

STATE OF NORTH CAROLINA)
)
COUNTY OF STOKES)
)

OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
MAY 27, 2014

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a regular session in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Tuesday, May 27, 2014, at 6:00 pm with the following members present:

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

County Personnel in Attendance:
County Manager Richard D. Morris
Clerk to the Board Darlene M. Bullins
Finance Director Julia Edwards
County Attorney Tyrone Browder
Health Director Scott Lenhart

Chairman James Booth called the meeting to order and welcomed those in attendance.

Commissioner Inman delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman Booth opened the meeting by inviting the citizens in attendance to join the Board in the Pledge of Allegiance.

GENERAL GOVERNMENT – GOVERNING BODY – APPROVAL OF AGENDA

Chairman Booth entertained a motion to approve or amend the May 27, 2014 Agenda.

Vice Chairman Jones moved to approve the May 27th Agenda as presented.

Commissioner Lankford seconded and the motion carried unanimously.

COMMENTS

Manager/Commissioners

Chairman Booth opened the floor for comments from the County Manager and the Board of Commissioners.

County Manager Rick Morris commented:

- Time Warner Cable – (Former Adelphia Cable Company) - Franchise
 - Adelphia Cable was bought out by Time Warner Cable several years ago
 - This franchise, which serves mainly the King area, expired May 2014
 - As mandated, Time Warner Cable has submitted the necessary paperwork to the North Carolina Secretary State's Office (pursuant to NC Video Competition Act 66-350)
 - Revenues due from Time Warner Cable must now go to the State before coming to the County
 - This same action will have to be done in 2020 when the current Time Warner Cable franchise expires which the serves the rest of the County
- Time Warner Cable – Comcast Merger
 - Time Warner Cable has entered into an agreement to become a wholly-owned subsidiary of Comcast Corporation (Comcast)
 - Upon the conclusion of the transaction, the County's franchise with Time Warner Cable will remain in place but will be ultimately owned by Comcast, but still referred to as Time Warner Cable
 - A proposed resolution (Consent to Transfer of Control) has been provided by Comcast if the County desires to review and consider approval
 - Information has been provided to County Attorney Ty Browder for review and legal advice
 - County Attorney Browder has advised staff that there is no need to execute the proposed resolution, as the County has no influence with the merger and will have no impact on anything
 - The merger should be fairly transparent to Time Warner Cable subscribers
- Health Department – Award
 - Stokes County Health Department received the "Most Improved Local Health Department in the Region" Award at the Communicable Disease Conference from the North Carolina Department of Health and Human Services – Division of Public Health – Communicable Disease Branch
 - The award was voted on by the State Epidemiologist and Public Health Program Consultants
 - Health Director Lenhart showed the Board the plaque that the Health Department received at the conference

Health Director Lenhart commended his staff for the improvements during the past year.

The Board extended congratulations to Director Lenhart and his staff on their recent award.

Commissioner Walker commented:

- Enjoyed attending the recent Soil and Water Awards Banquet last week
- Very glad to see the young folks in Stokes County competitive at the State level
- Very nice event

Vice Chairman Jones commented:

- Also attended the Soil and Water Awards Banquet
- Always enjoy attending the event and seeing young folks getting involved
- Always impressed with the “Farm of the Year”
- Farmer’s Market and the Children’s Festival will be joining together on June 20th from 2:00pm to 6:00pm at Pioneer Community Hospital of Stokes (Farmer’s Market will be opening earlier than 2:00 pm)

Commissioner Inman commented:

- Congratulations to the Health Department on the great work being done
- Chaired the NCACC Public Education Steering Committee last Thursday in Raleigh
- Lt. Governor spoke at the meeting, enjoyed his comments
- House of Representative Chuck Ramsey, Buncombe County, also attended the meeting
- Good News in Raleigh – House Bill #1107 – Representative Holloway’s bill to restore lottery funding has received 69 co-sponsors in the House – great support
- Bad News in Raleigh – There are a lot of other issues that Representative Holloway is having to deal with that could have an huge impact on counties:
 - Medicaid
 - School bus tort claims
 - Worker’s compensation coverage for school employees
- Lot of people in the Legislature are talking about these issues
- If these were put back on the counties, it would devastate small counties such as Stokes
- Need to talk to everyone you can about supporting the lottery bill and discourage the return of Medicaid to the counties, transfer of school bus tort claims and worker’s compensation coverage for school employees to the counties
- Representative Holloway stated that if Medicaid was transferred back to Stokes County, it would be \$1 million+ added to the county budget
- Will be attending County Assembly Day tomorrow in Raleigh

Commissioner Lankford commented:

- Ethics for Life – “Whatever you do, do all to the Glory of God”
 - This reminds everyone to be good to other people; do unto others what you would have them do to you
- Also attended the Soil and Water Awards Banquet, enjoyed the event very much
- Had an Early Childhood Presentation “First 2000 Days” at the Stokes Partnership for Children’s meeting
 - Talked about the first 2000 days of the young child, very informative
 - 75% of Americans from 17 to 24 years of age can’t meet the military eligibility requirements

- Six (6) out of ten (10) surveyed North Carolina employers reported communications skill gaps among job applicants (60%)
- At-risk children that didn't attend quality pre-kindergarten were five (5) times more likely to become chronic criminal offenders by age 27
- In Fiscal Year 2012-13, NC General Assembly appropriated in state general funds \$1.38 billion to the Division Corrections and \$266 million to the Division of Child Development
- Child Development is getting the "short end of the stick" and causing many problems for our County, our State, and our Nation
- The foundation for all future learning is built during early childhood
- Wanted to provide information regarding the importance of early childhood

Chairman Booth commented:

- The Soil and Water Awards Banquet is the highlight of the year
- Currently serve as a Supervisor for the Soil and Water District
- Confirmed with Commissioner Lankford and Commissioner Inman that the Senate is not supporting Representative Holloway's bill regarding the lottery

PUBLIC HEARING – 2010 Scattered Site Housing Grant – Closeout

Chairman Booth called the Public Hearing regarding the 2010 Scattered Site Housing Grant

- Closeout to order.

There were no public comments.

Chairman Booth closed the Public Hearing.

PRESENTATION OF FISCAL YEAR 2014-15 RECOMMENDED BUDGET

County Manager Rick Morris read the following Fiscal Year 2014-15 Recommended

Budget Message:

Budget Message

Fiscal Year 2014/15

TO: The Honorable Chairman and Commissioners

Stokes County Board of County Commissioners (BOCC)

FROM: Richard D. Morris, County Manager

DATE: May 27, 2014

SUBJECT: Fiscal Year 2014/15 Recommended Budget

Introduction

In accordance with the North Carolina Local Government Budget and Fiscal Control Act (G.S. 159-8), I hereby present and submit for your review and adoption a proposed balanced budget for Fiscal Year (FY) 2014/15. A mandatory Public Hearing for the recommended FY 2014/15 Budget has been scheduled for 7:00 PM in Courtroom "A" of the Stokes County Government Center on Tuesday, June 10, 2014.

Budget Theme

The budget theme for the Stokes County's FY 2014/15 recommended budget is "**Looking Forward**". Since the 2008 economic downturn, the county has worked diligently and has been able to maintain a high level of local government services, plus support to education and healthcare, while keeping tax rates reasonable for county residents, many of whom are on fixed incomes. This budget recommendation continues the high level of local government services and support to education, and does so without a property tax or fire tax increase this year. That being said, as the economy continues to struggle, the theme of "**Looking Forward**" is intended to direct the budget focus to how the county will continue to meet its high levels of support to its citizens until economic prosperity returns locally, and nationally, to the United States. It is already clear that the budget challenges will continue during the next two to four years and this recommended budget should be thought of in the context of the next few years and not just this year, hence, the theme "**Looking Forward**". As employment and other economic factors remain weak, the demands on many of the departments in the County are increasing. With demands on an upward trend, most revenues are only up slightly and the loss of "Hold Harmless" revenue plus lower property values from Revaluation heavily impacts the budget picture. As we move forward with this budget recommendation and those that follow, it should be emphasized that difficult challenges will have to be addressed head on to continue local government services at a level that most people take for granted will be there. This budget message is intended to focus everyone's thinking on the next two to four years as the budget recommendations are considered for FY 2014/15. The county seems to be facing a continued period where unfunded mandates keep coming, often through subtle and not-so-subtle reductions in state and federal funding, such as Medicaid reimbursements. While revenues remain sluggish, expenses to operate the county are continuing to increase every year. The ultimate challenge will be to balance the needs of the citizens against the cost of addressing those needs financially. Affordability will continue to be the number one criteria for evaluating everything the county does, no matter how good the idea or how important the service, government function or piece of capital equipment are determined to be. All recommendations included in this budget proposal were evaluated based on their impact to the FY 2014/15 Budget, and also with a forward focus on how they will impact the budget period from FY 15/16 through FY 17/18. The FY 14/15 budget recommendation kicks off this four-year focus period by submission of a budget recommendation that contains slightly less than expected growth with no property tax increase. This proposed budget requires the appropriation of \$2,841,932 dollars of General Fund Balance, which is slightly lower than the FY 13/14 Budget appropriated, even though the expense side of the proposed budget increased. It also leaves some available General Fund balance to appropriate for the FY 15/16 Budget if current estimates materialize as expected. This is a conservative, low risk budget recommendation that addresses structural and other increases while continuing to re-baseline the budget to operate without "Hold Harmless" revenue and with flat property tax revenues for the next three years.

Executive Summary

The total recommended Stokes County Budget for FY 2014/15 is \$43,860,097. This is a 1.79% (\$869,482) increase over last year's approved budget. As was the case last year, the development of this recommended budget proved to be a challenging exercise. Many of the reasons for the difficulty are the same as last year, an example being the complete loss of Hold Harmless revenue, which finally happened this year. As stated earlier, this budget was developed using a four-year focus in the thought process, which addressed current needs and also factored in consideration of how the County will move forward when the remaining General Fund Balance available for balancing the budget dries up completely in FY 16/17. The Affordable Care Act

(ACA) also continues to loom on the horizon for FY 2014/15 and beyond with many unanswered questions. The major issue that could affect the County in FY 2014/15 is insurance coverage for part-time employees, who work more than 30 hours per week. The County is certainly not in a position at this time to train and fund extra part-time workers to reduce part-time hours, or to offer health and dental insurance coverage to a large portion of our part-time work force. To address the ACA, this budget proposal creates a Part-Time / ACA contingency line item where funding will be available to address ACA health insurance requirements if they become an issue. The ACA, and its implementation, will need to be addressed separately later this year after budget approval by the BOCC to discuss the establishment of measurement periods and other requirements of the act. The overall 1.79% increase in this year's recommended budget, over last year's approved budget, was driven by five major contributors which are listed below:

- Proposed budget includes the total amount for new tax software, which will be financed by the vendor at zero interest over ten years
- Structural increases that are built into budget for personnel such as longevity increases and increases in dental coverage
- Increase in part-time salary rates for Public Safety personnel
- Increase level of local funding to support Title XIX Medicaid programs, similar to the local contribution level that was made prior to splitting out Title XIX Medicaid from the General Fund; after the split, spending focused on reducing the Title XIX Medicaid fund balance to a normal level to prevent overages possibly being pulled back by the State
- A 2% cost of living (COLA) adjustment for employees, to start with the pay period beginning 10/11/2014
- The cost of computer replacements and new or used vehicles which is required to keep this equipment at an acceptable level of operation

Other factors that influenced the FY 2014/15 proposed budget, most of which are beyond the control of the county, are listed below:

Under Revenue

- Planned elimination of Home Health revenue budget due to sale of license
- Sales taxes continue to increase slightly, but remains down from earlier years
- Interest income from idle funds remains low due to the Federal Government keeping interest rates low

Under Expenses

- Replacement of outdated computers in several departments, all most of which are at end of life and no longer supportable by their vendors
- Fuel and energy costs remain high
- Increased volume of calls in both EMS and the Sheriff's Department, plus jail over capacity
- Planned elimination of Home Health expense budget due to sale of license

Other Major Influencers

- No more "Hold Harmless" to replenish "General Fund" balance
- Revaluation reduction in Ad Valorem property tax revenue
- New debt payment for additional school construction / renovation

In summary, I would ask that as the BOCC reviews and analyzes my recommended budget that you keep the following important considerations in mind:

- The shortage of revenues continues to keep the County off of its normal rotation schedule for replacement of vehicles, which increases the risk of vehicle related issues such as breakdowns and increases in maintenance and repair expense.
- My recommendation is that the County's General Fund Balance should remain at or near 20% at all times for Stokes County; however, this cannot be accomplished in the current economic environment without changes in either the level of services provided to the citizens or the amount of tax the citizens pay for those services. A 20% fund balance is approximately three months operating expenses for this county.
- **The Fire Commission has already announced that it will be most likely recommend a Fire Tax increase next year to address equipment and personnel needs of the County's Fire Service District.**
- **I expect the General Fund balance to remain at or near 20% for the FY 2014/15 projected budget; however, without a significant reduction in services or tax increases (AdValorem tax, sales tax, etc.), the County is now on a downward trajectory to have its General Fund balance drop 5% per year starting in FY 2015/16. The current estimate for unrestricted General Fund balance that can be used to balance the budget in FY 2015/16 is approximately \$2 Million and is projected to drop to zero for the FY 2016/17 Budget.**
- **I would recommend that the Board of County Commissioners again conduct early work sessions during FY 2014/15 to discuss and analyze the difficult budget challenges as we move forward toward FY 2015/16 and beyond.**

Budget Requests from County Departments

The department heads were conservative in their FY 2014/15 budget requests. They continue to operate on very tight budgets, as evidenced by the decreasing amount of dollars the County was able to recoup during quarterly financial execution reviews of the FY 2013/14 Budget. With the structural increases and equipment /software recommended in my budget proposal, the growth was relative low at only 1.79%, which is less than needed to sustain the previously established rotation of ambulances, Sheriff's vehicles and other departmental material and capital needs.

Other specific areas are addressed below:

Equipment

Requests were submitted for a variety of equipment to include computers. All computer requests were reviewed by the Information Technology (IT) Department and mostly computers at the end of life were approved, unless they were funded by other than county dollars. Lists of equipment items recommended for approval are listed below:

- One new ambulance for the EMS Department
- Replacement evacuation chairs for the EMS Department
- Battery bank charger for Emergency Management
- Minitor VI pagers for Sheriff's Department
- New vehicles for the Sheriff's Department (6 patrol cars and 1 SUV)
- Bullet proof vests for the Sheriff's Department
- Investigation equipment for the Sheriff's Department
- Camera equipment for the Sheriff's Department
- Turn-out gear for Fire Marshal

- 8 Green boxes to replace old boxes at green box sites
- 24 replacement computers
- New software for the Tax Department (approved earlier by BOCC)
- ASA appliance upgrade for IT Department
- Replacement switches for IT Department
- Lease of postage machine to be used by all departments
- French drain materials for installation around the Administration Building
- Propagation radio study for E-911 Communications

The recommended computers and some E-911 equipment are funded by a combination of county, state & federal, and E-911 funds, which are identified specifically in the detailed budget documentation. One used pickup truck was approved for the Animal Control Department, which will only be purchased if an adequate 4WD vehicle can be identified for the available funds. Only one new vehicle was purchased in FY 2013/14 for the Sheriff's Department, which supports the requirement for a larger purchase in this budget proposal. A significant purchase of new computers is included to replace computers where several are seven+ years old. Everything the County does depends on computers and the network and we have no choice but to replace these very out-of-date computers so our employees can perform their duties. The total amount recommended for equipment in this budget is \$944,262 with \$828,000 of that amount to be financed. The financing will cover vehicles and computers, with the Tax Office software being financed separately without interest charges by the software vendor. Other funding sources for equipment are Register of Deeds Technology funds, State Fines & Forfeitures and state & federal funds. Only \$66,434 will be required for equipment in this FY 2014/15 Budget proposal from the General Fund as compared to \$96,386 in the FY 2013/14 Budget.

Personnel

Reclassification Requests / New Positions & On-Call – Various personnel requests were received from the Health Department, Finance Department, Public Buildings Department, Tax Department, Sheriff's Department and Department of Social Services (DSS). Additions to those receiving on-call pay was requested by the Public Buildings Department but not recommended at this time due to affordability and the direct implications to other departments. The only reclassifications or addition of positions recommended for approval were where the job scope actually changed or where significant cost reductions would occur for the County. No reinstatements of previously unfunded positions were approved. Reclassifications and position additions recommended for approval are listed below:

- **Reclassify Sheriff's Department Administrative Assistant**
 - Has assumed supervisory responsibility over other administrative personnel
 - Has assumed budget preparation responsibilities for the department
 - New scope of responsibility matches similar positions in the Health Department and Department of Social Services
 - Cost \$1,694.77 including fringes
- **Adds two new positions in Dept. of Social Services to eliminate two contract positions**
 - Addition of these positions saves the County \$17,132 local dollars annually because contracted positions cost more than the government positions. These positions will also allow the drawdown of additional state & federal funding.
 - County cost for these positions is \$3,764.
 - Adds flexibility to the functions that can be performed by these positions that were not available under the contracting scenario

The total amount of funds required for the recommended reclassification and position additions is \$76,980 of which \$71,521 comes from federal or state funds. The funding impact of approving my personnel recommendations would be an increase of approximately \$5,459 county dollars annually.

Part-Time Salary Rates

It is becoming increasingly difficult to hire qualified part-time employees to fill critical positions in the County's Public Safety departments. The major problem in attracting these part-time professionals is that surrounding counties pay significantly higher part-time rates. Lack of available personnel places the County in a difficult position with increased risk of mistakes by overworked full time personnel. To address this situation, my budget proposal recommends a \$2.00 per hour increase to current part-time wages for the following Public Safety positions;

- Deputy Sheriff Increase to \$11.10 per hour and \$12.41 after 200 hours
- EMT Intermediate Increase to \$11.56 per hour
- EMT Paramedic Increase to \$12.52 per hour
- Jailor..... Increase to \$11.10 per hour and \$12.41 after 200 hours
- Telecommunicator..... Increase to \$9.42 per hour and \$11.56 per hour after 200 hours

Employee Cost of Living Adjustment (COLA)

This budget includes the recommendation for a 2% employee COLA for eligible full and part-time employees. To reduce cost, the COLA will not start until the pay period beginning 10/11/2014. The total cost of the recommended COLA for FY 2014/15 is estimated to be \$145,000. The decision to include an employee COLA during this challenging budgetary period was based on several factors, two of which are listed below:

- The cost of living, especially for food, fuel, and other household expenses continues to increase.
- A COLA is recommended, and is more affordable now rather than later, because the General Fund balance is still at a reasonably high level, and is still available to help balance the budget. The probability of a COLA or Bonus recommendation for FY 2015/16 or FY 2016/17 is very low because the General Fund balance will decline rapidly after this year.

Board of Education (BOE) Requests

As stated in the Executive Summary of this message, the County budget is now on a downward trajectory, especially over the next two to four years, which will also directly impact the school system funding. Valid requirements must continue to pass a stringent affordability test before they can be funded. Though the BOE budget request appears to contain valid requirements, affordability will still be the key evaluation criteria for the foreseeable future before the BOE budget can be increased. New school construction and renovation has added debt in the FY 2014/15 Budget and in previous budgets. The Lawsonville Elementary Project, which is the last project funded by the BOCC on the current school construction / renovation list, is now completed. With the concurrence of the N.C. Local Government Commission, the BOCC is prepared to allocate any remaining funds from the Lawsonville Project to other BOE capital needs. The budget challenge will now shift further to the repair, modification and maintenance of the existing schools, which will remain a challenge until previous school debt is retired, which will then make more funds available that could be appropriated for school capital projects.

Current Expense

The Current Expense budget request from the BOE for county funding contains an approximate 13.10% increase over last year's approved budget. This translates to an approximate \$1,337,982 increase over last year's BOE request. Last year's BOE budget appropriated \$1,153,342 of their

Current Expense fund balance toward their current expense budget and in this year's request the BOE chose not to appropriate any of their Current Expense fund balance for Current Expense. My recommendation is to provide the BOE \$10,211,763 for Current Expense, which is the same amount approved in last year's budget. This recommendation also includes \$98,100 to the BOE for Current Expense to pay for operations & maintenance expenses for the Poplar Springs Elementary School. The \$98,100 will come from the New School / Forsyth Tech Construction / Renovation Fund (previous 4 cent tax increase) and will not impact the County's General Fund.

Capital Outlay Expense

The BOE Capital Outlay request for this budget was \$2,953,000. This would require \$2,353,000 from the County's General Fund to meet this request. My recommendation is to provide the BOE \$1,600,000, and include the authorization for the BOE to spend up to \$1,000,000 from their Current Expense Fund Balance on capital projects. If they choose to do so, this increased authorization from their fund balance will allow the BOE to address roofs and other important capital needs such as school safety and security items. As in previous years, my recommendation is to continue prioritizing the capital funding toward the retirement of debt from earlier school construction, which will require \$1,000,000 in the proposed FY 2014/15 Budget. This annual \$1,000,000 debt payment for General Obligation Bonds (West Stokes and Piney Grove schools) will continue for three more years before this amount could be considered for appropriation to school capital projects. Remaining capital funds in the amount of \$600,000 will be appropriated for capital outlay in the areas of safety, school security and roof repair / replacement. The \$600,000 appropriation is a \$300,000 increase over last year's appropriation for this purpose.

Hold Harmless Funding

Hold Harmless funding is no longer available to replenish the General Fund Balance. An unexpected Hold Harmless payment of \$1.12 Million was received this year, which helped to reduce the expenditure level of the General Fund balance that was appropriated in the FY 2013/14 Budget. There will be no Hold Harmless revenue this year and it's not likely to resurface in the future. This is a very important point because Hold Harmless has been the major contributor to the recent success in building up and maintaining the General Fund balance. Hold Harmless has also been used to purchase capital equipment and to fund non-recurring items, which was also a major negative impact beginning with the FY 2013/14 Budget. This will continue for the foreseeable future. This is again illustrated by the fact that this FY 2014/15 budget recommendation finances items such as computers, which were not financed in past budgets. The loss of Hold Harmless funding at its highest level equals an approximate decrease of 5% in the county's total budget revenue. We have projected that approximately \$1,837,047 of appropriated General Fund balance from FY 2013/14 will go back to replenish the General Fund balance on June 30, 2014. No unexpended funds were recouped from the FY 13/14 fourth quarter financial execution review that could be returned to the General Fund balance. The dollar amount going back into the General Fund balance was greatly helped by the unexpected Hold Harmless funds that were received this year. Next year at this time, little or no funds will be projected to go back into the General Fund balance.

Health and Dental Insurance Costs

The shift two years ago to a Health Reimbursement Account (HRA) / Split Deductible continues to look like a good decision based on experience to date. The County will continue with a Health Reimbursement Account (HRA) / Split Deductible this year to cover county employees. The County will also continue to pay 100% of the premium cost for employees. The terms and conditions of the insurance plan will remain the same as the County stays with the League of Municipalities Insurance Pool. The carrier will continue to be MedCost, who the County accesses through the League of Municipalities Insurance Pool. This is the second year that counties have been eligible for this pool, and the decision to stay with the League of Municipalities will result in no increase to medical insurance coverage, and only a very minor increase in

dental coverage. The cost for the employee co-pays in the areas of emergency services, urgent care and prescriptions will remain the same. The current health insurance provider will be introducing a wellness program this year for employees that will potentially add individual insurance cost for those employees who choose not to participate in the program, starting with the FY 2015/16 premiums. The individual insurance cost increases resulting from non-participation would be paid by the employee, regardless of the county percentage that is being paid.

Enterprise Funds

The County has three enterprise funds which are described below.

- **“Stokes Reynolds Memorial Hospital Fund”** – This budget recommendation appropriates \$200,000 for Pioneer Health Services (PHS). It also includes the \$10,000 annual payment to the County to fund future capital based expenditures that results from the receipt of \$500,000 in lease payments from PHS and the return to PHS of \$490,000 for “emergency services” leaving \$10,000 for the fund. All budget items related to PHS are in accordance with the terms and conditions of the County’s lease with PHS. The County is also using this fund to manage all “accounts receivable” and “accounts payable” remaining from the County’s prior operation of the hospital, after the transfer back from Baptist Hospital, and before PHS took control. In FY15/16 the \$200,000 payment to PHS will be reduced to \$100,000 per the lease agreement. The payments will continue to scale down until six years from now no funds will be provided to PHS for “emergency services”.
- **“Regional Sewer Fund”** – This fund remains financially sound with no rate increases; however, the institutional rates were reallocated between the Regional Sewer Fund and the Danbury Water Fund as approved by the BOCC in the FY 2013/14 Budget.
- **“Danbury Water Fund”** – This fund is now financially sound due to changes made in the FY 2013/14 Budget to redistribute institutional rates between this fund and the Regional Sewer Fund, which fixed the deficit in the water fund and left the sewer fund with a sufficient balance. It was discovered recently that the rates for the Danbury Water & Sewer Funds are at only half of the amount that is required to qualify for most state funded infrastructure grants.

New Grant Program for County Parks

This proposed budget includes a new grant program for improving county owned parks. A grant application process will be developed where interested individuals or organizations can apply for up to \$2,000 per park to make improvements to the facilities. In order to receive the funding the applicants will have to provide a match, which can be in the form of cash or in-kind contributions. The total amount placed in this fund for FY 2014/15 will be \$10,000.

Walnut Cove Library

In 2005 & 2006 Stokes County entered into arrangements with the Town of Walnut Cove to jointly fund the renovation and upgrade of the Walnut Cove Library building and facilities. The arrangements called for the County to make ten payments of \$40,000 annually and by July 1, 2014 to pay an additional \$50,000 to close out the County’s obligation. The final payment of \$50,000 was to be offset by one-half of any funds raised by the library during the loan period. The other half would go to offset the identical \$50,000 payment owed by the Town of Walnut Cove under the agreements. On July 1, 2014, the Stokes County portion of this loan obligation will be complete. As a result of funds raised by the library, Stokes County’s final payment will be \$33,000 in lieu of the original \$50,000 requirement, with the amount owed being confirmed by the Interim Town Manager of Walnut Cove.

Water / Sewer Project Gap Funding

Stokes County has just completed the competitive bid process and will be selecting a contractor to install a new sewer line from the packaging plant located in the Town of Danbury to the new community college site in the Meadows Community. The project also includes connection to the water system at the Meadows site that already supports the Early College facilities. The majority of the funding for this project will be provided by multiple grant agencies, with the largest amount coming from The Golden LEAF Foundation. With some uncertainty remaining on the final total of available grant funding, the BOCC has signed a Funding Gap Letter that states that the County will fill any shortfalls from the granting agencies. If a funding gap occurs, the primary sources of funding to fill the gap will be excess funds from the County's Regional Sewer Fund plus additional funding that is available in the Community College Capital Projects line item.

General Fund Balance

Under my proposed budget, \$2,841,932 will be required from the County's General Fund to balance the budget. This is \$14 less than the amount appropriated from the General Fund balance in the FY 2013/14 Budget. An estimate of approximately \$1,837,047 will be returned to the County's General Fund balance on June 30, 2014 from the unexpended funds and revenue overages remaining from the FY 2013/14 Budget. The amount of this unspent balance can be attributed to receipt of some unexpected revenues, examples being the Hold Harmless revenue and the early return of the funds that were fronted to CenterPoint as part of their waiver process. As stated earlier in this message, I would recommend that the BOCC strive to keep the County's General Fund balance in close proximity to 20%, which will be needed later this year to seek financing for the new community college building. With the use of \$2,841,932 from the County's General Fund Balance to balance the proposed FY 2014/15 budget, it is projected that the County's General Fund Balance will remain above 20% for the FY 2014/15 fiscal year, but will experience a steady decline beginning FY 2015/16 without tax increases or service cuts. An estimate of approximately \$2,000,000 is projected to be available from the General Fund balance to balance the FY 2015/16 Budget and still remain at a 20% fund balance. After that, no excess General Fund balance is projected to be available for the foreseeable future to balance the budget.

Title XIX Medicaid Fund

As the BOCC is aware, the Title XIX Medicaid funds were broken out from the General Fund to provide more visibility of these funds and their uses. At the time the Title XIX Medicaid funds were broken out, a large fund balance had accumulated, while at the same time, local county dollars were being used to fund the same programs being funded by Title XIX Medicaid funds. The breakout of Title XIX Medicaid provided clear visibility of the large fund balance that had accumulated. With the increased transparency of this fund, an immediate concern was that the State would possibly pull back the majority of these funds that had not been spent and had accumulated into the large fund balance. To prevent this possible occurrence, the County decided to use a portion of the Title XIX Medicaid fund balance to expand the administrative office space with a building addition at the Health Department, which was an authorized use for the Title XIX Medicaid funds. Even with the building addition, the remaining fund balance allowed the County to fund Title XIX Medicaid programs for two years with lower levels of local dollars as the Title XIX Medicaid fund balance continued to be reduced to a normal level. In the FY 2014/15 budget proposal, you will see that the Title XIX Medicaid fund balance has now been spent down and a return to an increasing level of local dollars will again be needed to fund these programs. This problem is further intensified by potential reductions in the amount of Title XIX Medicaid settlement payments, which are refunded annually to the county. This year's settlement amount is \$150,752, which was better than expected; however, the amount of future payments is very uncertain. With local county dollars being reintroduced at higher levels to fund these shared programs, close scrutiny should be paid to all Health Department programs that require local funds to ensure all of these programs are needed, and that they generate sufficient revenue to justify the program costs.

Interest Earnings /Rates

Interest Earnings – Interest earnings on idle funds invested by the County remain negligible due to continued low market rates. Interest rates are projected to remain low through the next fiscal year.

- The Federal Government does not intend to raise rates until unemployment rates improve.

Inflation – Officially inflation remains low; however, commodities such as food, fuel and healthcare remain high.

Sales Tax Receipts

Sales tax receipts for the “General Fund” are up by \$65,802 over last year, as of March 31, 2014, which is a 2.55% increase. Article 40 and 42 sales tax receipts, where a proportion goes to the school system, are up by \$24,505 over last year for the same time period, which is a 2.38% increase. Even though sales tax receipts are fairly consistent from last year, they remain significantly lower than the levels received prior to 2008.

Ad Valorem Taxes

Ad Valorem taxes are the main source (49.56%) of revenue for the county budget. Based on the last Stokes County audit, the FY 2012/13 actual collection rate was 96.19%. This proposed budget uses a more conservative collection rate of 96%. Should the BOCC desire to do so, the collection rate could be raised as high as 96.19%, though I do not recommend going above 96%. A new variable has now entered the picture in FY 2014/15 Budget where tobacco buy-out payments have ended to farmers, which will mean approximately \$6.2 million annually will no longer be coming to Stokes County. It remains to be seen if this will impact property tax collection rates as property owners adapt to this change. This Tobacco Buy-Out scenario closely resembles the situation the county has just experienced with the loss of Hold Harmless funding.

Increase in Penalty Fees

This budget proposal recommends an increase in the penalties associated with the Noise Ordinance enforced by the Sheriff, and the Nuisance Ordinance enforced by Animal Control and the Sheriff to prevent dogs and other animals from occupying and damaging private property. Recommended changes in the penalties are listed below:

Noise Ordinance

The first visit by law enforcement is a warning with no fine, to be followed by a \$200 fine if a second visit is required. Subsequent visits increase by \$200 each visit up to \$600 per visit. Multiple visits will be authorized during the same 24 hour period if violations continue during that period.

Nuisance Ordinance

The first visit by Animal Control is a warning with no fine, to be followed by a \$100 fine if a second visit is required. Subsequent visits increase by \$100 each visit up to \$500 per visit. Multiple visits will be authorized during the same 24 hour period if violations continue during that period.

Legal Services

This proposed budget includes a small increase in compensation for the County Attorney, due to the increase scope of effort required to provide legal support to the County. Currently the County contracts with two attorneys, one of which is dedicated to providing specific legal services to the Department of Social Services (DSS), and the County Attorney who provides both general legal services to the County and some specific legal services to DSS. The total legal budget for the county is \$70,000, which also includes an allocation for litigation and outside legal services that may not fall under the scope of the County Attorney’s contract.

Additional funding in the amount of \$80,000 is also included in the DSS Budget for the DSS attorney, of which \$34,774 is county funds.

Fire Marshal Recommendation

The Fire Marshal Office has now been moved under the Sheriff's Department along with the Fire Marshal Budget. The pilot program for this change appears to have worked very well and this approved organizational change will remain in effect unless otherwise changed by the BOCC.

Animal Control

The privately funded outdoor exercise runs that were discussed in last year's budget have now been completed and have improved cleanliness and disease prevention at the shelter. The operational changes that were made at the shelter have also aided in improving shelter cleanliness. The increase in adoption fees to provide vouchers for spay/neuter has also worked well and has had a minimal impact on adoption rates, reducing them slightly. The introduction of the spay/neuter voucher was to encourage pet owners to have their animals spayed/neutered to reduce the population of unwanted animals that end up in the shelter. The training line item has been increased slightly in my proposed budget to keep the County's animal control officers up to date on the latest laws and procedures that should be followed in the operation of the shelter. Funds were also moved from capital reserve, where they were being held for a new gas chamber, to now purchase a used 4WD pickup for the Animal Shelter. It will replace a vehicle with 300+ thousand miles.

Home Health

No budget has been submitted for the County's Home Health Agency based on the decision to sell the County's Home Health License to a private operator. The objective is to have the Home Health Agency under private operation by July 1, 2014. In case this does not happen, \$17,000 has been placed in a Home Health contingency line item to cover an additional Home Health operation, if required.

Comprehensive Land Use Plan

At the direction of the BOCC, funding has been included in this budget proposal to complete the matching funds for the County's new comprehensive land use plan, which is under development. Per direction of the BOCC, the County will again pay \$10,000 of the \$15,000 match requirement and the three municipalities in the County will again pay the remaining \$5,000, based on a per capita allocation of their populations. The remaining funds for the plan development will come from a grant that was obtained through the Health Department.

Purchase of "Autumn Square" Building

So far, the purchase of the "Autumn Square" Building has worked out as planned for the county. The Vehicle Maintenance Department has made its full transition to the building, and efficiency has shown a significant improvement. With the exception of one office, all of the office space has been leased at the building and lease revenue is exceeding the debt payment for the facility, which prevents tax dollars going toward the debt.

Fire Departments and Fire Tax

My budget recommendation keeps all fire tax at the current rate of 6.5 cents. The Rural Hall Fire Department requested \$14,462 above what the current fire tax and Rural Hall Fire Department fund balance will provide. These additional funds are needed toward the debt of recently purchased fire trucks. It is my recommendation that these additional funds not be provided, as it will set a precedent for the same type of request from all other fire departments. It should also be noted that the Fire Commission has provided a

“heads up” that it will requesting a 1.5 cent fire tax increase in the FY 2015/16 Budget to address personnel and equipment needs.

Emergency Communications Upgrade

The emergency communications upgrade is still underway due to delays from the State, which now have all been worked out. The State is now making the long awaited P25 conversion in June of 2014, which is driving the schedule for the completion of the County’s fire department radio conversions to VIPER. The fire department radio installations are targeted for completion by the end of July 2014, which will complete the emergency communications upgrade project for the County.

Addition of New Building for Health Department

Construction and equipping of the new building for the Health Department has been completed as approved by the Stokes County BOCC. The expansion was needed for additional administrative space, which will in turn provide more clinical space. The addition was funded by Title XIX Medicaid funds. The large Title XIX Medicaid fund balance is now approaching zero balance from construction of the building plus expenditures on authorized Health Department programs.

Miscellaneous Requests from Outside Agencies

Several outside agencies requested and were recommended for funding in the Stokes County FY 2014/15 Budget proposal. Agencies that received funding and the ones that were denied funding in the recommended budget are both listed below:

- YVEDDI – Request for weatherization funding was recommended due to the end of the CDBG Scattered Site Housing Rehab Program (\$3,060). Total for all YVEDDI programs was \$182,555.
- Roanoke River Basin – Request was denied (\$3,500)
- N.C. Wildlife Resource Commission Beaver Management Assistance Program – Request was not received this year
- N.C. Forestry Service - Request for temporary smoke chaser funding was recommended to support two major controlled burns and additional support to fire departments at fire scenes (\$15,701)
- Stokes County Fire Association - Provided \$14,495 a \$2,165 reduction

Summary

In summary, my recommended budget attempts to place the County in the best possible position to absorb both the loss of “Hold Harmless” funding and Revaluation revenue reduction over the next two to four years. It also provides a forward look, as stated by the budget theme, on how the County will have to proceed to successfully manage a difficult budget environment during the next few years.

- **What this recommended budget does not do.....**
 - Does not increase Ad Valorem taxes
 - Does not furlough or lay off any full time county employees
 - Does not eliminate or reduce any existing services to our citizens, but does end county ownership and operation of the county’s Home Health agency
 - Does not reinstate any of the unfunded positions from the FY 2011/12 Budget

- **What this recommended budget does do.....**

- Appropriates County General Fund dollars to balance the budget
- Keeps the projected County General Fund Balance in close proximity to 20% for the FY 2014/15 Fiscal Year
- Funds a limited amount of capital outlay for essential equipment
- Continues to pay 100% of employees' health, vision and dental care premiums with no benefit changes
- Provides a COLA and amends current pay scale for all eligible full and part-time employees
- Increases part time salary rate by \$2.00 per hour for Public Safety personnel who are difficult to recruit

Conclusion / Recommendations

In previous budgets, I have referred to Stokes County entering a "Perfect Storm" as we try to navigate difficult budget waters between now and FY 2017/18. I think this is still true, and budget decisions will become more difficult as the County moves into the FY 15/16 budget development process. The FY 2014/15 budget proposal is the last one that will preserve a General Fund Balance at the desired levels unless taxes are raised or services are reduced or eliminated. This should have already occurred except for the receipt of unexpected revenue this year in the amount of \$1.12 Million of Hold Harmless funds plus some other smaller revenue increases. The budget challenges that are now in clear view for next year cannot be addressed by making small changes around the fringes. The removal of the \$2.5 to \$3.0 Million deficit bubble that has moved from year-to-year will require significant changes in the budget thought process if the county is to maintain its strong financial position during the next two to four years. The obvious challenge will be generating sufficient revenues to keep services at acceptable levels, without reducing the County's General Fund balance to an unacceptable level. The first step in this process is for the BOCC to adopt my recommended budget for 2014/15 and to start thinking now about the FY 2015/16 budget, where the excess General Fund balance above 20% will be depleted and any additional revenue that is required will have to come from taxes or some other source. It's my opinion that my recommended budget for this year addresses all major budget issues faced by the County for FY 2014/15 and looks forward to prepare the County for future budget challenges.

It is my formal recommendation that the BOCC adopt my recommended budget of \$43,860,097 for the FY 2014/15 Fiscal Year.

This budget message includes the following three attachments:

- **Attachment #1** is a graphic comparison of revenues and expenses in the current and recommended budget.
- **Attachment #2** is a list of the capital equipment requested by each department head and which items were approved for the budget proposal.
- **Attachment #3** is a list of personnel requests from the department heads and the requests that were approved for the budget proposal.

County Manager Morris concluded:

- Would like to recognize Finance Director Edwards and her staff along with Clerk Darlene Bullins and the Department Heads for the outstanding joint effort in preparing the recommended budget packet for the Board; their performance has been stellar

Chairman Booth expressed the Board's appreciation to Manager Morris for his presentation of the recommended Fiscal Year 2014-15 County Budget.

PUBLIC COMMENTS

Chairman Booth opened the floor for Public Comments.

There no public comments.

CONSENT AGENDA

Chairman Booth entertained a motion to approve or amend the following items on the Consent Agenda:

Minutes

- Minutes of May 12, 2014 – Regular Meeting

District Resource Center and Solid Waste Department - Budget Amendment #78

Finance Director Julia Edwards submitted Budget Amendment #78.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
District Resource Center				
100.4210.510	Equipment	\$00.00	\$9,000.00	\$9,000.00
Solid Waste				
100.4720.311	Training	\$1,000.00	\$(775.00)	\$225.00
100.4720.353	Maint. & Repairs-Sites	<u>\$14,000.00</u>	<u>\$(2,025.00)</u>	<u>\$11,975.00</u>
	Totals	\$15,000.00	\$6,200.00	\$21,200.00

This budget amendment is justified as follows:

To appropriate funds from drug testing and transfer funds from Solid Waste for the purchase of a zero turn lawn mower for the work program. The mower will replace a District Resource Center mower which will be transferred to the Solid Waste Department for mowing the collection sites.

This will result in a **net increase** of **\$6,200.00** 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
100.3839.000	Miscellaneous Revenue	<u>\$26,800.00</u>	<u>\$(6,200.00)</u>	<u>\$20,600.00</u>
	Totals	\$26,800.00	\$(6,200.00)	\$20,600.00

Tax Administration Report – April 2014
Present-Use Value Late Application

Tax Administrator Jake Oakley presented the following Present-Use Value Late Application at the May 12th meeting with a request for approval at the May 27th meeting:

- **Taxpayers: William Dwayne Steele**
 - Parcel: 696800885136
 - Acreage: 1.09
 - Reason: This field will be piggy backed onto other use-value land owned by Mr. Steele
 - Tax Office is recommending approval

Vice Chairman Jones moved to approve the Consent Agenda as presented.

Commissioner Inman seconded and the motion carried unanimously.

GENERAL GOVERNMENT – GOVERNING BODY – INFORMATION AGENDA

2010 Scattered Site Housing Grant – Final Update

County Manager Rick Morris introduced Project Administrator Cindy Ramsey, Benchmark CMR, who was in attendance for tonight's meeting to present the 2010 Scattered Site Housing Grant Final Update.

Project Administrator Cindy Ramsey presented the following comments:

- County originally closed out the 2010 Scattered Site Housing Grant in December 2013, ahead of schedule
- County requested to reopen the Grant in March 2014 to access the remaining funding to help a recipient who had late water issues after the grant was closed
- NC Dept of Commerce approved the reopening of the Grant on April 1, 2014 in order to allow the County to access the unspent funding in the amount of \$4,954 for the digging of a well for the recipient
- County solicited and received bids on behalf of the remaining funds
- County awarded the contract to the lowest bidder
- County expensed only \$4,866 of the remaining funds which left a balance of \$88

- County will close out the grant by May 31, 2014

Chairman Booth opened the floor for discussion.

The Board had no issues or questions regarding the final update.

Chairman Booth expressed appreciation to Project Administrator Ramsey for the final update.

NC Fast Update

County Manager Rick Morris presented the following information regarding NCFAST:
(on behalf of DSS Director Stacey Elmes)

- The North Carolina Association of County Commissioners (NCACC) solicited help from DSS Directors across the State to complete a survey on extraordinary costs incurred with NCFAST, focusing today on implementation of the Medicaid component
- NCACC is hearing from counties about the substantial investments they are making to “staff up” in anticipation of the full NCFAST Medicaid rollout
- NCACC realizes that some of these staffing demands are being driven by Medicaid workload increases but recognize that the NCFAST workflow is also generating new steps and data entry during the application and redetermination processes
- NCACC is also interested in understanding any backlogs in Medicaid applications and recertifications, including those applications not entered into NCFAST and EIS
- These backlogs may spur additional staffing demands for counties so NCACC wants to capture the extent of this outstanding workload
- NCACC plans to use this refresh of county impacts to inform anticipated legislative conversations around NCFAST Medicaid
- There may be an opportunity to explore some state financial assistance to offset extraordinary county costs, so NCACC wants to document and demonstrate what those costs may be
- Manager Morris read the following questions on the survey along with DSS Director Stacey Elmes’ responses (underlined): (total of 19 questions were on the survey)
 - Has the implementation of NCFAST caused you to increase the use of overtime in your agency or have you approved overtime that is specifically due to the implementation of NCFAST since February 1, 2014 through this fiscal year’s end? Yes
 - How many hours of overtime will be needed between February 1, 2014 to June 30, 2014? 861.43
 - What is the total cost for overtime related to the NCFAST implementation since February 1, 2014 through June 30, 2014? \$22,706.28 with overhead
 - What is the total cost for overtime forecasted/budgeted for Fiscal Year 2015? \$54,495.12 with overhead (value of compensatory time that permanent employees will possibly accrue)

- Have you or do you plan to hire temporary or permanent employees to support the implementation of NCFAST since February 1, 2014 through June 30, 2014? Yes
- How many temporary or permanent employees on an FTE Basis were/will be hired through June 30, 2014? Six (6) temporary employees, no permanent
- Did you need to purchase additional equipment or rent building space for these temporary or permanent employees? No
- What is the total cost for temporary or permanent employees related to NCFAST implementation since February 1, 2014 through June 30, 2014? \$61,194.12 with overhead
- Are/have you taken advantage of the enhanced 75% Medicaid funding reimbursement for County NCFAST Medicaid administrative activities? Yes
- How much has the County's Medicaid caseload increased since January 1, 2014? 42%
- What percentage has the County's Medicaid applications increased in Fiscal Year 2014? 32%
- How much has the County's Medicaid recertifications increased since January 1, 2014? 51%
- How many Medicaid applications need to be entered into NCFAST? 3
- How many Medicaid recertifications need to be entered into EIS/Medicaid? 173
- Are there any other NCFAST impacts facing your county? System issues that cause work to be delayed
- Information is being gathered from all counties
- Will be working with NCACC to try to minimize the impact of the next phase of NCFAST (Medicaid)

Chairman Booth opened the floor for discussion.

Commissioner Walker commented:

- Still has a rather autonomous tone, like waiting for the "other shoe to drop"
- Not sure the county has been hit by the full "brunt of the storm"
- Very encouraged by NCACC being proactive and gathering that type of information
- As stated earlier by Commissioner Inman, there are a lot of new legislators in Raleigh and they possibly don't know the impact that some of their decisions are having on local government and their departments
- Very good move, it seems, on the part of the Association to gather this type of information
- Hopefully it will be presented to those who need it in a proper and appropriate manner; with this type of information, they can't say "we didn't know about this"
- With this type of feedback, they pretty much have to know the impact it is having on Departments of Social Services
- As far as NCFAST, still just amazed, the folks at our State Capitol can mandated something like NCFAST and create the problems that put our programs in jeopardy and implement it without having a plan that is pretty much guaranteed to succeed

- Hope those who have needed to learn have learned from how this has happened so far and it doesn't get repeated in the future
- It has really wreaked havoc on a lot of the Social Services programs and most importantly to the users
- The people who needed these services have received benefits late and haven't received them in a timely manner because of NCFAS

Chairman Booth commented:

- Feel Director Elmes and her staff have done a good job to make sure everyone has received the needed services

County Manager Morris commented:

- Medicaid is really going to be a big deal

Commissioner Walker commented:

- It has taken some pretty extreme measures such as weekend work, hiring temporary employees, paying overtime, etc. to make it work
- DSS staff did what was needed to make it work

Chairman Booth expressed appreciation to Manager Morris for the update.

GENERAL GOVERNMENT – GOVERNING BODY – DISCUSSION AGENDA

Golden Corral Contract Extension Fiscal Year 2014-15 – Senior Services Meals

County Manager Rick Morris presented the following information regarding the Golden

Corral Contract Extension for Fiscal Year 2014-15 for Senior Services meals:

- Golden Corral's current contract was originally for one (1) fiscal year with the option to renew for up to two (2) additional fiscal years with the meal cost being adjusted on a yearly basis
- This is the first of the two (2) year options
- Golden Corral did not increase the cost of the meals for Fiscal Year 2014-15
- Meal cost will remain at \$3.78 each
- Support Services Supervisor Danny Stovall recommends to renew the first option at the current meal cost of \$3.78
- Would request to place the item on the June 9th Action Agenda

Chairman Booth opened the floor for discussion.

Commissioner Walker commented:

- Confirmed with County Manager Morris that the County had not received any negative feedback regarding the meals

Chairman Booth, with full consensus of the Board, directed the Clerk to place the item on June 9th Action Agenda.

Proposed Resolution – Surplus Equipment – Sheriff's Department

County Manager Rick Morris presented the following proposed Resolution for the Board's review and consideration regarding the approval for the Sheriff's Department to trade-in a used vehicle:

**Resolution authorizing sale of personal property worth less than \$30,000.00
(G.S. 160A-266; 267)**

WHEREAS, The County of Stokes owns a vehicle that has become surplus; and

WHEREAS, North Carolina General Statute, 153A-176, 160A-266 and 160A-267 permits the County to sell such property by private sale at a negotiated price upon authorization by the Board of Commissioners at a regular meeting and notice to the public; and

WHEREAS, the Board of Commissioners is convened in a regular meeting;

THEREFORE, THE BOARD OF COMMISSIONERS OF STOKES COUNTY RESOLVES THAT:

1. The Board of Commissioners authorizes the Support Services Supervisor to sell by private sale at a negotiated price the following vehicle:

2006 Chrysler Van VIN# 1A4GP45R56B760781
2. The Support Services Supervisor shall publish a notice summarizing this resolution, and no sale may be executed pursuant to this resolution until at least ten (10) days after the day the notice is published

Adopted the ____ day of June 2014.

James D. Booth - Chairman

Ronda Jones - Vice Chairman

J. Leon Inman - Commissioner

Jimmy Walker - Commissioner

Ernest Lankford – Commissioner

Attest _____
Darlene Bullins
Clerk to the Board

County Manager Morris commented:

- Sheriff Mike Marshall is requesting to trade-in the following vehicle:
 - 2006 – Chrysler Van - Vin# 1A4GP45R56B760781

- NC General Statute allows the County to trade-in a used vehicle when purchasing another used vehicle
- NCGS 160A-267 "Private Sale" must be followed to fulfill the request

Chairman Booth opened the floor for discussion.

The Board had no issues with the request.

Chairman Booth, with full consensus of the Board, directed the Clerk to place the item on the June 9th Action Agenda.

Appointments – Stokes County Planning Board

County Manager Richard Morris presented the following information regarding appointments to the Stokes County Planning Board:

- Terms expire June 30, 2014
- Members on the Planning Board can serve three (3) year terms
- The following members wish to be considered for reappointment
 - Larry Snyder – Yadkin Township
 - Ronnie Morris – Sauratown Township
 - Stephen Spencer – Snow Creek Township
 - Gary Simmons – Quaker Gap Township

Chairman Booth opened the floor for nominations.

Commissioner Lankford nominated the following:

- Larry Snyder – Yadkin Township
- Ronnie Morris – Sauratown Township
- Stephen Spencer – Snow Creek Township
- Gary Simmons – Quaker Gap Township

Chairman Booth entertained a motion to close the nominations.

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

Chairman Booth, with full consensus of the Board, directed the Clerk to place the item on the June 9th Action Agenda.

Appointments – Workforce Development Board

County Manager Richard Morris presented the following regarding appointments to the Workforce Development Board:

- Workforce Development Board's Executive Committee has recommended re-appointment of Alan Wood for the Economic Development category (Director Wood and acknowledged that he will serve another term)
- Workforce Development Board's Executive Committee does not recommend re-appointment of Barbara Stevens (Private Business Sector) due to Ms. Stevens' inability to attend the 8:30 am meetings

Chairman Booth opened the floor for nominations.

Commissioner Lankford commented:

- Talked with a member of the Executive Committee today and did not get all the information needed
- The Workforce Development Board has changed their meeting time from 12:00 noon to 8:30 am making it very difficult for members, who are volunteers and live in rural areas, to get to a meeting by 8:30 am in Kernersville
- Want to know why the meeting time was changed to 8:30 am
- Feel this has discouraged members from attending the meetings
- Found out today that only 50% of their membership was present for their 8:30 am April meeting
- Would like to place this item back on the Discussion Agenda for the next meeting

Commissioner Walker commented:

- Agree, having to be in Kernersville by 8:30 am makes it difficult for members in Stokes County who have to deal with work traffic; an early morning meeting time is not a good situation for volunteers
- Requested Commissioner Lankford to also check with Ms. Stevens to find out her views on the 8:30 am meetings
- Confirmed with the Clerk that the terms for both members do not expire until the end of June
- Getting very challenging to get volunteers
- Have been seeing some meetings being cancelled due to the lack of members being present

The Board unanimously agreed to place the item back on the June 9th Discussion Agenda.

Chairman Booth, with full consensus of the Board, directed the Clerk to place the item on the June 9th Discussion Agenda.

GENERAL GOVERNMENT – GOVERNING BODY – ACTION AGENDA

Proposed Lease – Forsyth Technical Community College – Board of Trustees

County Manager Rick Morris submitted the following administrative correction from County Attorney Tyrone Browder for the proposed Lease with Forsyth Technical Community College – Board of Trustees:

- Change from: Page 2 – “Lease Year” means, initially, **from the Closing Date** through....
- Change to: Page 2 – “Lease Year” means, initially, **from the date of this lease** through...

Chairman Booth opened the floor for discussion regarding the amended Lease.

The Board had no issues with the administrative correction submitted by County Attorney Browder.

Chairman Booth entertained a motion to approve the Proposed Lease – Forsyth Technical Community College – Board of Trustees as amended.

Commissioner Inman moved to approve the Proposed Lease –Forsyth Technical Community College –Board of Trustees as amended by the County Attorney. Vice Chairman Jones seconded the motion.

Commissioner Walker confirmed with Manager Morris that the 4.938 acres that was agreed upon was the amount desired by Forsyth Technical Community College.

Commissioner Walker commented:

- My vision is to see something for the farmers on the site for agricultural and horticultural
- Director Ken Jarvis, Forsyth Tech, noted at the last meeting that Forsyth Tech could come back to the County when needed for future expansion ideas

Vice Chairman Jones commented:

- Understood 4.938 acreage is what is needed at this time by Forsyth Tech for the facility

County Manager Morris commented:

- Forsyth Tech has no issues with the administrative correction

The motion carried unanimously.

Proposed Bids – Sewer Construction Project to the Community College/Budget Amendment

Chairman Booth entertained a motion regarding proposed bids for the sewer construction project to the community college site along with the following Budget Amendment #79:

Budget Amendment #79

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
Capital Project Fund Community College				
400.5916.601	Community College	\$661,695.00	\$2,650,000.00	\$3,311,695.00
400.5916.630	Golden LEAF	<u>\$2,000,000.00</u>	<u>\$ (2,000,000.00)</u>	<u>\$00.00</u>
	Totals	\$2,661,695.00	\$650,000.00	\$3,311,695.00

This budget amendment is justified as follows:

To appropriate grant funding for the Community College Water and Sewer Project. The Golden LEAF Foundation and the County funding have already been appropriated.

This will result in a **net increase** of **\$650,000.00** 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
400.3817.000	ARC Grant	\$00.00	\$300,000.00	\$300,000.00
400.3818.000	Forsyth Tech-State Funding	\$00.00	\$250,000.00	\$250,000.00
400.3819.000	NCDOT	<u>\$00.00</u>	<u>100,000.00</u>	<u>\$100,000.00</u>
	Totals	\$00.00	\$650,000.00	\$650,000.00

Commissioner Inman moved to select Ramey, Inc. as the low bidder in the amount of \$2,729,445.50 for the sewer construction project and to approve Budget Amendment #79. Vice Chairman Jones seconded the motion.

Commissioner Lankford requested clarification regarding a few items regarding the bid.

Chairman Booth opened the floor for discussion.

Commissioner Lankford commented:

- Understand the low bid
- Just don't understand what the engineers' purpose will be in the project and their cost
- I know we have had discussion about Phase I - Design and Phase II - Construction
- Don't understand the last information received from Director Charles Anderson regarding the need for three (3) engineers standing by to make sure that everything is done properly
- Appears to me that is a lot of people to track what is supposed to be done by the contractor from an engineer drawing
- Lot of unanswered questions

Vice Chairman Jones commented:

- Questioned Commissioner Lankford if he felt it was overpriced?

Commissioner Lankford commented:

- Don't feel it is overpriced as far as the \$2,729,445.50
- When it comes to the final cost of \$3.2 million, I am not sure we have had all the questions answered

County Manager Morris presented members with a cost breakout that had been prepared by Director Charles Anderson for Chairman Booth regarding a detailed cost.

Breakdown of Project Cost Elements Stokes-Meadows & Forsyth Tech Water and Sewer Improvements

Pilot View / Resource Institute & Baker Engineering

TASK	Baker Fee	PV/RI Fee	TOTAL COST
Phase 1: Preliminary Sewer and Final Water System Improvement Plans and Specifications	\$335,100	\$38,013	\$373,113
1. <u>Water & Sewer</u> : Preliminary designs assuming both systems connect to Danbury: <ul style="list-style-type: none">a. Preliminary Survey (and Easement) Workb. Geotechnical Investigation (water tank borings)c. Preliminary Layout & Designd. Engineering Specifications and Detailse. Easement Platsf. Regulatory Approvals and Encroachment Permitsg. Plan Submittals & Regulatory Review by	\$270,000		\$270,000

TASK	Baker Fee	PV/RI Fee	TOTAL COST
NCDOT and NCDENR			
2. <u>Revised Water:</u> Additional water system improvement plans and specifications due to new waterline route; also includes Final Plans: <ul style="list-style-type: none"> a. Additional Utility Location Survey, Topographic & Existing Feature Survey along Proposed Route, Property and R/W Survey, b. Additional Geotechnical Investigation (water tank borings) c. Additional Permanent & Construction Easement Plats for Water Lines & Facilities d. Final Water Designs 	\$65,100		\$65,100
3. <u>Project Management/Grant Research/Seeking Funding</u>		\$38,013	\$38,013
Phase 2 – Final Sewer Design, Sewer Grant Administration & Sewer Construction Management	\$484,716	\$107,615	\$592,331
1. <u>Final Sewer Designs & Engineering:</u> <ul style="list-style-type: none"> a. Revised flow estimates b. Constructability modifications to lines, pump station and access road c. Modifications required by Permitting Agencies d. Inclusion of electrical engineering for pump station e. Final Construction Designs / Bid Documents & Process Management 	\$85,600	\$10,000	\$95,600
2. <u>Regulatory Approvals:</u> NEPA Evaluation and Preliminary Engineering Report	\$80,000		\$80,000
3. <u>Sewer Construction Administration</u> – Project Engineer, Lead Inspector, & one construction full-time field observer for entire 10 months of construction, including observing DOT in-kind activities, Duke power installation, review contractor pay requests, environmental permit & state/federal compliance reporting, system testing, etc.	\$162,615	10,000	\$172,615
4. <u>Sewer As-Built Maps</u>	\$26,281		\$26,281
5. <u>Sewer Project Management / Grant Management Assistance</u> <ul style="list-style-type: none"> a. Manage all aspects of project, including design, engineering, sub consultants, coordination with DOT/Duke, coordination with PV/RI and County staff, TVA compliance, other agency approvals, permitting, grant agencies, bid process, etc. 	\$130,220	\$32,615	\$162,835

TASK	Baker Fee	PV/RI Fee	TOTAL COST
<p>b. Research, coordinate and prepare detailed and lengthy grant applications, perform grant coordination activities, prepare regular grant progress reports and respond to grant agency inquiries. To date, Baker has completed the following under this task:</p> <p>i. Golden Leaf Grant – Prepared Letter of Interest (Jan 2013); prepared Full Application (250 pages); responded to 2 follow-up sets of questions; coordinated multiple calls and provided additional materials to release funds; prepare quarterly progress reports. Won \$2 million grant for sewer project.</p> <p>ii. Clean Water Management Trust Fund Wastewater Infrastructure Grant – prepared initial grant application for both water/sewer (Feb 2013); revised & submitted 2nd application (at their request) for only sewer (Feb 2013); Responded to detailed questions (May 2013); received notice (Aug 2013) that due to state agency changes, they were no longer able to grant funds.</p> <p>iii. Economic Development Administration Grant – Prepared exhaustive grant application (+300 pgs., March 2013); Responded to 2 rounds of EDA questions, including preparation of 100 page environmental narrative (May & June 2013). Did not receive grant.</p> <p>iv. Appalachian Regional Commission Grant – Prepared Pre-Application (Apr 2013); Prepared Full Application (180 pgs; June 2013); Responded to questions (July 2013); revised and submitted 2nd Full Application (only sewer; 200 pgs; Nov 2013); Responded to two rounds of questions (Dec 2013; Jan 2014). Won \$300,000 grant for sewer project.</p> <p>v. Tennessee Valley Authority (TVA) – Coordinated with TVA (ARC Grant Administrators) for grant contract approvals and ensuring all federal legal requirements are met, including compliance with NEPA, permitting, federal contractor bidding requirements, including Davis-Bacon wage requirements, etc.</p> <p>vi. NC Rural Economic Development Grant – Prepared Intent to Apply (April 2013); Prepared Full Application (200 pages, June 2013). Received notice of \$519,000 intended award, but then Rural Center was eliminated.</p> <p>vii. DENR Dept. of Infrastructure High Unit Cost Grant – Prepared Full Grant Application (200 pgs; March 2014).</p> <p>viii. Researched other grants (but did not apply as we did not qualify) – Clean Water State Revolving Fund, DENR Community Dev Block Grant, Dept. of Commerce Rural Econ Dev Grant.</p>			

TASK	Baker Fee	PV/RI Fee	TOTAL COST
ix. Prepare Additional Grant Applications As Needed – Will continue to prepare grant applications as needed to continue to pursue grant funds for both sewer and water projects.			
6. <u>Grant Administration/Project Development</u>			
a. Project integration			
b. Continue Grant Research			
c. Meeting with Federal, State, and others on grant opportunities			
d. Serving as facilitator for project management on behalf of the County			
e. Meetings with DOT, Agencies and others related to project needs and requirements		\$55,000	\$55,000
f. Grant Development/Meeting with Grantors/Application development & oversight			
g. Addressing concerns and issues for grantors and resolving problems			
h. Final reports to funders and agencies			

Commissioner Inman questioned Manager Morris if this really addressed Commissioner Lankford's concern?

County Manager Morris responded:

- Chairman Booth had requested a breakout of cost from Director Charles Anderson (an estimate for the project)
- This breakout addresses the \$3.2 million without the \$250,000 contingency
- The breakout includes the oversight and engineering costs for Pilot View/Resource Institute/Baker Engineering
- It details expenditures for Phase I and Phase II
- You can figure the percentage of the construction costs by taking the total project cost which is approximately \$3.2 million as the denominator then take each number (Pilot View, Baker Engineering, etc.) and use it as the numerator and you will the percentage each is receiving for the project
- Pilot View is getting 10% in Phase I
- Pilot View is getting 3.5% in Phase II
- Total engineering and oversight for both Pilot View and Baker Engineering is approximately 17% for the total project

Commissioner Walker commented:

- My calculation came up to 28% for the total project, added the preliminary cost

County Manager Morris responded:

- Phase I was approximately \$373,113
- If you take Pilot View's charges of \$38,013 and divide it by the \$373,113, you get approximately 10%
- If you take the \$592,331 which is \$107,615 for Pilot View and \$484,716 for engineering and divide that by projected total cost of the construction project (approximately \$3.3 million) you get approximately 17% for Phase II for engineer and oversight
- Cost elements that make up the project for Phase II :
 - Ramey, Inc. = \$2,729,445.50
 - Project Management and Engineering = \$234,927
 - Construction Oversight = \$172,615
 - Grant Administration = \$55,000
 - Regulatory Approvals = \$80,000
- None of the costs have been challenged by any of the grant funders
- This information has been included in all our grant applications
- To get a better cost estimate, you would have to know the number of hours by each engineer, whether they are senior engineers, entry level engineers, hourly wage, etc.

Commissioner Lankford commented:

- One thing that I was interested in was there being a construction oversight which is separate from the project management and engineering, would have thought construction oversight would be included in the project management

County Manager Morris responded:

- This was the way the contract was written

Commissioner Walker commented:

- Remember when Director Anderson was here, he specifically mentioned that engineer and oversight fees for a typical project like this could total as much as 25% or higher
- After the last meeting, my calculation came out 28% which was not that far from the 25% quoted by Director Anderson
- My concern all along, think the County Attorney was going to research this for the Board, was that the engineering fees were never put out for bid
- Have always been accustomed, whenever engineering was involved with a project like this, that bids were received
- Questioned County Attorney Browder if bidding for engineering services can be done in lieu of Request for Proposals (RFP)?

County Attorney Browder responded:

- Have not checked that request, but will have it by the next meeting

County Manager Morris responded:

- Pilot View works with a number of engineering firms and feels they did some type of internal competition

- Phase II Construction was bid out

Commissioner Walker commented:

- Questioned Director Anderson about that specific aspect of the project at a previous meeting; his response, as I recall, was that Pilot View had worked with Baker Engineering for 28 years and they were very comfortable working with each other; on that basis choose not to bid out the engineering services

Chairman Booth commented:

- After the last meeting, had questions about some of the figures
- Don't understand why the total given at the last commissioners' meeting total \$572,000 for engineering, grant administration, and construction oversight and this breakdown provided by Director Anderson totals \$592,000 for the same services; an increase of \$20,000 that needs to be explained

Commissioner Inman questioned County Manager Morris what his assessment was regarding the estimated costs considering he had been very involved with project and the grants from the start?

County Manager Morris responded:

- Don't have any reason to challenge the costs, they do this for a living
- Been involved in missile projects that have had a tremendous amount of engineering costs and services
- Don't feel the 17% seems like a large percentage to me for the total engineering project and oversight for this project
- Reiterated that Pilot View is only getting 3.5% for the second phase

Chairman Booth commented:

- Didn't quite understand why Pilot View's percentage decreased so much in the second phase
- This may be normal, just have some unanswered questions

County Manager Morris responded:

- Have to keep in mind that the construction bid has an expiration date
- The only way to get your answers would be to have Baker Engineering come to answer the questions

Chairman Booth responded:

- The expiration date for the construction bids is 90 days, which leaves 60 days remaining to have the questions the Board needs answered

Commissioner Lankford commented:

- The only question I have, after seeing the detailed breakdown, is regarding the number of engineers that will be needed for project management and oversight which was three (3) per Director Anderson

County Manager Morris responded:

- There will be changes occurring during the construction phase depending on what they run into
- An engineer has to guarantee that this system will work when it is finished
- They will not be standing holding a shovel while others just watch
- They will be doing testing and analyses
- Feel if the fees were out of the ordinary, one of our grant funders would have questioned these amounts
- There is no harm in getting another level of detail if the Board desires
- It makes me nervous to hold up the project
- Have a contractor who is waiting for the award of the bid

Chairman Booth commented:

- It would only be two (2) weeks
- Sounds like other commissioners have some unanswered questions

County Manager Morris questioned what would be changed in two (2) weeks?

Commissioner Walker commented:

- Agree with Manager Morris, what would be changed in two (2) weeks?
- As I listened to the manager describe the process, it sounds like business as usual
- Figure the construction company could probably put the line in with little or no engineering and be up to spec
- They probably have done numerous projects like this one

County Manager Morris noted that these were estimates based on the front end of the project before you get into it, will this Board make them change the estimate in two weeks if we meet with them?

Chairman Booth commented:

- There were two meetings with Pilot View and the engineering firm before a decision was made regarding Phase I

Commissioner Walker commented:

- Still remember the way the engineering firm arrived at their charge – thought that was classic
- They stated that they were using a ball park estimate that had been provided to the County from another engineering firm
- That was approved and that is what we are working with

County Manager Morris commented:

- Director Anderson provided the Board with a detailed breakout at the last meeting regarding funding
- Don't know what will be gained by delaying the project two more weeks
- Construction company will have to wait
- Ramey has been used by the County before and did an outstanding job
- It is up to the Board

Commissioner Walker commented:

- Feels Ramey will do a good job
- Ramey actually has nothing to do with the engineering costs that are being discussed

Chairman Booth commented:

- Reiterated that there was still 60 days remaining to award the bid

Commissioner Walker questioned what will change in waiting an additional two (2) weeks?

Chairman Booth responded:

- May not change anything, but could provide more clarification for each commissioner

Commissioner Inman confirmed with Chairman Booth that he would have Director

Anderson and the engineers at the next meeting for more discussion.

Chairman Booth noted that there could be a special called meeting if necessary.

Commissioner Lankford commented:

- Confirmed with Manager Morris that total engineering, oversight and Pilot View's total costs would be \$592,331 for the \$2,729,445.50 construction project
- Understand more about the need for the three (3) engineers after Manager Morris' comments

Vice Chairman Jones commented:

- Feel there is a set formula used by the engineering firms to base their figures

County Manager Morris commented:

- May find the 17% for engineering and oversight for Phase II to be lower than normal
- All fees paid to Pilot View are to be paid by grant funding in Phase II per the agreement

Chairman Booth commented:

- That will be done if the remaining \$519,000 is received from grant funding
- Still don't understand why cost increased by \$20,000 from the last meeting
- Still don't know the status of the contingency which was \$15,000 to \$20,000 in Phase I

County Manager Morris responded:

- The water system was designed twice in Phase I at no extra charge – one coming from Danbury and one coming from South Stokes Vol. Fire Department due to issues that came up with the water being run from Danbury

Chairman Booth commented:

- Feel there needs to be a meeting for Phase II just like the one for Phase I

The Board discussed having another meeting with the engineering firm and Director

Anderson.

Vice Chairman Jones commented:

- Must keep in mind, there are unknowns such as hitting rock that may increase the cost of the project (could be less or could be more)

Commissioner Lankford confirmed with Chairman Booth that there was \$120,000 rock clause in the Ramey contract.

Commissioner Walker questioned the need for the Budget Amendment?

County Manager Morris responded:

- Mandated to appropriate funding for the entire project in order to award the bid

Chairman Booth questioned County Attorney Browder if he had seen the original agreement with Pilot View?

County Attorney Browder responded:

- No

Chairman Booth commented:

- Would like for County Attorney Browder to review the agreement with Pilot View
- Would really like to know the difference in the \$20,000 from last meeting to this meeting

County Manager Morris commented:

- Do we really want to have Ramey wait another two weeks for the bid award?
- Will put the project two more weeks into the winter

Chairman Booth responded:

- Don't have an issue with waiting for two weeks to get the questions answered, still have 60 days remaining on the bid
- Want to make sure all the questions are answered
- The college has been put off for six months or more

Commissioner Walker commented

- The two weeks will not add to my comfort level
- Have been uncomfortable ever since I learned the figure used was an estimate from another engineering company
- Very uncomfortable that there was no bidding process done regarding the engineering services
- This is my first time working with a firm like Pilot View, may be totally business as usual from their end on how they do things, could be just as routine as could be
- Don't really need more time, but would like for my fellow commissioners to have all their questions answered
- If there is some benefit for waiting two weeks, will keep an open mind
- If nothing is likely to change, why wait two more weeks?

Commissioner Inman commented:

- I made the motion
- This Board has been unanimous in everything that has been done pertaining to this community college, would like for it to be unanimous again
- Would expect everyone who is needed (Director Anderson, Engineering Firm, etc.) to be here at June 9th meeting to get all questions answered

Chairman Booth commented:

- Could possibly have a special called meeting before the next meeting

County Manager Morris commented:

- Not sure about Director Anderson's schedule, know that he has several out of state trips during the first of June; could possibly get the engineering firm

Commissioner Inman withdrew his motion.

Vice Chairman Jones withdrew her second to the motion.

The Board unanimously agreed to place the item on the June 9th Agenda or have a special called meeting if possible before the next meeting.

Commissioner Inman noted it would be hard to work in a special meeting with all the Budget Work Sessions, Planning Meeting, and Public Hearing scheduled during the next two weeks.

County Manager Morris requested who should be in attendance for the meeting and what does the Board want them to answer?

Commissioner Inman responded:

- Will need the Engineers and Director Anderson
- They need to be able to justify their costs

Chairman Booth noted the Commissioners would have their questions ready for the meeting.

Commissioner Walker commented:

- Justify \$965,000 for engineering and administration fees for a \$3.1 million project

Chairman Booth, with full consensus of the Board, directed the Clerk to place the item on June 9th Action Agenda if no special meeting could be scheduled.

Proposed Bids – Credit Card Services

Chairman Booth entertained a motion to award the bid regarding Credit Card Services presented at the May 12th meeting.

Commissioner Lankford moved to award the bid to the lowest bidder - NewBridge/TransFirst for Credit Card Services. Commissioner Walker seconded and the motion carried unanimously.

Sale of Surplus Tax Foreclosed Property - Parcel #6927-02-85-4328

Chairman Booth entertained a motion regarding the Sale of Surplus Tax Foreclosed Property- #6927-02-85-4328 which was presented by the May 12th meeting.

Vice Chairman Jones moved to accept the bid of \$1,657.84 from Ms. Debbie Vaden for the sale of surplus tax foreclosed property (parcel #6927-02-85-4328). Commissioner Inman seconded and the motion carried unanimously.

Home/Community Care Block Grant for Older Adults – Lead Agency Responsibility for County Funding Plan

Chairman Booth entertained a motion regarding the designation of Lead Agency for the Home/Community Care Block Grant for Older Adults which was presented by the May 12th meeting.

Commissioner Lankford moved to designate the Piedmont Triad Regional Council – Area Agency on Aging as the Lead Agency responsible for the Home/Community County Funding Plan (Home/Community Care Block Grant for Older Adults). Vice Chairman Jones seconded and the motion carried unanimously.

CLOSED SESSION

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

- To prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes pursuant to G.S. 143-318.11(a)(1)
- To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged pursuant to GS 143-318.11(a)(3)
- 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 prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes pursuant to G.S. 143-318.11(a)(1)
- To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged pursuant to GS 143-318.11(a)(3)
- 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 Lankford seconded and the motion carried unanimously.

The Board returned to the regular session of the May 27th meeting.

Health Department

Chairman Booth entertained a motion.

Vice Chairman Jones moved to approve the starting salary for Child Health Coordinator (S Pace) at \$40,579.00 (pay grade 72 -10B). Commissioner Inman seconded and the motion carried unanimously.

Adjournment

There being no further business to come before the Board, Chairman Booth entertained a motion to adjourn the meeting.

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

Darlene M. Bullins
Clerk to the Board

James D. Booth
Chairman