Also would like to thank Commissioner Jones for her efforts
- At one time, asked a Commissioner about economic development that was running for office (actually had economic development on his campaign material)
- Knew that this particular Commissioner did not have that much support for economic development
- The commissioner replied that the statement about economic development was put on the campaign sign for votes
- That is not what brings economic development to Stokes County
- Would be hard to guarantee specific results with a project like this, but feels there is a guarantee in place
- That guarantee is that if the County does not make a good faith effort toward economic development, the results are guaranteed – will not have that much in Stokes County
- Recently met the Davie County Manager who stated that economic development is rolling in Davie County
- Director Wood is positioning the county so that when the market does turn, the county will be ready
- Support the project
- Wish there were more projects like this request
- Recently talked to a friend who stated that Wal-Mart is talking with Renfro in Mount Airy about all their socks coming from only US companies
- Support EDC and Director Wood for their efforts, feels that a lot of what Director Wood does is under the radar, he is producing results that we don't even know
- When talking to people in Stokes County, the number one thing mentioned is what is being done to create jobs in Stokes County

Chairman Lankford responded:

- Would like to clear up one comment
- Feel like I know this Board very good and can guarantee that the comment about campaigning about economic development did not come from this Board
- Know everyone on this Board is very supportive of economic development

Chairman Hill noted that he realized the cost of \$10,500 for the study, but would not even think about supporting the project unless he felt it was what the County needed and was very worthwhile.

Chairman Hill expressed appreciation for the Board's continued support.

GENERAL GOVERNMENT – GOVERNING BODY – DISCUSSION AGENDA

Tax Administration Report – September 2013

Tax Administrator Jake Oakley presented the following informational data for the August Report:

Fiscal Year 2013-14	Budget Amt	Collected Amt	Over Budget	Under Budget
County Regular & Motor Vehicles	\$20,480,675.00	\$10,991,249.09		\$9,489,425.91
New Schools F-Tech Fund	\$1,365,378.00	\$733,467.82		\$631,910.18
Prior Taxes 1998-2012 Tax Years				
County Regular & Motor Vehicles	\$750,000.00	\$333,369.79		\$416,630.21
EMS Current Collections				
Total Collected				
(09-01-13/09-30-13)		\$85,731.08		
Total Collected				
(07-01-13/06-30-14)		\$311,317.42		
Delinquent EMS Collection Report				
Total Collected				
(09-01-13/09-30-13)		\$14,301.37		
(07-01-13/06-30-14)		\$41,674.21		
Business and Personal Property Discovery Report				
Audit Dates	# of Accts	Total Value	Taxes Due	
09-01-13/09-30-13	51	\$444,644.00	\$3,763.12	

07-01-13/06-30-14	1218	\$7,848.440.00	\$64,993.44
-------------------	------	----------------	-------------

Motor Vehicle Release Report	Accounts	Total Value
Audit Dates		

09-01-13/09-30-13	42	\$1,647.86
-------------------	----	------------

Motor Vehicle Refund Report	Accounts	Total Value
Audit Dates		

09-01-13/09-30-13	9	\$316.92
-------------------	---	----------

Number billed for September 2013	4705
---	------

Garnishment Totals

		Original Levy Amt	Collected Amt
Month	Total Accounts		
09-01-13/09-30-13	149	\$38,872.81	\$31,117.46

F/Year 2013-14			
(07-0-13/6-30-14)	526	\$168,638.00	\$140,690.05

Monthly Delinquent Tax Collection Report

Tax Administrator Jake Oakley presented the following Monthly Delinquent Tax Collection Report for August 2013:

<u>County</u>	<u>Real/Personal</u>	<u>Property</u>	<u>September</u>	<u>2013</u>			
Year	Beginning Balance	Releases	Refunds	Debits/ Credits	Writeoffs	Payments	Ending Balance
2012	\$ 448,315.45	\$(744.45)	\$689.30	\$5.08	\$(2.56)	\$(27,657.61)	\$ 420,605.21
2011	\$ 202,122.24	\$(745.89)	\$688.70	\$104.39	\$(1.98)	\$(10,475.88)	\$ 191,691.58
2010	\$ 104,300.83	\$(532.23)	\$507.50		\$(1.60)	\$ (3,776.67)	\$ 100,497.83
2009	\$ 68,029.39	\$(24.00)			\$(.50)	\$ (3,351.43)	\$ 64,653.46
2008	\$ 36,931.07					\$ (41.53)	\$ 36,889.54
2007	\$ 24,549.04					\$ (6.97)	\$ 24,542.07
2006	\$ 16,436.41					\$ (50.30)	\$ 16,386.11
2005	\$ 11,764.35						\$ 11,764.35
2004	\$ 12,004.38					\$ (98.27)	\$ 11,906.11
2003	\$ 9,096.42						\$ 9,096.42
2002	\$ 1,518.75						\$ 1,518.75
2001	\$ 102.54						\$ 102.54
2000	\$ 362.74						\$ 362.74
1999	\$ 391.72						\$ 391.72
1998	\$ 359.67						\$ 359.67

<u>County</u>	<u>Motor</u>	<u>Vehicles</u>	<u>September</u>	<u>2013</u>			
Year	Beginning Balance	Releases	Refunds	Debits/ Credits	Writeoffs	Payments	Ending Balance
2012	\$136,004.00	\$(328.69)	\$151.70	\$42.39	\$(6.79)	\$(19,388.95)	\$ 116,553.46
2011	\$ 33,835.36	\$(29.67)			\$(5.95)	\$(1,816.80)	\$ 31,982.94
2010	\$ 30,296.07				\$(4.07)	\$(1,176.60)	\$ 29,115.40
2009	\$ 22,807.04				\$(3.32)	\$(936.62)	\$ 21,867.10
2008	\$ 21,179.90					\$(63.54)	\$ 21,116.36
2007	\$ 18,437.94					\$(22.79)	\$ 18,415.15
2006	\$ 12,937.43					\$(43.36)	\$ 12,894.07
2005	\$ 15,733.69						\$ 15,733.69
2004	\$ 14,100.85				\$(0.11)	\$(23.85)	\$ 14,076.89
2003	\$ 14,154.13						\$ 14,154.13
2002	\$ 12,361.51				\$(12,361.51)		
2001							
2000							
1999							
1998							

<u>New</u>	<u>Schools</u>	<u>Forsyth</u>	<u>Tech</u>	<u>Fund</u>	<u>September</u>	<u>2013</u>	
Year	Beginning Balance	Releases	Refunds	Debits/ Credits	Writeoffs	Payments	Ending Balance
2012	\$40,861.34	\$(71.56)	\$56.08	\$3.17	\$ (0.62)	\$ (3,095.25)	\$ 37,758.48
2011	\$14,400.28	\$(50.17)	\$45.91	\$6.96	\$ (0.30)	\$ (748.59)	\$ 13,654.09

Tax Administrator Oakley commented:

- Collection is very much on schedule, approximately 54% of budget collected

<u>Interstate Collection Report</u>	<u>Collection</u>	<u>Total Collected</u>
September 2013		
Cumulative Total Collected to Date	NC Debt Setoff	\$151,072.46
Cumulative Total Collected (to date)	Motor Vehicles	\$98,080.43
Cumulative Total Collected (to date)	Property Taxes	\$26,371.63
Cumulative Total Collected (to date)	EMS	<u>\$159,713.47</u>
Collected (to date)	All Categories	\$284,165.53

Releases less than \$100 – Real and Personal Property

Tax Administrator Jake Oakley presented the following Releases less than \$100 – Real and Personal Property (September 2013) for the Board's review:

**Releases less than
\$100 - Real/Personal**

Property Name	September 2013 Bill Number	Amount
Polly Goolsby	13A696206286178	\$49.35
VL & Frances DeHart	13A696206288165	\$75.92
Rickey Amos	13A880.08.1	\$37.59
JA Lopez Construction	10A155928262.09	\$0.81
	11A155928262.09	\$32.49
	12A155928262.09.1	\$30.64
	13A155928262.09.1	\$28.77
Myrtle Allen	13A440.09.1	<u>\$5.82</u>
	Total Amount	\$261.39

Refunds less than \$100 – Real and Personal Property

Tax Administrator Jake Oakley presented the following Refunds less than \$100 – Real and Personal Property (September 2013) for the Board's review:

**Refunds less than
\$100 - Real/Personal**

Property Name	September 2013 Bill Number	Amount
Polly J Goolsby	12A696206286178	\$48.30
	11A696206286178	\$48.30
	10A696206286178	\$45.50
VL & Frances DeHart	12A696206288165	\$74.88
	11A696206288165	\$73.84
	10A696206288165	\$72.00
Chester Goolsby Estate c/o Jesse Goolsby	13A155908055.07	\$22.33
Marty & Wanda Hester	13A155893237.09	<u>\$39.78</u>
	Total	\$424.93
Robert T. Butner	12A33242.09	\$5.97*
	11A33242.09	<u>\$6.52*</u>
		\$12.49*

*Do not send to taxpayer, process check to Stokes County Tax Office and Apply to account #156046859 – Bill #13VBKY6806

Releases more than \$100 – Real and Personal Property

Tax Administrator Jake Oakley presented the following Releases more than \$100 – Real and Personal Property (September 2013) for the Board's review and consideration at the October 28th meeting:

Releases more than \$100 - Real/Personal

Property	September 2013		
Name	Bill Number	Amount	
Marianne Northington	13A696206387753	\$141.44	House Demolished 2010
Wayne & Thenia Bullins	13A31917.01	<u>\$588.00</u>	Incorrect Dog Billing
	Total Amount	\$729.44	

Tax Administrator Oakley requested to place the item on the October 28th Consent Agenda.

Refunds more than \$100 – Real and Personal Property

Tax Administrator Jake Oakley presented the following Refunds more than \$100 – Real and Personal Property (September 2013) for the Board's review and consideration at the October 28th meeting:

Refunds more than \$100 - Real/Personal

Property	September 2013	
Name	Bill Number	Amount
Marianne Northington		
House Destroyed	12A696206387753	\$169.52
	11A696206387753	\$169.52
Karen Hiatt	13A690214236242	\$120.01
Susan Moore	12A690214236242	\$113.36
Bldg Demolished in 2009	11A690214236242	\$113.36
	10A690214236242	\$106.82
William & Kathy Flinchum		
Elderly Exemption	13A696319605400	\$317.25
Wanda & Marty Hester		
Elderly Exemption	13A691204748965	<u>\$136.47</u>
	Total Amount	\$1,246.31

Tax Administrator Oakley requested to place the item on the October 28th Consent Agenda.

Late Application for Disabled Veteran Exclusion for 2013

Tax Administrator Jake Oakley presented the following Late Application for Disabled Veteran Exclusion for 2013 for the Board's review and consideration at the October 28th meeting:

- John G. Finney
- Parcel #6915-00-57-9934 (tract of land and dwelling at 1519 High Valley Road, King, NC)
- Assigned tax value of \$90,500
- Review of their application and accompanying documents indicate that he qualifies for the exemption
- Tax Administration recommends the Board approve the late application

Tax Administrator Oakley requested to place the item on the October 28th Consent Agenda.

Late Applications for Elderly and Disabled Exemption for 2013

Tax Administrator Jake Oakley presented the following Elderly and Disabled Exemption for 2013 for the Board's review and consideration at the October 28th meeting:

- **Christine Schill Park**
 - Taxpayer owns a tract of land and a single-wide mobile home located at 1060 Manuel Road, Germanton, NC
 - Assigned tax value of \$26,547
 - Review of their application and accompanying documents indicate that she qualifies for the exemption
 - Due to the circumstances of their request, Tax Administration recommends the Board approve the late application
- **Thomas & Patti Dalton**
 - Taxpayer owns a single-wide mobile home located at 2449 Rosebud Road, Walnut Cove, NC
 - Assigned tax value of \$6,014
 - Review of their application and accompanying documents indicate that they qualify for the exemption
 - Due to the circumstances of their request, Tax Administration recommends the Board approve the late application

- **Ramon & Teresa Burgan**

- Taxpayer owns a single-wide mobile home located at 1040 Melody Drive, Germanton, NC
- Assigned tax value of \$12,962
- Review of their application and accompanying documents indicate that they qualify for the exemption
- Due to the circumstances of their request, Tax Administration recommends the Board approve the late application

Tax Administrator Oakley requested to place the item on the October 28th Consent Agenda.

Chairman Lankford opened the floor for discussion.

The Board had no issues with the September Tax Report.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the following items on the October 28th Consent Agenda:

- Real and Personal Releases more than \$100.00
- Real and Personal Refunds more than \$100.00
- Late Applications for Elderly and Disabled Exemption for 2013
- Late Application for Disabled Veteran Exclusion for 2013

Discount for Early Payment of Annual Bills

Tax Administrator Jake Oakley presented the following information regarding the total discounts taken on 2013 Stokes County Annual Bills:

County	G01	\$208,349.26
Fire Service District	S01	\$ 11,742.02
King Fire District	F01	\$ 3,341.76
Rural Hall Fire District	F02	\$ 636.10
Walnut Cove Fire District	F03	\$ 2,099.47
New School/F-Tech Fund	E01	\$ 13,888.84
Dogs	D01	\$ 418.01
City of King	C01	\$ 26,312.13
Town of Walnut Cove	C03	\$ 4,315.97
Town of Danbury	C04	\$ <u>290.14</u>
		\$271,393.70

Collection of New and Old Motor Vehicle Bills

Tax Administrator Jake Oakley provided the Board with the following information regarding the collection of new and old motor vehicle bills:

- Difference of monies for September 2013 that pertain to September through a cumulative collection of taxes:

Month	Old Tax System	New NCVTS System Reported by Finance	Total Collected
Sept. 2013	\$167,715.27	\$86,714.95	\$254,430.22

- The amounts present are the county's tax rate of \$0.60 only
- The reason for this is because the old system is billed four (4) months after the renewal of tags, and during this time there will be a double amount collected for these months
- This is not a double taxation on a motor vehicle, only the remittance of taxes due under the old billing system during the renewal/tax billing on the new NCVTS, which taxes are due at the time of renewal
- The cumulative collection of monies will increase over this period due to early renewals, on time renewals, and late renewals.
- Provided the Board with a report from State of North Carolina that reflects the bills due per taxing districts (county, municipalities, all fire districts, educational fund, and fees)
- Will be glad to provide the State report each month or provide the Board with a simpler report for review each month

Chairman Lankford opened the floor for discussion.

Vice Chairman Booth commented:

- Would be happy with a simpler report that shows what is being collected, comparison of what is being collected under the new system, and fees

Commissioner Jones commented:

- Agreed with Vice Chairman Booth that a simpler report would benefit the Board more

Tax Administrator Oakley responded:

- Will provide the Board a report detailing what is going out and what is coming into the County

Public Utilities

Tax Administrator Jake Oakley provided the Board with the following information regarding public utilities taxes for 2013:

- Overall positive revenue change for the County due to an increase in Duke Energy Billings
- Comparison between Fiscal Year 2012-2013 and Fiscal Year 2013-2014 Public Utility Billings for the County, Municipalities, and Fire Districts:

TAX CODE	TAX RATE	FY 2012-13 REVENUE	TAX RATE	FY 2013-14 REVENUE	REVENUE INCREASE
G01 GENERAL COUNTY	\$0.600	\$2,810,534.70	\$0.600	\$3,128,678.78	\$318,144.08
E01 NEW SCHOOLS/F-TECH FUND	\$0.040	\$187,368.98	\$0.040	\$208,578.60	\$21,209.62
C01 CITY OF KING	\$0.3999	\$27,342.30	\$0.422	\$28,737.92	(INCREASE DUE TO TAX RATE) \$1,395.62
C03 TOWN OF WALNUT COVE	\$0.400	\$13,435.28	\$0.400	\$14,636.16	\$1,200.88
C04 TOWN OF DANBURY	\$0.270	\$2,804.91	\$0.270	\$2,586.86	(DECREASE) \$218.05
S01 FIRE SERVICE	\$0.065	\$283,154.62	\$0.065	\$316,171.73	\$33,017.11
F01 KING FIRE	\$0.065	\$7,400.75	\$0.065	\$7,509.60	\$108.85
F02 RURAL HALL FIRE	\$0.065	\$1,762.78	\$0.065	\$1,817.21	\$54.43
F03 WALNUT COVE FIRE	\$0.065	\$4,326.98	\$0.065	\$6,734.04	\$2,407.06

- Duke Energy's value has increased approximately \$53 million since last year
- General County (G01) portion increased \$318,144.08
- New Schools/Forsyth Tech Fund (E01) increased \$21,209.62
- Fire Service District (S01) increased \$33,017.11
- Will be sending each municipality the new public utility revenue information

Chairman Lankford opened the floor for discussion.

Commissioner Walker questioned Tax Administrator Oakley if this increase would likely be there in two or three years or do we have any way of knowing that answer?

Tax Administrator Oakley responded:

- Do not have any way of knowing that each year
- This increase is most likely a stock pile of coal
- Most of the improvements made at the steam station is pollution abatement which is tax exempted
- The plant at Belews Creek is approximately a billion dollar company which is assessed at \$479,000 million; the remaining is exempt
- Some companies get good rates on coal at certain times of the year and that is probably what has happened this year
- Next year there could be a decrease

Tax Administration – Acquisition of New Tax Software

Tax Administrator Jake Oakley provided the Board with the following information regarding the acquisition of new tax software:

The Stokes County Tax Office has a unique opportunity to be at the forefront of the development of an enhanced version of a state-wide tax software system through approval by the Stokes County Board of Commissioners to convert Tax Office data to the NCPTS. The North Carolina Association of County Commissioners (NCACC) Collaborative Property Tax System (NCPTS) is a fully integrated tax software system that automates, streamlines and integrates tax administration functions including real property, personal property, vehicle tax, billings, collections, land records and appraisal. This software system has been specifically developed to adhere to North Carolina property tax law. NCPTS is being offered to counties without a licensing fee through the NCACC. Ongoing NCPTS implementation and support services are provided by Farragut. Stokes County was introduced to the NCPTS by way of HB 1779 (the new Vehicle Tax System) which was fully implemented state-wide beginning in the month of September, 2013.

Conversion from our current software provider (Keystone Info Systems) in the very near future to the NCPTS, would offer our county the opportunity to move ahead, both in terms of technology platform (web based) and software functionality. The appraisal module of the NCPTS is in the process of being upgraded at this time and the latest version is expected to be fully operational

around July 1, 2014. Counties that “get on board” in the initial stages of enhancement will have input regarding the final product. Fourteen counties are currently running or are in the process of switching to NCPTS (Mecklenburg, Guilford, Randolph, Henderson.....and Wake Counties are already running NCPTS tax software and Forsyth County will be converting in 2014).

Over the past several months, while working with the new vehicle tax software, seeing its functionality and the smooth transition from the old software to the new system, brought up the question of “Why cannot the whole Tax Office run on this software”? Therefore, we contacted Mr. Jeff McDonald (VP for Farragut Local Government Solutions), the provider of implementation and support services for the NCPTS. On August 28, 2013, Mr. Jeff McDonald and staff visited our location and gave a comprehensive demonstration to the various departments of the Tax Office. After having received positive feedback from the Tax Office staff regarding the demonstration of the NCPTS package, I decided to further pursue the particulars regarding our possible conversion to this new system.

Advantages of NCPTS:

- NCACC has a vested interest in and ownership of the operation of the NCPTS.
- Selected by the NC Department of Revenue to implement the new VTS Module in all 100 counties.
- NCPTS is gaining county participation as a comprehensive tax software package, while our current provider (Keystone Info Systems) is losing clients.
- Web based (no on-site servers required).
- Internal software, hardware and IT support costs are eliminated with NCPTS Cloud.
- Implementing new ideas into software by consensus, with quarterly software updates at no additional fees.
- Time savings (i.e. simplify tax exemption/relief validation and data entry).
- Tax Office staff will have capability of independently running all needed reports.
- NCPTS users average 2% higher collection rates than non-NCPTS users state-wide.
- NCPTS software support organization (Farragut) is a North Carolina company with over fifty full-time customer service employees, centrally located in Durham.
- Elimination of the Bank Lock Box Services (\$20,000 annual savings).

Disadvantages of NCPTS:

- Initial cost of implementation.
- Conversion period of approximately six months.

Ongoing issues with Keystone:

- Complete functionality of the system has never been implemented.
 1. Batch neighborhood property card printing function inoperable.
 2. Photo link inoperable (pictures of structures not linkable to property cards).
 3. Only one computer in the tax office is capable of printing property cards.
 4. Only a limited number of generic reports are functional.

5. Keystone was unable to convert approximately 4,000 building sketches from our prior software system. Several months of manual labor by Tax Office appraisers was required to correct Keystone's problem and we continue to find improperly converted sketches.
6. Unable to track ancestor/descendant parcels relating to prior software.
7. Unexplainable occurrences (i.e. billings without abstracts, original deferred amount on archived bill data changed when a rollback is processed and problems with the release function).
8. Keystone has never implemented their upgraded software versions (we did not get their most recent version during their original conversion in 2006).
9. When we need enhancements to our software, based upon North Carolina law, we are required to pay for each individual update.
10. Required to research and record values each year on property receiving the Elderly/Disabled/Veteran's Exclusion.
11. Repetitive data entry each year relating to the listing of mobile homes and boats because of problems with master files.
12. Unable to independently process reports, abstracts and annual billings.
13. Unable to delete abstracts or remove items from abstracts prior to processing.
14. User comments unable to be carried forward from year to year.
15. Problems with release groups when collection fees are involved.
16. Software lacks overall dependability and flexibility to support future property tax improvements.
17. The land transfer process is cumbersome and redundant, requiring a lot of unnecessary additional time and effort.

NCPTS Software Facts:

- Supports 40% of North Carolina's tax base and growing.
- 100% focused on serving North Carolina counties.
- Delivers larger county benefits to smaller counties.
- "Living" software updated quarterly (ten years from now the software will still be current).
- Licensed and administered by the NCACC.

NCPTS Cloud Services & Fees

NCPTS Cloud fees for Stokes County are \$400,000 for implementation (prorated over a ten-year period) and \$70,000 for annual support that includes the following services:

- All tax data migration.
- Integration with County's finance software.
- Training.
- Maintenance and support.
- Quarterly software updates.
- Integration with Stokes County's deed, permits and GIS software.
- After-hours support.
- On-site support.

NCACC administers the NCPTS Pool Fund used to implement state, federal, regulatory agency, court, and GASB mandated changes to the software:

- The annual contribution to the NCPTS pool fund is based on the total number of tax bills (inclusive of RMV) multiplied by a rate of \$.13 per bill.

In summary, NCPTS is gaining momentum and favor with counties all over the State including the largest population centers (Mecklenburg, Wake and Forsyth). Several counties have recently dropped Keystone Info Systems (Chowan and Beaufort) as a Tax Software provider, greatly reducing their presence in North Carolina. NCPTS was specifically developed to adhere to North Carolina property tax laws. Also, with the NCPTS being owned by the NCACC and chosen by the North Carolina Department of Revenue to implement the new state-wide Vehicle Tax System, we feel that NCPTS is the best choice for Stokes County's future. During the initial ten year period, even with the prorated implementation costs and NCPTS annual fees exceeding our current annual Keystone maintenance expenses by \$80,000, we feel that the benefits of the new software system greatly outweigh the additional costs of implementation and support. Furthermore, during the next ten year period, we would project a savings of \$320,000, by switching to the NCPTS software, because the payment of the initial prorated implementation costs would have been completed (see attached 10/20 year expense chart). Therefore, the resulting overall net estimated twenty year Stokes County projected cost savings is \$240,000.

As you are aware from the bullet section of this memo, the NCPTS is stating that the County will experience a 2% collection rate increase resulting from the implementation of the new software. This 2% figure is based upon a generalized statement of bringing your current collection rate up to a 98% level. Stokes County is currently experiencing a 97.17% collection rate which would leave only a potential .83% collection rate increase to be at the 98% level. Taking into consideration the loss of some interest payments and a decrease in delinquent accounts, we predict only a resulting .5% increase in collection income (\$96,000 annually) based upon our current levy. This particular item of projected revenue is not included in the attached chart, since we are uncertain of the exact amount.

A letter from Ms. Judy Rhyne, NCACC Representative and Information Systems Director and Staff Liaison to NCPTS, highlights the advantages of the NCPTS. Further, during a conversation with Ms. Rhyne concerning the potential long range costs associated with operating the NCPTS software, we were informed that as the number of counties participating increases, the costs decrease. With over \$90,000 in unspent budgeted monies required to upgrade, maintain and support our current Keystone System, there is no better time than the present to make this move. Converting to the new NCPTS as soon as possible will provide an immediate cost avoidance of spending this \$90,000 presently budgeted for the upgrade and maintenance of the Keystone System. To reiterate, considering this current opportunity to upgrade our software, spending this \$90,000 on an antiquated Keystone system would be a less than frugal use of taxpayers' money, because in the future it will be necessary to upgrade to a flexible, dependable, technologically advanced cloud-based system.

In closing, I am requesting that the Stokes County Board of Commissioners approve the conversion from our current software provider (Keystone Info Systems) to the NCPTS as our Tax Office

software provider and allow Stokes County to move forward with a contract covering this project. Further, we would like to be able to finalize this contract with the NCPTS as soon as possible, but no later than January 1, 2014. This schedule will allow the Tax Office to bill our 2014 annual tax bills from the new NCPTS.

Tax Administrator Oakley provided the Board with a comparison of costs between Keystone and NCPTS:

Estimated Cost for Ten Years		Keystone Annual Cost	Keystone 10 Yr Cost		NCPTS Annual Cost	NCPTS 10 Yr Cost
Annual Fees		\$ 58,000.00	\$ 580,000.00	Annual Fees	\$123,000.00	\$1,230,000.00
Upgrades		\$ 18,000.00	\$ 180,000.00	Upgrades	\$ -	\$ -
Lockbox		\$ 20,000.00	\$ 200,000.00	Lockbox	\$ -	\$ -
Postage		\$ 15,000.00	\$ 150,000.00	Postage	\$ 11,000.00	\$ 110,000.00
Reallocation of Staff		\$ 15,000.00	\$ 150,000.00	Reallocation of Staff	\$ -	\$ -
Totals		\$126,000.00	\$1,260,000.00	Totals	\$134,000.00	\$1,340,000.00

Estimated Cost Years 11-20		Keystone Annual Cost	Keystone 11-20 Yr Cost		NCPTS Annual Cost	NCPTS 11-20 Yr Cost
Annual Fees		\$ 58,000.00	\$ 580,000.00	Annual Fees	\$ 83,000.00	\$ 830,000.00
Upgrades		\$ 18,000.00	\$ 180,000.00	Upgrades	\$ -	\$ -
Lockbox		\$ 20,000.00	\$ 200,000.00	Lockbox	\$ -	\$ -
Postage		\$ 15,000.00	\$ 150,000.00	Postage	\$ 11,000.00	\$ 110,000.00
Reallocation of Staff		\$ 30,000.00	\$ 300,000.00	Reallocation of Staff	\$ 15,000.00	\$ 150,000.00
Totals		\$141,000.00	\$1,410,000.00	Totals	\$109,000.00	\$1,090,000.00

**Estimated Cost
for Twenty Years**

Total 10 year Keystone Cost	\$1,260,000.00
Total 11-20 years Keystone Cost	\$1,410,000.00
Total 20 year Keystone Cost	\$2,670,000.00

**Estimated Cost
for Twenty Years**

Total 10 year NCPTS Cost	\$1,340,000.00
Total 11-20 years NCPTS Cost	\$1,090,000.00
Total 20 year NCPTS Cost	\$2,430,000.00

*Over a 20-year period, NCPTS will save the County approximately \$240,000 which equates to a \$12,000 annual savings.

*Converting to NCPTS will provide an immediate cost avoidance of \$90,000 currently budgeted for the upgrade and maintenance of the current system.

Tax Administrator Oakley discussed the information with the Board.

Tax Administrator Oakley reiterated a few key points:

- Stokes and Edgecombe Counties are the only two counties left in the state that still use the Keystone Software
- Feel there might be a chance in the future that Keystone will no longer support the current tax software package
- Feels the Farraugt Local Government Solutions is the best option for Stokes County
- Stokes County will be provided with upgrades that other large counties have made to the Farraugt System
- Forsyth County is spending \$2.3 million for a package for the appraisal and revaluation system that Stokes County could greatly benefit from – cama system
- Have only one computer in the Tax Office that can actually print a tax card with the Keystone System along with other numerous issues
- Farraugh uses the Cloud System which means that Stokes County will never have to buy another server
- Will be able to eliminate the bank lock box services saving \$20,000 per year
- NCPT claims users average 2% higher collection rates
- With all things considered, feels the County could receive approximately ½% increase in collection which would equate to approximately \$100,000 more in revenue (this is not calculated into the estimated overall cost savings)
- Would go back to a website using the GIS System as the engine for the website which most people are more familiar with and pleased with that type of website
- Recommend converting from Keystone to NCPTS with finalizing a contract with NCPTS no later than January 1, 2014
- This schedule will allow the Tax Office to bill the 2014 annual tax bills from the new NCPTS System and be able to use the new system for Revaluation being designed for Forsyth County for the County's 2017 Revaluation
- The Department of Revenue states the County must do a full measurement of every structure in Stokes County with the 2017 Revaluation
- Using the new NCPTS System would free up staff to help with the 2017 Revaluation which would eliminate hiring additional staff for the 2017 Revaluation
- Feels all counties will be going to NCPTS System within the next five years
- The more counties that join the lower the cost for each county

Chairman Lankford opened the floor for discussion.

Commissioner Jones commented:

- On board, this is a “no brainer”

Commissioner Inman commented:

- See no issues with the Tax Administrator's recommendation

- Actually sold on the item just by reading the information

Commissioner Walker commented:

- Confirmed with Tax Administrator Oakley that there is approximately \$90,000 in this fiscal year's budget for upgrades to the Keystone System
- Questioned if IT Director Dianna Fulp and County Manager Morris were on board with the recommendation?
- Are there any other software packages available?

Tax Administrator Oakley responded:

- IT Director Fulp knows that I am looking into this new system
- IT Director Fulp has stated that she has no issues with what system is used in the Tax Office
- IT Director Fulp spends numerous hours on getting the tax bills ready for billing along with other issues with the Keystone System
- With this new system, will no longer need those services from Director Fulp
- Will free up time being spent on the Keystone by Director Fulp
- Feels other systems would be similar to Keystone and much more expensive
- NCACC has a steering committee that will keep the Farragut System operating to the wishes of the counties
- There are no licensing fees

County Manager Morris responded:

- Makes a lot of sense to go to a web based system
- Have already had a good test with the new motor vehicle software (NCPTS) which is really working well
- NCACC's endorsement means a lot
- Idea of putting this large amount of money into a system that we don't know how long it will be around really bothers me
- Feels the ten-year comparison would probably be a "wash" with the higher collection rate included
- Freeing up time for the IT Department would be a major benefit

Commissioner Walker noted that with all the information provided, he is on board with the Tax Administrator's recommendation.

Vice Chairman Booth commented:

- Confirmed with Tax Administrator Oakley that the funding in this year's budget for upgrades will cover approximately 25% of the initial cost for the conversion
- Reiterated no lockbox - saving \$20,000
- Confirmed with Tax Administrator Oakley that the next revaluation will require the hiring of two additional staff if the County is still using the Keystone software
- Confirmed with Tax Administrator Oakley that using the Farragut System during the next Revaluation will eliminate the hiring of additional staff
- Confirmed with Tax Administrator Oakley that the Farragut System will eliminate the purchase of servers

Commissioner Walker questioned Tax Administrator Oakley what is timeframe for converting to the Farraugt System?

Tax Administrator Oakley responded:

- Would like to be in contract with NCPTS no later than January 1, 2014
- Would like approval at the October 28th meeting for the County Manager, County Attorney and Tax Administrator to enter negotiations with NCPTS

Chairman Lankford commented:

- Appreciate the detailed information provided to the Board

Chairman Lankford, with full consensus from the Board, directed the Clerk to place the item on the October 28th Action Agenda.

Social Services Monthly Report

County Manager Rick Morris noted the following:

- Would like the Board to know that the information regarding the impact to DSS from the Federal Government Shutdown was not included in the packet due to the information changing everyday
- DSS Director Preston participated in another conference call this morning before finalizing the information being presented today
- Director Preston has provided the Board with recommendations that will need to be acted on

Social Services Director Kristy Preston presented the following information regarding the Social Services Monthly Report for the Board's review:

- Services Report
 - Social Work Services
 - Family Support Services
 - Administration
- Audits and Reviews
 - Child Support Enforcement
 - Food and Nutrition
- Director's Report
 - Northwest Regional Library Donation
 - Child Support Shout Out
 - Correspondence from Judy Hopkins, NC DHHS Local Business Liaison
 - Correspondence from Holly Kidd, Forsyth Tech – Stokes Center
 - NC FAST Update - Food and Nutrition Services and Medicaid
 - NC FAST – North Carolina and the Affordable Care Act Newsletter - Issue 6

- Board Vacancy – North Carolina Association of County Boards of Social Services

DSS Director Preston noted the following which was not included in the informational material provided to the Board:

- One of the agency's fraud cases that has been pending in court was recently settled
- The County received a \$12,000 judgment against an individual
- Individual actually pleaded guilty to public assistance fraud
- Individual is currently incarcerated and will have three years of probation once released
- Probation officer will be working with the individual for repayment to the County when released
- This was a fraud case approved by the former DSS Board to pursue
- Very pleased with the outcome

DSS Director Preston discussed the following with Board regarding the Impact to DSS from the Federal Government Shutdown: (DSS Budget is approximately 52% Federal dollars)

Below you will find a summary of the impact the federal government shutdown is having on the Department of Social Services. I have identified each of the program areas impacted by the shutdown and included items that will require action. It is my recommendation that you consider acting on the items as soon as possible.

I would note that this information and these recommendations are based on the Dear County Director Letter from the North Carolina Division of Social Services, dated October 10, 2013. These recommendations reflect services and funding for September and October. Services and funding for November will require additional assessment.

With the each program area, the Board of Commissioners has three choices:

1. Follow the recommendation exactly
2. Can pick and choose which program needs to be acted on today
3. Can hold off and not make any decision with hopes that the Federal Government will get everything worked out and the funds will continue as normal
 - Choices depend on how much of a gamble the Board is willing to take
 - Have not had any confirmation that once the Federal Government goes back to operating, the funding will be retroactive back to October 1st
 - Some of the funds may go back to the October 1st and some may not

Work First Family Assistance (Cash Assistance)

Number of cases impacted: 56 [44 are child only]

- Effective 10/10/13 – new applications will be taken but not processed.
- October 2013 checks have been issued to families.

- November 2013 checks will not be issued to families at this point
- Have been instructed to continue to take applications after October 10th will be taken, but not processed

Recommended Action: None (State made this decision)

Work First Employment Services

Number of cases impacted: 12

- Program funds expended for September will be coded to Maintenance of Effort.
- All activities to support Work First services were suspended indefinitely, effective 10/10/13.
- Transportation vendor notified on 10/10/13 that services have been suspended. [September - \$9,009.00]
- Work First Child Care – suspended
- Work First Case Manager moved to NC FAST
- Three contract positions are paid with TANF funds.
 - 1 full-time employee contracted to provide intake services [Goodwill]
 - 1 part-time employee contracted to provide intake services [Goodwill]
 - 1 part-time employee contracted to provide services in various programs [Funded with Maintenance of Effort dollars]

Recommended Action: Suspend two of the three contracts. Fund the remaining contract with Maintenance of Effort funds.

Work First Emergency Assistance

Number of cases impacted: varies each month

- Work First activities were suspended indefinitely, effective 10/10/13.
- Emergency Assistance spent in September - \$6,940.00. These funds will be reimbursed.

Recommended Action: Continue to fund Emergency Assistance requests on a case by case basis. Approval of Emergency Assistance requests for funding will be evaluated by the Director and only those situations where no other funds are available and which are deemed as critical will be approved. For example: a decision to provide emergency assistance could save a child from having to be placed in foster care, saving several dollars of county funding.

Adult Protective Services – Staff

Number of staff impacted: 6

- Funds spent for staff for September services paid in October will be reimbursed.
- Funds spent for October services will not be reimbursed.
- Most of the funding for these positions are paid by Federal funding

Recommended Action: Furlough staff in Adult Services 2 days in October and 4 days in November.

Adult Day Care

Number of cases impacted: 1

- Funds spent for services for September will be reimbursed. Funds spent for October will be reimbursed.

Recommended Action: Continue funding at county's expense for this program. Approximately \$150 per month.

Child Protective Services – Staff

Number of staff impacted: 8

- Funds spent for staff for September services paid in October will be reimbursed.
- Funds spent for October services will not be reimbursed.
- Most of the funding for these positions are paid by Federal funding

Recommended Action: Furlough 8 CPS social workers 2 days in October and 4 days in November.

Child Care Subsidy

Number of children impacted: 105

Number of child care centers impacted: Approximately 25

- Smart Start can cover all children birth to 5 for at least two months.
- Child Care Subsidy Caseworker can be moved to NC FAST.
- Child Care Subsidy Contract Caseworker can continue work through our Administrative Contract with the Partnership to administer Smart Start funds.
 - Potential loss to providers - \$28,000 per month

Recommended Action: Send 10-day notice to suspend child care for 105 school age children effective 10/29/13 or 11/1/13.

In-Home Aide and State In-Home

Number of cases impacted: 12

- Funds spent for services in September 2013 will not be reimbursed.
- Funds spent for October 2013 will not be reimbursed.
- Issue 10-day notice to terminate cases effective 10/29/13.
 - Loss for September – \$7,325.00

- Anticipated loss for October – \$7,400.00

Recommended Action: Send 10-day notice terminating clients effective 10/29/13.

Special Children's Adoption Incentive Fund

Number of children impacted: 2

- Funds for September 2013 will not be reimbursed.
- Funds for October 2013 will not be reimbursed.

Recommended Action: Continue with payments to these families at county expense.

Approximate cost - \$460 per month.

DSS Director Preston noted the following:

- Have nine positions coded to Food and Nutrition with no funds to cover their salaries for October
- State has a conference call tomorrow with USDA for further information
- Will be another director's conference tomorrow afternoon for further details
- Currently, the state has enough funding for Foods Stamps through October 21st with no funding after that point
- There would be approximately \$770,000 a month that would not go out in November
- This not only impacts the 3,100 families receiving these services, but also impacts local businesses
- Not one to panic, but this is very serious, a lot of liability for the County
- State feels that TANF dollars will be reinstated back to October 1st once the Federal Government is back in operation
- State is unsure whether SSBG dollars, which funds most of the adult social workers, will be reinstated back to October 1st
- Reiterated that the Board can act on each recommendation separately

Chairman Lankford opened the floor for discussion.

Chairman Lankford commented:

- Feels Director Preston and staff have put together a rationale with recommendations that take the families and the county into consideration
- Have no issues with the recommendations

Commissioner Inman commented:

- On board with the recommendations

Commissioner Jones commented:

- On board with the recommendations

Manager Morris noted that one big topic would be furloughs.

The Board had no issue placing the recommendations on today's Action Agenda.

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

DSS Director Preston questioned the Board if everything goes back to normal when the Federal Government resumes operation?

Commissioner Walker suggested that DSS Director Preston work with Manager Morris regarding implementation of the recommendations.

Manager Morris noted that he and DSS Director Preston had both agreed to postpone furloughs as much possible with hopes the Federal Government will resume and furloughs would not be needed.

The Board unanimously agreed that implementation of the recommendations would be left up to Manager Morris and Director Preston.

Health Department – Impact of Federal Government Shutdown on WIC Program

County Manager Morris noted that there was no immediate impact to the WIC Program at this time, no need for discussion today.

Health Department – External Posting

County Manager Rick Morris presented the follow request from Health Director Scott Lenhart for external posting:

- Health Department – Public Health Nurse II
- No internal candidates
- Has an outside candidate interested in the position
- Would request to move to today's Action Agenda in order to expedite the hiring process

Chairman Lankford opened the floor for discussion.

The Board had no issues with the request and consensus was to move the item to today's Action Agenda.

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

Designation of Hearing Officer/Appeal Board for Potentially Dangerous and/or Dangerous Dogs

County Manager Rick Morris presented the following information regarding the Designation of Hearing Officer/Appeal Board for Potentially Dangerous and/or Dangerous Dogs:

- Would like to designate the Chief Animal Control Officer as the Hearing Officer for Potentially Dangerous and/or Dangerous Dogs as required by North Carolina Law
- North Carolina Law also requires that an appeal board be designated by the Board of Commissioners
- The former Health Board has been hearing the appeal cases
- Once the case has been heard by the Hearing Officer and Appeal Board, the owner has the option to have the case heard by a Superior Court Judge
- Would request this be moved to today's Action Agenda due to an upcoming hearing that has already been scheduled
- Do not actually know if the Chief Animal Control Officer position was formally designated by another Board of Commissioners as the hearing officer; just want to make sure we have everything in place

Chairman Lankford opened the floor for discussion.

The Board had no issues with the Chief Animal Control Officer being designated as the Hearing Officer and the Board of Commissioners being designated as the Appeal Board.

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

State Employees' Credit Union – ATM Renewal

County Manager Rick Morris presented the following information regarding a request from the State Employees' Credit Union for the ATM Renewal:

- State Employees' Credit Union wishes to exercise the next one-year renewal option for the ATM located in the upper parking lot of the Government Center Complex
- In accordance with the terms of the original lease agreement, the monthly rental payments will remain rent free
- Lease term begins 01/01/2014 and ends 12/31/2014

Chairman Lankford opened the floor for discussion.

The Board had no issues with the request.

Chairman Lankford, with full consensus from the Board, directed the Clerk to place the item on the October 28th Consent Agenda.

Proposed Communications Consultant Contract – Carolina Telecommunications Services

County Manager Rick Morris presented the Board with a copy of the proposed Communications Consultant Contract – Carolina Telecommunication Services.

Manager Morris noted the following:

- Current consultant had to revised his contract due to a change in state law
- Very valuable service to the county
- Advocated to legislatures to be able keep consultants
- Fees are paid by the telecommunication company, no cost to the county
- Very valuable service to the County

Chairman Lankford opened the floor for discussion.

The Board had no issues with the proposed communications consultant contract.

Chairman Lankford, with full consensus from the Board, directed the Clerk to place the item on the October 28th Consent Agenda.

Goals/Budget Guidance Work Sessions – Scheduling for December and January

County Manager Rick Morris noted the following regarding the upcoming Goals/ Budget Guidance Work Sessions:

- Board approved the following dates at the September 23rd meeting:
 - Monday, November 14, 2013 at 10:00 am
 - Monday, November 28, 2013 at 10:00 am
- Would like to schedule the additional meetings in December and/or January so that advertising can be done together to stay costs

Chairman Lankford opened the floor for discussion.

The Board unanimously agreed to the following additional work sessions:

- Tuesday, January 14, 2014 at 2:00 pm
- Wednesday, January 29, 2014 at 1:00 pm

Appointment – Stokes County Planning Board – Quaker Gap Township

County Manager Rick Morris presented the following information regarding a vacancy on the Stokes County Planning Board – Quaker Gap Township:

- Danny Sisk was appointed to serve on the Planning Board for the Quaker Gap Township, but has shown no interest in the appointment

Chairman Lankford opened the floor for nominations.

Chairman Lankford nominated Gary Simmons – Westfield, NC.

There were no further nominations.

Chairman Lankford entertained a motion to close the nominations.

Vice Chairman Booth moved to close the nominations. Commissioner Inman seconded and the motion carried unanimously.

Chairman Lankford, with full consensus from the Board, directed the Clerk to place the item on the October 28th Action Agenda.

GENERAL GOVERNMENT – GOVERNING BODY – ACTION AGENDA

Appointments – City of King – Planning Board - ETJ

Chairman Lankford noted the following nominations at the September 23rd meeting to serve on the City of King – Planning Board – ETJ:

- Regular member: Norma Cox
- Alternate member: Delayne (Dee) Mabe

Chairman Lankford opened the floor for any further nominations.

There were no further nominations.

Chairman Lankford entertained a motion to close the nominations.

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

Chairman Inman polled the Board:

The Board unanimously approved the following appointments for the City of King –
Planning Board - ETJ:

- Regular member: Norma Cox
- Alternate member: Delayne (Dee) Mabe

Impact to DSS from the Federal Government Shutdown:

Chairman Lankford entertained a motion regarding the Impact to DSS from the Federal Government Shutdown presented by DSS Director Kristy Preston at today's meeting.

Commissioner Inman moved to approve the recommendations from DSS Director Kristy Preston which was presented at today's meeting with Manager Morris working with DSS Director Preston regarding the implementation of the recommendations. Commissioner Jones seconded and the motion carried unanimously.

Health Department – External Posting

Chairman Lankford entertained a motion regarding the Health Department's Request to externally post a PHN II vacancy presented at today's meeting.

Commissioner Inman moved to approve the external posting for a PHN II vacancy at the Health Department. Commissioner Jones seconded and the motion carried unanimously.

Designation of Hearing Officer/Appeal Board for Potentially Dangerous and/or Dangerous Dogs

Chairman Lankford entertained a motion regarding Designation of Hearing Officer/Appeal Board for Potentially Dangerous and/or Dangerous Dogs which was presented at today's meeting.

Vice Chairman Booth moved to designate the Chief Animal Control Officer as the Hearing Officer and the Board of Commissioners as the Appeal Board for Potentially Dangerous and/or Dangerous Dogs. Commissioner Jones seconded and the motion carried unanimously.

CLOSED SESSION

Chairman Lankford entertained a motion to enter closed session for the following reasons:

- 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 October 14th meeting.

Appointment of DSS Director

Chairman Lankford entertained a motion.

Commissioner Walker moved to appoint Stacey Elmes as the DSS Director effective October 25, 2013 at 5:01 pm with an annual salary of \$61,873.76. Commissioner Jones seconded and the motion carried unanimously.

County Manager's Salary

Chairman Lankford entertained a motion.

Commissioner Inman moved to increase the county manager's salary by \$5,000.00 effective October 14, 2013 and to provide the manager with longevity increases effective with F/Y 2013-14. 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.

Commissioner Inman moved to adjourn the meeting. Commissioner Jones seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman