

Fund Balance as of June 30, 2013:

- Fund Balance that was presented by the auditor was the combined funds of General Fund, Revaluation Fund, Health Department Title XIX Fund and New School/F.Tech Fund (found on page 74 of the audit)
 - General Fund = \$15,555,060
 - Revaluation Fund = \$00.00
 - New School/F. Tech (debt) Fund = \$1,696,368
 - Health Department Title XIX Fund = \$778,729
 - Total of all these Funds = \$18,030,157
- Page 21 of the audit shows the restricted, committed, and general fund available fund balance
 - Inventory = \$61,912
 - Stabilization by State Statute = \$2,075,771
 - Register of Deeds = \$3,291
 - Restricted, all others = \$2,475,097
 - All the other is the New/School/F Tech Fund, Revaluation Fund and Health Department Title XIX Fund
 - Appropriation for FY 2013-14 = \$2,841,946 (General Fund Appropriation Only)
 - Unassigned Fund Balance = \$10,572,140 (General Fund – Fund Balance)
 - Total Fund Balance = \$18,030,157 (\$1.1 million of Hold Harmless is not reflected in this figure)
- General Fund Balance is \$10,572,140 which is 23.24% (page 13 of the audit)
- \$2,841,946 of Fund Balance was appropriated for Fiscal Year 2013-14
- County received \$1,123,103 Hold Harmless for the 2013-14 Fiscal Year, which would reduce the appropriation of Fund Balance
- Do not foresee getting Hold Harmless next year

Commissioner Inman confirmed with Finance Director Edwards that the County's General Fund Balance is 23.24%.

Commissioner Walker confirmed with Finance Director Edwards that the \$1.1 million Hold Harmless will impact the General Fund Balance on June 30, 2014.

Commissioner Walker noted that by adding the \$1.1 million to the \$1,572,140 General Fund Balance would increase the current Fund Balance percentage.

Commissioner Walker also noted the \$300,000+ windfall from Duke Power which was not budgeted.

Commissioner Inman noted that the General Fund Balance of \$10,572,140 is approximately three (3) months operating expense for the County.

Vice Chairman Jones:

- Feel a large number of the public don't understand the percentage that the County needs to try to maintain in order to keep the credit rating high
- Some feel if the money is in the bank, the Board has plenty to spend, which is simply not true
- Need to remember it is a reserve account

Manager Morris noted that there are three (3) numbers that you should be concerned about:

- General Fund Balance = \$10,572,140
- \$1.1 million of Hold Harmless
- \$2.8 appropriated for Fiscal Year 2013-14 some of which will be spent this budget year, probably not all of it
- Combine them all and that is the amount you have to work with regarding the upcoming Fiscal Year 2014-15 budget

Finance Director Edwards presented the following County's Mid-Year Budget Execution as of December 31, 2013:

- Review of revenues as of 12-31-13, shows revenues collected at 54.23%
- Some revenues are 3 to 4 months collected, but overall, we are above the 50% mark
- Review of expenditures as of 12-31-13, shows expenses at 53.04%
- Some expenditures are one month behind due to they are on a monthly basis
- \$123,755 was converted to Contingency with the mid-year review
- The departments at this time are on target with their expenditures

Finance Director Edwards provided the Board with a history of General Fund (Fund Balance) figures:

Fiscal Year	Available	
	Fund Balance	Percentage
2000-01	\$ 2,088,722.00	6.31%
2001-02	\$ 1,142,869.00	3.76%
2002-03	\$ 1,812,203.00	5.73%
2003-04	\$ 2,588,736.00	7.65%
2004-05	\$ 2,816,666.00	7.68%
2005-06	\$ 3,538,875.00	9.00%
2006-07	\$ 5,591,968.00	14.53%
2007-08	\$ 7,561,378.00	19.57%
2008-09	\$ 8,265,346.00	21.67%
2009-10	\$ 7,602,723.00	19.38%
2010-11	\$ 9,852,461.00	24.56%
2011-12	\$11,756,502.00	27.90%
2012-13	\$10,572,140.00	23.24%

Manager Morris provided the Board with the following major budget issues that had been previously discussed for Fiscal Year 2014-15 for the Board's continued discussion and direction:

Obamacare Impact (part time and insurance premiums)

Manager Morris commented:

- Still waiting on information regarding providing insurance for part time employees who work 30 hours per week (effective January 1, 2015)
- Will continue to track information and keep the Board updated
- No Board action needed

Home Health Financial Strategy

Manager Morris commented:

- Continuing to maintain Home Health and at the same time look for potential purchasers of the license or possibly someone to lease
- No Board action needed

Capital Reserve, County Buildings

Manager Morris commented:

- Currently having Public Works Director Mark Delehant inspect the county buildings regarding heat and air conditioning
- Have requested Mark to put a dollar figure in his upcoming budget as to what is needed
- Will specifically concentrate on the older facilities
- Amount will be placed in Capital Reserve
- Have also requested the same information from the hospital due to the lease requires the County to replace the heat and air if unfixable
- This will have an impact on the Capital Reserve Fund

Commissioner Lankford noted there is a need for a Capital Reserve budget for those types of needs, but believe the hospital changed their heating and air conditioning units approximately 7 years ago.

Commissioner Walker requested the Manager find out who replaced the unit, the hospital or NC Baptist.

Manager Morris noted the current contract with Pioneer deems that Pioneer repairs and the County replaces the heat/air units.

Commissioner Walker commented:

- Would like to see some perspective regarding what are the consequences if these needed repairs/replacements are not done? For example: a roof – not fixing it can cause equipment and facility damage and higher costs down the road
- Would like to see all needed repairs/replacements, not just heat and air
- Must keep in mind that equipment does not last forever

Chairman Booth noted that we must keep in mind how much the County can afford this budget year.

The Board unanimously agreed to have Manager Morris include a Capital Reserve amount for needed repairs of county buildings in the upcoming budget.

Part Time Pay Scale, Specifically E-911

Manager Morris commented:

- Part time wages for E911 Telecommunicators are much lower than surrounding counties
- Part time wages for EMS are also lower than surrounding counties
- It is very hard to get part timers for telecommunicator positions
- Would like to consider increasing those wages

Commissioner Inman commented:

- Sounds like there may be no other choice

Commissioner Walker commented:

- Would like to see a recommendation from the manager based on the facts
- Would like to see how things would be if we do this and how things will be if we don't do this
- Bottom line – what is it going to take to provide adequate and appropriate level of service to our citizens?
- The amount paid also determines sometime the type of employee you get

Commissioner Lankford commented:

- Depends on how the end budget comes out, if the money is there to increase those part time wages

Chairman Booth commented:

- Agree with Commissioner Lankford, all depends on the funding

Vice Chairman Jones commented:

- Need to try to do something to keep those employees and get the needed employees

Commissioner Lankford commented:

- This has been a 30-year problem
- County can't compete with the surrounding counties in pay
- The size is different and the revenue coming into the county is different

Commissioner Walker commented:

- Need to make sure that in taking the short term approach, we are truly saving money in the long run

The Board unanimously agreed to have Manager Morris make a recommendation in the upcoming budget.

Capital Outlay, Vehicles, Computers, etc

Manager Morris commented:

- Plans are to do the usual thing by seeing what the needs really are
- Only bought one Sheriff vehicle – a truck this budget year
- Only bought one ambulance this budget year
- Did a lot of server replacements this budget year
- Will do a conservative approach
- No action needed by the Board

School System Capital Fund

Manager Morris commented:

- Will continue to budget as usual
- Will probably not be able to do any significant increases until an old debt comes off which is scheduled to come off in three (3) years
- Made a proposal to use left over funding from the Lawsonville School Renovation Project
- Will check with Superintendent Mendenhall to see if the Board of Education would like to pursue the proposal
- Do not have any significant places to get additional funding for the schools

Commissioner Lankford commented:

- Board of Education probably does not know yet if there will be any leftover funding from the Lawsonville Project
- Should be able to predict in the next few months

Commissioner Walker commented:

- Noted the request for additional funding once the Hold Harmless revenue was received by the County

The Board unanimously directed the Manager to continue to budget as usual regarding the schools.

Fire Service Funding Strategy/Operation Model

Manager Morris commented:

- Attended the Fire Association Meeting as requested by the Board
- Told them, in all likelihood, would not be raising the fire tax this upcoming budget
- Their main focus was seeking funding in the existing budget to increase their availability of manpower by paying firemen
- Additional manpower is one of their main needs
- Plan on no recommendation from the Board to raise any fire tax

The Board unanimously directed the Manager to continue to budget as usual regarding the Fire Departments with no fire tax increase.

Solid Waste Study

Manager Morris commented:

- This is the conversion of the Pinnacle and Walnut Cove sites to a compressor
- Requested the company who came to the November budget work session to refine the budget
- The company wanted additional funding for the request
- Decided to drop the company
- Would like to recommend allowing the staff to take the existing plans and modify them to meet the county's needs
- Would like to do this in the 2015-16 budget
- The thing to look at is when a new garbage truck is needed, that would be the time to do the conversion

Chairman Booth reminded that the County must keep in mind that there will probably be no more Hold Harmless revenue which will impact what can be done with this budget.

Manager Morris commented:

- Feel, business wise, it makes sense to do the conversion, it is just when is the right time and how do we do it?
- Possibly do one site at the time

The Board unanimously agreed to postpone the conversion and to allow the manager and staff to take the existing plan and modify to meet the county's need.

Cost Savings through Propane Conversion

Manager Morris commented:

- Do not feel strongly on this project
- Would probably recommend to put it off a year since the cost of propane has increased

The Board unanimously agreed to take Manager Morris' recommendation to put it off a year or so to see what prices do.

Commissioner Walker commented:

- Might be interesting to continue to track since some local entities (YVEDDI) has already converted some vehicles to propane
- See how well it is going or how bad it is going

CCNC Funding Reduction, Health Department

Manager Morris commented:

- Informational item
- No action needed by the Board
- County will continue to be careful in projecting state and federal revenues

OZAB/QSCB Reductions

Manager Morris commented:

- Informational item
- No additional information has been received from the Federal Government
- No guarantee what will happen with this
- The loss that the County has already experienced is being taken out of the Debt Service Fund
- If it was eliminated, would force the County to have to refinance the debt for some of the projects
- No action needed

Commissioner Walker confirmed with Finance Director Edwards that the School Fund Model was built with the QZAB/QSCB Funding.

Commissioner Walker confirmed with Manager Morris that the School Fund only covers the specific projects and operating expenses for the Poplar Springs Elementary School and Forsyth Tech.

New Signage for Government Center Complex

Manager Morris commented:

- Will include a cost for new signage for the complex

Commissioner Lankford commented:

- Would like for the manager try to put this project in this year's budget (2013-14) instead of the (2014-15) if possible
- Don't see a big cost for this project
- Needs to be done

The Board unanimously agreed to have Manager Morris go ahead with the project in the 2013-14 budget.

Employee Bonus/COLA?

Manager Morris commented:

- Requested Board direction or thoughts

Commissioner Walker commented:

- Need to take a look at the budget to see how it is going together before putting in a COLA or bonus
- Would like to do as much as possible for the employees
- County has a dedicated staff of good employees

Commissioner Lankford commented:

- Agree with Commissioner Walker
- If the money is there, need to consider

Chairman Booth commented:

- Must keep in mind that employees have the Longevity Steps
- Think some of the employees like getting the bonus instead of a COLA

The Board unanimously agreed to direct the Manager to see how the budget is shaping up before adding a COLA; a COLA can be added before the adoption of the budget.

Moving/Renovation Costs

Manager Morris commented:

- Looking across the board at any moves that need to take place from the moving of E911
- Need to move Probation employees to one central location - the former E911 facility, will not cost much
- Will include a cost in the upcoming budget

Commissioner Walker questioned what space would be freed up?

County Manager Morris responded:

- Allows for the consolidation of all the probation officers
- Could be beneficial to the Elections Department

The Board had no issues with Manager Morris including this in the upcoming budget.

New Tax Software (cost avoidance current budget)

Manager Morris commented:

- Already underway
- No action needed by the Board

Capital Reserve Voting Machines

Manager Morris commented:

- Already have \$35,000 in Capital Reserve for the purchase of new voting machines
- Did not include appropriating any funding in Capital Reserve in the current Fiscal Year Budget for the new voting machines
- There is no longer HAVA Grant Funding for the purchase of new machines
- New machines will be mandated in Fiscal Year 2016-2017
- The first estimate was over \$200,000

Commissioner Lankford commented:

- Need to talk to representatives regarding the need for funding from the State to aid counties in the purchase of new equipment
- Would suggest not appropriating Capital Reserve Funding in the upcoming budget for the new voting machines
- Suggested putting this as a NCACC goal – funding for mandated new voting machines

Vice Chairman Jones agreed that it should be a NCACC goal.

The Board agreed to talk to state representatives for funding.

County Manager Morris confirmed with the BOCC that there would be no appropriation for voting machines in Capital Reserve in the upcoming budget.

GAP Filling – Meadows Water and Sewer Project

Manager Morris commented:

- BOCC has officially voted on this item
- Hopefully grants will fund the entire project and there will be no need for any county funding

- Pilot View is aggressively working to try to make sure that grants cover the entire project

Commissioner Walker commented:

- County agreed to pay the engineer (picked by Pilot View) approximately \$400,000 because this was the choice of Pilot View
- Don't think I supported that action, but that is how it went
- Looking realistically at the possibility that the water portion of this project will not be done
- If the water portion of the project is not done, is the engineer firm still entitled to the entire \$400,000?

County Manager Morris responded:

- Yes
- The \$400,000 was for the complete design of the water/sewer project
- There is no intention to not do the water portion of the project, could just be delayed

Commissioner Lankford commented:

- Agree with Manager Morris, the intention is to do it, it just maybe delayed a year

Commissioner Walker commented:

- If I understood correctly, correct me if I missed something, it was specifically said that the water portion of the project would not be done using strictly county funds
- Is that correct or not?

Commissioner Inman commented:

- The goal for the entire project was to try to get grant funding, but it was determined that there was not enough grant funding to do both; then there was a break away project done
- They are separate projects
- This was done to eliminate any holdup on the community college project regarding funding
- Dr. Pat Mitchell is scheduled to come to Stokes County to hopefully make good on the Rural Center Grant (\$519,000 grant)
- Any excess funding from the sewer project will be applied to water project
- Bottom line, the community college facility will not be delayed waiting on funding for the water portion of the project
- There is plenty of water on the site for the community college
- The goal is to bring the water on as soon as possible to help create economic development in the Meadows area

Commissioner Walker commented:

- Don't have any real concerns
- Didn't like the way the engineer was done, stated that from the beginning, wanted it put out for bids

- The reason I brought it up, thought maybe some of the funding from the engineering allocation could have been used for the GAP

County Manager Morris responded:

- The scope of their contract was to assist with obtaining grant funding
- Design the sewer system
- Design the water system
- Manage the construction process
- Bids for the sewer project should be released very soon
- The water at the Early College is a temporary solution that will support the new community college facility
- Whenever economic development starts in the Meadows area and/or there is an expansion to the community college, the water portion needs to be done
- Have to have sewer in order to have a community college on the site

Commissioner Inman commented:

- The sewer project is going to also benefit some local businesses who are having sewer issues (Dan River Restaurant)

Commissioner Walker commented:

- With water there could be some residential growth
- Residential growth is good, but it is the commercial growth that does the most for economic growth

Commissioner Inman commented:

- That is why the water project is so important to that area
- Need new revenue sources from businesses

Land Use Plan Funding- Sharing the Cost for Fiscal Year 2014-15

Manager Morris commented:

- There is a \$30,000 match for the Comprehensive Land Use Plan, \$15,000 for two fiscal years
- First \$15,000 was included in the F/Y 2013-14 budget
 - County appropriated \$10,000
 - City of King appropriated \$4,000
 - Town of Walnut Cove appropriated \$900
 - Town of Danbury appropriated \$100
- Would like direction from the BOCC regarding the split of the second and final \$15,000

The Board discussed keeping the same appropriation in the upcoming budget.

The Board unanimously agreed to keep the same county/municipalities appropriation as the current budget appropriation.

Health Insurance Renewal

Manager Morris commented:

- My recommendation is to remain with the NC League of Municipalities for the upcoming budget year
- Feel this will be the best rate by doing this
- Feel the county should look at bidding out the insurance every third year
- Every time the insurance is changed, it is an emotional event for employees

Commissioner Walker commented:

- Would also look at it like this, if something very competitive comes along, look at it
- Could hear of someone getting a much better rate than we are looking at

Chairman Booth commented:

- If you put it out for bid, you must decide now whether employees will share in the cost

Clerk Bullins commented:

- Not likely for a company to put in a bid without a RFP being issued
- League should have rates in early March
- With the new guidelines in the Health Care Act, employees have to be notified of any changes 90 days in advance
- Had a meeting scheduled with the League, but had to cancel due to the weather
- Had a conference call today
 - Ratio for the first 6 months looks really good
 - Appropriations are down from the HRA, but that usually doesn't start until the latter part or near the end of the fiscal year
 - As regards to getting another carrier, if we were to change this year again, employees would have had three different carriers in four (4) years
 - Lot of work bidding out the insurance, possible different doctors, network, pharmacy benefits, etc.
- Have had a great relationship with League and MedCost so far
- They act on any issue immediately, large or small
- League offers different tiers allowing employees to cover one child and not having to pay for children which is much more expensive
- One thing to keep in mind is that the current year only includes fees for six months
- Next year, the premium will have to take into consideration twelve (12) months of fees

Commissioner Inman commented:

- County recently received its share from the remaining funds from the NCACC Health/Dental Pool
- All claims have been paid and the pool will be completely dissolved with another small amount payable to the County in June 2014

Chairman Booth commented:

- Appreciate the League allowing counties to join

County Manager Morris noted the unknowns of Affordable Health Care are the things to be concerned about.

Commissioner Walker commented:

- Confirmed with Clerk Bullins that employees are comfortable with the current plan

Wellness Program

Manager Morris commented:

- League requires all members to participate in some kind of wellness program
- The question to the Board is whether it should be mandatory for all employees on the health plan or voluntary this first year?
- My suggestion is to make it voluntary the first year and consider mandatory the second year
- Feels this will be very beneficial to employees
- Will allow staff to see how much time it takes for each person to complete the program requirements
- League does have a grant to help implement wellness programs

The BOCC discussed making it mandatory or leaving it voluntary.

Commissioner Inman commented:

- Agreed with Manager Morris' recommendation – voluntary first year and mandatory the second year
- Need to make sure employees understand the importance of the program and participating in order to keep premiums low so that the county can continue funding insurance at 100%
- The more claims, the higher the premiums
- Wellness Program ties into absenteeism, job performance, etc

Vice Chairman Jones commented:

- Agree with Commissioner Inman with it being voluntary the first year, but make sure employees know how important the wellness program is

Commissioner Walker commented:

- When speaking wages, the County can't compete with surrounding counties, but does offer 100% paid insurance; don't know of any of the surrounding counties that pay the entire premium for the employee

The Board unanimously agreed to have the Wellness Program on a voluntary basis for the first year, but to make sure employees understand the importance of the program.

Parks Grant Fund

Manager Morris commented:

- Concept originated from the request received from East Walnut Cove Park for operational funding
- Could develop a program where there would have to be a match for the funding
- There could be some funding in an old park fund that could be used to start the program according to Finance Director Edwards (\$3,150)
- Need to know if the request from East Walnut Cove Park should be included in the program or dealt with individually

Commissioner Inman commented:

- Do not have any issues with a match, but would like to see in-kind services be allowed for the match

Commissioner Lankford commented:

- My idea for the program was a \$2,000 grant that would be matched by either cash or in-kind services (dollar to dollar)
- Application be sent to the County and be approved by the BOCC
- Would to applicable to the five (5) county owned parks

Vice Chairman Jones commented:

- Would like to see the application include a possible timeline with a finish date

The Board agreed to allow the manager to develop the program for the Board's review.

IT Upgrade to the Clerk of Superior Court's Office

Manager Morris commented:

- Confirmed that the Board agreed that the State should fix the problems since they installed the new computer system

Expansion of Flexible Schedules for Employees

Manager Morris commented:

- Provided information submitted by a task force that was formed to evaluate the possibility of flexible schedules for employees
- There is some limited scale of flexible schedules such as janitors who already come in early in order to clean before the public or employees arrive
- Hope this program would reduce absenteeism, build morale, etc.
- Will meet with each individual department head to determine if it could work in their department
- Would suggest starting the program July 1, 2014
- Could be flex schedules
 - Employee could come in early and leave early
 - Employee could come in late and leave late

- Would depend on the requirements of the department making sure the work is done and citizens are not impacted
- Could be an alternate schedule
 - Could come in at different times as long as the 37.5 hour workweek is accomplished (such as janitor)
- Could be an 18 day pay period
 - Employee could work 18 out of the 20 pay cycle
 - This would increase the number of hours per day, but would allow the employee to run errands, doctors visit, etc. on their day off, thus reducing the time needed to be out of the office
- Will not include working from home
- Services have to stay the same or get better; no reduction in services

Vice Chairman Jones commented:

- Have no problem seeing if the program will work, but do not want it confusing to the citizens
- Need some mechanism to make sure the program is beneficial

Chairman Booth commented:

- Not sure the 18 day model will work
- Need to make sure it doesn't impact the services provided to the public

Commissioner Lankford commented:

- Need to make sure there will not have any costs associated with the program
- Need to do it as a pilot program for one year

Chairman Booth commented:

- Need to have mechanism in place to evaluate the work being done when the department is closed
- Could possibly extend hours of operation
- Feel it could be a benefit to both citizens and employees

The Board unanimously agreed to have Manager Morris develop flex time program.

Suggestion Program with Shared Savings

Manager Morris commented:

- Requested direction from the Board regarding the implementation of a Suggestion Program

Chairman Booth commented:

- No

Commissioner Lankford commented:

- No

Commissioner Walker commented:

- Yes, like the sound of the program
- Feel it could be beneficial to county, employees and citizens
- Could take time evaluating the suggestions
- In most of these type of programs, it starts out strong and usually decreases in time

Commissioner Lankford commented;

- Difficulty comes with this being a local government who provides services, not a business making a product
- Don't feel there is a way to quantify that

Commissioner Walker continued:

- Realize it could more difficult to quantify a suggestion, but could pay off in the long run – saving county money or providing better services to the public
- Could start out small such as \$25 for a suggestion that can be proven
- Would like to see the county manager further investigate the program

Commissioner Inman commented:

- Agree it is more of a challenge to determine if the suggestion saved dollars when it is services involved instead of a product being produced

Vice Chairman Jones commented:

- Employees may have ideas that could save the county money, something the county has not considered
- Would need to be outside of the employee's job duties, but some employees may see something in another department that could save dollars

Commissioner Lankford commented:

- Only thing that I have ever seen with a nonprofit is something like "employee of the month"

Commissioner Inman commented:

- Recall the controversy between departments when a similar program was implemented several years ago

The Board agreed not to implement the program this fiscal year.

School System Fund Balance Level

Manager Morris commented:

- Would the Board like to consider regulating the amount of Fund Balance maintained by the School System

The Board agreed to not regulate the Schools' Fund Balance as it is, will regulate it with the budget appropriation.

14% Debt Limit for the County

Manager Morris commented:

- Need direction regarding the debt limit for the county
- Feel a policy would be beneficial for the county

Commissioner Lankford commented:

- Agree with Manager Morris' suggestion regarding a policy

Commissioner Inman commented:

- This Board needs to develop a policy pertaining to budget, debt limit, county and school financing
- Needs to be a written policy
- NCACC strongly recommends counties have a written policy

Finance Director Edwards noted that she could obtain sample policies for the Board's review.

Commissioner Walker questioned what could the county actually borrow?

Finance Director Edwards estimated the county could actually borrow up \$253 million based on regulations.

The Board agreed to have Manager Morris provide the Board with sample policies for a future Agenda item.

Philosophy on fees for services to raise additional revenue

- Direction from the Board regarding raising fees for services as a way to increase revenue

The Board agreed to not increase fees this upcoming fiscal year.

Supplanting of Federal and State Funding Reductions

Manager Morris commented:

- Confirmed the Board did not wish to supplant funding for state and federal reductions unless it is an unfunded mandate

Property Tax Increase, Yes or No or Decide Later

Manager Morris commented:

- Direction needed from the Board regarding a possible tax increase, yes, no or decide later

Commissioner Walker commented:

- All of the above
- For myself, don't like taxes, don't like tax increases
- My philosophy for running the county – same for running a town, find a tax rate that will work on a sustainable basis and stick with it
- Over the past 60 to 70 years, the county is at about the same tax rate of 60 cents
- After listening to the presentation from the PTRC, the county is headed for some tough decisions at some point
- Not really concerned about the tax rate itself, as much as, if we control our spending, (being frugal) the tax rate will set itself
- The way to set the tax rate is by controlling our spending

Commissioner Lankford commented:

- No

Chairman Booth commented:

- No

Vice Chairman Jones commented:

- We work very hard to control the spending, but have to keep in mind the unknowns – unfunded mandates, QZAB, increase of supplies and services, etc. that is the bottom line
- May not have a choice in the future

Commissioner Inman commented:

- Great philosophy noted by Commissioner Walker except for one thing – inflation – always goes up
- Have to also consider when the County started assessing at 100% of market value, the county did not always assess on 100% of market value

Commissioner Walker commented:

- Must look at what the County has control over, which is a limited basis
- We do have control to some extent of our own destiny through revenues
- Every person at this table should know, with Vice Chairman Jones hitting on it with her comments – if we keep depending on mostly residential ad valorem taxes, we are causing a tax increase
- It will impose a tax increase
- Have to have economic growth
- Need to take specific steps when we can to help promote economic growth, if we don't, we are sealing our own faith for everyone involved

- Need to start looking at ways to start promoting economic growth

Minimum Acceptable Remaining Fund Balance in General Fund, If Used to Balance Budget

Manager Morris commented:

- Unless directed otherwise, will continue to budget to keep the County's Fund Balance at 20% or higher

The Board agreed with Manager Morris budgeting to maintain at least a 20% Fund Balance if no higher.

Commissioner Walker commented:

- Would like to mention something from a book that I am reading
- Four things that make a person happy:
 - Good government
 - Economic growth
 - Cultural development
 - Environmental protection

There could be others, but thought this was interesting.

Commissioner Lankford commented:

- If the community college stays on track, feel it will, when will the first payment be due?

Finance Director Edwards responded:

- The year following the debt, if all remains the same, first payment would be 2015-16 fiscal year budget

Commissioner Walker commented:

- Questioned if anyone realizes the tax impact the proposed Walmart would bring into the County?

Commissioner Inman responded:

- One million in sales tax for County and City of King

Commissioner Walker commented:

- \$600,000 for county
- King Planning Board approved it at their meeting on Monday
- There has been a hold put on it due to environmental issues
- Support seems to be increased

Chairman Booth expressed his appreciation to Board members for their attendance and input at the work sessions.

Adjournment

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

Commissioner Inman moved to adjourn the Goals/Budget Guidance Work Session.

Vice Chairman Jones seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

James D. Booth
Chairman