

STATE OF NORTH CAROLINA)
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COUNTY OF STOKES)
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OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
JUNE 16, 2014

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Budget Work Session in the Third Floor Conference Room of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Monday, June 16, 2014, at 1:00 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

Chairman James Booth called the Budget Work Session to order and welcomed those in attendance.

Commissioner Lankford 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.

Budget Work Session

Chairman Booth noted that County Manager Rick Morris requested to respond to some of the questions that were directed at him at the June 12th Joint Meeting with the Board of Education.

Chairman Booth allowed Manager Morris to speak to the Board.

County Manager Rick Morris commented:

- Felt like I needed to respond since I feel like I was directly called out at the last meeting as Commissioner Inman was
- It was a surprise to me
- Will address Superintendent Mendenhall as Mr. Mendenhall as he addressed me as Mr. Morris during the joint meeting
- Would like to address a couple of points quickly
- First of all, regarding the Public Hearing, I assume that his comments at the first of his speech regarding someone not paying attention was for me
- Could have only been Julia, Darlene or me – pretty sure he was directly calling me out
- Mr. Mendenhall even thanked the Board of Commissioners individually for being so attentive at the meeting
- The fact of the matter is that I was not inattentive, I heard everything that was said during that Public Hearing
- I thought the comments, for the most part, were very courteous to the Board, very thoughtful and very thought out
- I had no complaints of what was said during the comments
- Some of the Public Hearing seemed orchestrated by the school system which is just my opinion
- All of my comments are strictly my opinion
- Was out of the office five hours before the Public Hearing
- I plead “guilty” if the Superintendent stated that I was multi-tasking because I was
- I was using my phone to check my emails while I was listening to the speakers
- If I could only do one thing at a time, you would have probably already gotten rid of me a long time ago
- Wanted to see if there were any urgent messages that I needed to attend to after the Public Hearing
- I normally check my emails every night, because most of the County operates 24/7, as you are aware of
- Confused with a couple of the comments, even discussed a few with Julia and/or Darlene during the Public Hearing
- Talking about the phone system being scratchy, our phone system malfunctions occasionally, we normally just call in a repair order and it is fixed
- Maybe I did miss the issue regarding that certain particular item, but didn’t think there was enough information provided to actually know what was the problem
- Little concerned about the security comments and Sandy Hook being mentioned a couple of times, think there may be a motive for doing that; you may have your own opinion on that particular issue
- Sheriff Marshall did a study with the school system after our meeting last year regarding security items; have not heard of any questions or comments that the Sheriff was unhappy as far as the security analysis that was done on the schools
- Again, not sure where he is coming from regarding his comments of “lack of communication”

- Just for your information, thought I would touch on the history of meetings between us during the past three years
- The way the process works in my current job, as well as other jobs I have had, when someone wants funding, they send in a request for funding and then generally schedule a meeting to explain or justify the need for funding
- I have met one or two times with Mr. Mendenhall to discuss budget issues in the past three years; I have initiated both of those meetings
- Do not know what the communication issue really is
- Works just fine with every other department or agency that request funding each year
- Need to definitely work on the communication issue
- One of the positive things that came out of the meeting is that at least they understand the scope of budget situation the County is currently in
- They analyzed my budget message
- They could have understood the financial status of the County for this year by reading the budget message last year
- Don't really think it took a PHD to figure out the scope of the budget message – “the uncertainty of what will happen next year to work the budget situation”
- Glad they understand the difficult times ahead
- Even though there are going to be some tough decisions for the Board to make, don't think it gives them the right to come over and lecture the Board of Commissioners in the threatening tone that Mr. Mendenhall used
- The use of threats will not influence anything that I do as far as my participation in the budget process
- My decision process is always based on the best factual information that I can get as to what the needs are, not only for the school system, but with anyone who requested funding from the County
- For example, regarding the communication issue, after the meeting where this Board decided to take no action regarding the request from the Board of Education for additional funding; the Board of Commissioners gave them a counteroffer to use any leftover funding from the Lawsonville Project for capital needs
- Sent them a letter with the information, have sent a follow-up email and still do not have a response or answer from the Board of Education whether they would like to do that if there is any leftover funding
- Only reason it is a concern is that approval must be gotten from the Local Government Commission and the lending institution which will take some time
- It kind of bothered me a little bit that Mr. Mendenhall decided to take me on and communicate with me at your joint meeting with the room filled with school personnel and the press being present
- This was a joint meeting advertised for the Board of Commissioners and the Board of Education, not a meeting between the superintendent and the county manager
- Concerned that they are the one entity that the County gives the most funding and has the least budget oversight on what goes on
- Want to give the Board of Commissioners an assurance:
 - First of all, don't understand these tactics, don't understand why they think they are going to gain anything by using them

- I would never penalize the school system in their needs as far as my budget recommendation goes because of what I consider some unprofessional behavior from part of the group at the joint meeting
- I am not vindictive and I will never approach it that way
- I knew how important school funding was before they got here and still knew how important it is after they left the joint meeting
- Hope they will reconsider these tactics in the future so that they don't cause bad things to happen
- It was really kind of disconcerting to me when they left the room patting Mr. Mendenhall on the back like it was some kind of pep rally
- This is not a game
- This is serious business that the County must attend to with the budget that is coming up
- In the future, will be open to meeting any time with Mr. Mendenhall to discuss the budget or any other issues he may have regarding the school system
- Before the November budget work sessions, I will be asking lots of questions from a due diligence perspective to internal departments as well as outside agencies that request funding
- I will be validating everything that the County is doing
- Will start after July 1st so that I can adequately give the Board of Commissioners the information that is needed to make some of these hard decisions that will have to be made in November and December
- Everyone needs to get ready, there will be lots of questions
- I thought it was very unfortunate that the whole thing occurred as it did
- Still don't understand it

Chairman Booth opened the floor for comments.

Vice Chairman Jones commented:

- Don't know why but it seems they come at us as if the Board of Commissioners is the enemy, get disturbed about that
- When both Boards meets, Board of Education always comes up with all these projects but never has any proposals for solutions
- Even talked to Mr. Mendenhall after the joint meeting, suggested to him that the Board of Education come up with some solutions with some type of accountability
- There is no real dialogue, it is just that we need this and you will not give it to us
- Hear that every year
- Feel the Board of Commissioners is doing the best we can when you look at the figures
- Sometimes I get mixed messages, think they understand and then think they don't understand
- It is frustrating, we are not the enemy

Commissioner Walker commented:

- It has been a spirit of cooperation between the school board and this Board for the past few years
- I was expecting more of the same this year

- Quite shocked at the tone and the atmosphere in the joint meeting particularly on the part of the superintendent
- Have known the gentleman a long time and have not seen that side of him prior to the joint meeting
- Thought if there was anyone that could work with the Board of Commissioners and our manager, it would probably be Mr. Mendenhall
- Like the others, was surprised, but that is how life works, just have to go on
- One thing I was wondering – “What was the message?”
- I was sitting here trying to figure it out
- If the Board of Education was not satisfied with the amount that was recommended by the manager, “What do they want?”
- What were they asking for?
- What specifics were we suppose to get, as far as, material information regarding their needs for this year from the joint meeting?”
- Most everyone wants more and could use more
- Questioned Manager Morris or Commissioner Lankford if either one knew exactly what they wanted?

Commissioner Lankford responded:

- Feel it concerned their capital needs (requested \$2.8 million) and the amount of funding recommended by Manager Morris was only \$600,000
- Feel that was the main concern
- Think they are trying to say that “the Board of Education ask and the Board of Commissioners don’t listen”

Vice Chairman Jones commented:

- Feel our message is that we have given funding to spend on a roof and it wasn’t spent on that roof
- It is always a distrust or question when you allocate funding and have no oversight over the funding

County Manager Morris responded:

- There is very little oversight over the funding allocated by the County to the school system

Chairman Booth commented:

- Last year, the capital needs request from the Board of Education was approximately \$5 million; this year it was \$2.8 million
- The capital needs funding was increased by Manager Morris by \$300,000 this year

Commissioner Walker confirmed with Manager Morris that his recommendation was \$300,000 more than last year.

Commissioner Walker confirmed with Manager Morris that the school system’s total budget is \$300,000 more for capital needs and the same as last year for current needs.

Finance Director Julia Edwards commented:

- Using \$1 million from their sales tax dollars for debt services payment (General Obligation Debt)
- Last year, it was \$300,000 plus the \$1 million for debt services
- This year, it is recommended \$600,000 plus the \$1 million for debt services

Chairman Booth commented:

- Offended by the threat at the joint meeting that was given to the entire Board regarding the 3,000 voters that could vote
- Only have two work sessions remaining (today's meeting and tomorrow's meeting)
- Would like to get questions on the table today that the Board needs answered

County Manager Morris provided information requested by the Board of Commissioners regarding the Board of Education's top three capital needs for this year:

- On June 14, 2014, the Board of Education held a meeting to discuss the request from the Board of Commissioners and approved the following:
 - North Stokes "A" Building/Gym Roof - \$460,000.00
 - Safety/Mandated Request = \$232,000.00
 - Replace Carpeting/Floor Tile Requests = \$130,000.00
- Based on funding information the County Commissioners have shared with the Board of Education, they realize all three roof projects, \$1,685,000.00, included in the 2014-15 Capital Outlay Budget request cannot be funded at this time
- To show an effort of working together, the Board of Education is requesting only the North Stokes roofing project as one of the top 2014-15 three projects
- They want the Board of Commissioners to know the roofing projects at Chestnut Grove Middle School, \$900,000.00 and Germanton Elementary School, \$325,000.00 are still a priority of the Board of Education and will be included in the 2015-16 Capital Outlay Budget
- Both boards will need to keep this in mind for long range planning
- If funding can be made available for the top three projects mentioned above, many of the requests discussed at the Public Hearing will be completed during the 2014-15 budget
- The top three requests would increase the County Manager's recommendation by \$222,000.00
- The Board of Education will be glad to meet any time before the 2015-16 budget to discuss roofing needs

Commissioner Walker questioned if the County had ever financed capital repairs for schools?

Finance Director Edwards responded:

- When ADM Funding was available, it was used for capital needs

County Manager Rick Morris responded:

- Financed only renovation projects such as Southeastern and Lawsonville
- Have not, to my knowledge, ever financed roofs, repairs, etc.

Commissioner Walker commented:

- Have been thinking about this since the Public Hearing
- Have some debt coming off in 3-4 years from this budget
- Have some urgent needs
- The question becomes, “how much is it going to cost to not do these urgent repairs”?
- Have seen pictures of ceilings falling down, library books getting wet, and \$72,000 being spent for mold remediation, etc.
- Obviously incurring some costs with the repairs not being done
- Are we incurring more costs than the interest on that debt would be?
- Will be in a more favorable position to look at debt in 3 years, so we could possibly stretch out a modest amount of debt between now and three years if we had to
- What would be the wisest and most prudent use of our dollars?
- Is it to go ahead and do these repairs and somehow work with the school budget and work with our budget to make it happen or are we incurring more costs than the interest on the money would be by not making these repairs?

Vice Chairman Jones commented:

- Would like to expand on what Commissioner Walker commented
- Fix these things and be done with it
- If the school system would be able to float that debt service or principle for three years until that debt is off in three years and have an extensive contract on what our expectations are
- It would be in writing what would be repaired
- That would eliminate coming back each year asking for the same thing again

County Manager Morris responded:

- Budget oversight is particularly tricky with the schools because you have General Statutes that say what you can and cannot do

Finance Director Edwards commented:

- When you finance projects, you have to have specific projects and estimates when going to the Local Government Commission for approval

Vice Chairman Jones commented:

- If we could get caught up on the repairs, they would not be coming back each year asking for things that have been asked for in previous requests

Commissioner Walker commented:

- It appears that we have shifted the community college debt about 6 months to a year down the road based on the last update from Forsyth Tech

County Manager Morris responded:

- It looks like the borrowing will probably occur about the same time as originally planned
- Construction will not be off that much

Commissioner Lankford commented:

- Questioned Finance Director Edwards if she was able to obtain any information regarding the school's fund balance?

Finance Director Edwards responded:

- Was not able to get that information regarding their current fund balance
- From the school system's last audit ending 06-30-2013 – fund balance was \$1,475,891 undesignated
- The school system appropriated \$1,153,000 of fund balance for F/Y 2013-14
- Do not know how much they have used of their fund balance appropriation

Commissioner Walker commented:

- Have been doing a little brainstorming
- Suppose you take some of the extra \$300,000 appropriated for capital needs this year and use it for a debt payment of \$2.5 million of capital repairs
- How much would the payment be on \$2.5 million?

Finance Director Edwards responded:

- Give me a moment to calculate the debt service payment

Vice Chairman Jones commented:

- It really concerns me about the remarks made about playground equipment, then to find out at the joint meeting (per Member Cox) that they don't fund playground equipment

County Manager Morris reiterated the tactic done by the Board of Education and Superintendent Mendenhall at the June 12th meeting.

Commissioner Walker commented:

- Has nothing to do with me regarding their actions either positive or negative
- I am strictly looking at the situation
- It is up to me to do the best job I can for the people of the county, it is up to them to decide how they conduct their affairs
- It has nothing to do with feeling pushed, pressured or forced, it is just a matter of what makes sense
- I look at this like looking at repairs on my house and question if it is better to make some kind of arrangement to get the repair fixed before more damage is done

Commissioner Lankford commented:

- That is a judgment call
- The proposed budget appropriates \$600,000 for capital needs
- Their top priority is \$460,000 which leaves \$140,000 for other needs

Commissioner Walker commented:

- We have to look at more than this year's budget
- They are looking at two other roofs for their F/Y 2015-16 budget request totaling approximately \$1.4 million

Finance Director Edwards responded:

- First year of debt payment on \$2.5 million would be \$325,000 at 3% interest rate
- Second year of debt payment on \$2.5 million would be \$317,000 at 3% interest rate

Commissioner Inman commented:

- When there are a lot of needs, everything becomes a priority
- We have to concentrate on the highest priorities and let the others fall under the top priorities
- Based on the information from the Board of Education, the highest priority is the North Stokes High School Building/Gym Roof
- Superintendent told me personally that would be done out of the \$600,000 if that amount is approved by the Board of Commissioners
- Looking at the safety and mandated requests which totals \$232,000
- With the \$600,000 appropriation, if approved by the BOCC, the school system could do the highest priority and the safety/mandates
- Roof at North Stokes is not in question, it must be done
- Carpet could possibly be steamed cleaned, carpet is always going to have allergens and dust
- Would not have any problem communicating with the superintendent that all the safety issues must be done
- Will be looking at next year to see if any of the safety and mandates are back on the school's budget request
- With that in mind, that is why I wanted to see the highest priorities and/or safety issues from the Board of Education
- Commissioner Lankford has already mentioned another round of needed renovations at other schools
- County has a statutory requirement to provide capital funding to maintain the school facilities; capital funding is really the only statutory requirement a county has
- County has a significant amount of debt coming off in 2017-18
- Not sure the other two roofs mentioned (Chestnut Grove and Germanton Elementary) have the leakage problem like North Stokes currently does
- Not in favor of borrowing funding to do a roof
- Would like to see the Board of Education provide the BOCC with the second phase of needed major renovations that could possibly be funded with the debt that will be coming off in 3 years
- There are some old schools that need renovations
- We have done a lot
- Want to see the schools in a good place
- I am sure this entire Board would love to see all the school needs funded, if the money was there to do it
- This Board is responsible for funding the rest of the county services

Commissioner Lankford commented:

- Agree with Commissioner Inman's comments
- County has always looked at priorities
- County has to look at priorities for all departments

- There have been times that entire projects have been put on hold, for example, paving the government center complex parking lot; it has been put off 4 different times and still not been done
- Don't like having to put things off, but have to be realistic
- Commissioner Inman challenged the Board of Education to take the proposed county budget for this fiscal year and see if they could make anything work better without raising taxes and borrowing from the fund balance
- Haven't seen any suggestions yet
- Got to have revenues to match expenditures; there is not much rearranging that can be done
- Have to do the best we can with what we have
- Feel with the amount of funding that has been available, feel we have done a decent job
- May have not done everything right, but have tried very hard to stretch the tax dollar as far as possible
- Don't think there is a stash of funding hidden that this Board is unaware of
- Don't know what next year will bring
- Hope there will be some new revenues coming in next year
- Bottom line, if the funding is not there, you don't have the funding to allocate

Vice Chairman Jones commented:

- Thinking that maybe we should appropriate the same capital as last year \$300,000 and take the \$300,000 and borrow the dollars to get these major projects done
- The loan application will specify exactly which capital projects will be done
- Don't like postponing roofs
- Very close to getting the other debt off in three years, feel the County could make the debt payment until that time
- Think we have to sometimes think outside the box
- Don't want to spend money we don't have, but roofs have to be fixed
- You have to look at what has been spent on roof repairs versus roof replacement
- Agree with Manager Morris, have a real problem with not having any oversight of the spending
- Want to do what is right for all the citizens – 47,000 citizens
- Must look at the amount of appropriation being provided for the approximate 6,500 students and 1,200 staff; lot of funding

Chairman Booth commented:

- Appreciate Commissioner Inman's request for the top priorities
- Now know what the top priorities are for the school system
- Can see what can be done with the proposed capital appropriation
- A loan will be recurring, this additional \$300,000 for capital will not be recurring

Commissioner Walker commented:

- The basic thing mentioned in my earlier comments have not been addressed adequately
- Feel it is important to look at the basic premise
- The basic premise of what I said is by spending this money now, will we save money over the long run?

- Have to consider the spending of approximately \$75,000 in one year for mold remediation
- Have to consider the internal damage that may not show up for years due to water damage
- My basic premise is can we spend money now to save money in the future?
- That additional \$300,000 is coming right out of the county's fund balance
- If we could reduce the \$300,000 to possibly \$200,000 for debt payment and see what can be done with the amount of money \$200,000 debt payment would provide
- Talking this approach will cost the county possibly 3% interest fees for using someone else's money
- Don't see that it is wise or prudent to have minimum debt
- The good sense business approach is to have the right amount of debt
- We could use someone else's money to save money, use someone else's money to make repairs and get them behind us
- This is getting old to have this conversation year after year
- Bring some sort of closure
- Agree with Vice Chairman Jones on this issue
- My option would be to take the \$300,000, unless there is some prevailing reason not to or unless I am missing something, take \$200,000 for debt payment and see what can be done
- We will know exactly what it is going to be used for
- Reduce this year's budget and possibly future budgets by \$100,000 at least
- Don't see the advantage of putting things off
- Going to try to do the best I can with whatever circumstances we have to work with
- Keep priorities in place, do what is best for the people, and do what is best for the county
- That is what I am trying to do

Commissioner Inman commented:

- Agree with Commissioner Walker regarding preventive maintenance
- While I was with the school system, it seems that we were always on the repair side
- Never able to do preventive type maintenance
- If the school system had put all three roofs as their top priorities, would think about things different
- Must think about doing a loan now and then another loan when the debt comes off
- Would like to see if we could get to the point to borrow one loan once the debt comes off in 3 years; do it at one time
- Must look why the roofs need repairing, is it leaking?
- I am sure the manager has departments that have been asking for the same thing for several budget years
- Need to make sure it is the highest of priorities?

Commissioner Lankford commented:

- North Stokes High School was top priority last year, but for some reason a roof at South Stokes High School was done
- The school system can replace the roof at North and still have approximately \$140,000 to do other repairs

Chairman Booth requested each member to list their concerns with the proposed budget for F/Y 2014-15:

Commissioner Lankford commented:

- Don't want to grow government
- Concerned with the increase in maintenance and repairs in E911 Funds – million dollar upgrade just completed

Finance Director Edwards responded:

- E911 is a separate fund that can be used only for specific items – controlled by the state
- Increase due software upgrades

Commissioner Lankford commented:

- Confirmed with Finance Director Edwards that the \$1 million debt service for schools is paid by sales tax
- Confirmed with Finance Director Edwards this year's budget uses almost all of the county's lottery funding
- Confirmed with Finance Director Edwards that the operating expense for Poplar Springs Elementary School comes from the 4 cents school tax which is a recurring expense

County Manager Rick Morris suggested possibly leaving the 4 cents school fund even after the designated schools are paid off for future needs.

Commissioner Lankford reviewed the Transfer to Other Funds with Finance Director Edwards which includes transfers to Capital Reserve, SRMH Fund, Health Department Title XIX, and New Schools/F. Tech Fund with the increase due to Title XIX in Health Department

County Manager Rick Morris commented:

- The County will start being responsible for Maintenance of Effort (MOE) for the Health Department in future budgets (like the DSS MOE)

Commissioner Inman commented:

- Confirmed with Finance Director Edwards that a \$500 bonus for employees in lieu of a COLA would cost approximately \$177,576
- Confirmed with Finance Director Edwards that a \$400 bonus for employees in lieu of a COLA would cost approximately \$145,000
- Confirmed with Finance Director Edwards that a 2% COLA for employees effective in October 2014 would cost approximately \$145,000

Commissioner Lankford continued with his concerns:

- Confirmed with Finance Director Edwards that transportation funding listed in Special Appropriations is pass through funding
- Confirmed with Finance Director Edwards that the major increase in Special Appropriations is due to increases to YVEDDI and NC Forestry Services
- Confirmed with Finance Director Edwards the school system received a \$84,000 grant for additional SRO Officers; this is the second and last year of the grant

- Confirmed with Finance Director Edwards the increase in the number of employees in the Sheriff's Department budget include the personnel for Walnut Cove and Fire Marshal

County Manager Rick Morris explained the "Smoke Chaser" funded in this year's Forestry Budget is a part time position that may be able to assist fire departments in the daytime. Manager Morris noted the position will be reviewed after this first year.

Commissioner Walker commented:

- Have a few general questions
- Ongoing concern – matching the needs to the wants and needs of the citizens; have an inherited obligation to pay attention to the needs of the citizens
- Concerned this budget does not recognize the importance of job creation and economic development at this time
- 52.03% decrease due to incentives for Wieland Copper completed
- Seems like we are ignoring an opportunity to "beef up" the efforts for economic development by not using some of those freed up funds for economic development purposes
- Need to know what are the priorities of the citizens
- Those who have been campaigning should know those priorities
- I know what I am hearing, by far, the biggest thing is job creation, "What is the County doing to try to create jobs?" or "What is the County doing for economic development?"
- Listen time and time again and hear other board members say that this county cannot sustain a low tax rate without economic development
- If this budget is approved in its current configuration and with the next year's potential budget, not even factoring what Affordable Care might cost, I concur with Commissioner Inman's estimate of a 14 cent tax increase
- Can't keep doing this
- County is struggling financially
- Best long term approach is more economic development in the county
- We are waiting for something else to fix it
- When the citizens' top priority is economic development and that budget takes the largest cut, understand there are extenuating circumstances with the incentives program, don't quite understand it
- Heard Commissioner Inman numerous times say that this model is not working
- This current economic development model is not working
- Know there is a soft economy
- Know that sales taxes are down
- Know that revaluation is down along with some other things
- We are continuing to spend money at a normal pace, budget increased approximately 2%, and we are not doing anything to fix the problem long term, other than pretty routine things
- Most folks say the community college should have been here 20 years ago
- Improving the schools, had to be done
- To me, the biggest need we have in the county today is to try to be creating jobs
- Business as usual, not doing anything different to create jobs
- Good luck with a 14 cent tax increase if that is what it will take
- Cuts can decrease the amount of a tax increase

- I will continue to comply with an oath that I made along with the official oath and that is “I will not rule out a tax increase, but it has to be a last resort”
- We have to look at all other options first, before considering a tax increase
- Have looked at this proposed budget
- Several line items increased
- Wasn’t expecting a budget with a built-in increase
- Will be the first to admit that budgets are not my strong point.
- Former Commissioner Carroll was very good with budgets
- One of the best budgets I have worked with during my time as a commissioner was when Dennis Thompson did the budget – master piece as far as budgets
- Still have a lot of work to do on this budget

Vice Chairman Jones commented:

- Have reviewed the proposed budget
- Wasn’t expecting \$1.3 million extra this year
- Recognize this budget contains a lot of pass thru funding
- Would like to know how much of the increase is due to pass thru funding?
- Confirmed with Manager Morris that the recent telephone audit has revealed some savings that will be implemented
- Must realize the actual decrease in the Economic Development budget is due to the incentive grant program
- Do not think there is a lot of wiggle room
- As far as a tax increase, hoping there will be additional revenues to offset a big tax increase
- Will have to wait and see
- Don’t think it will have to be as much as 14 cents
- Would like to postpone as long as possible to help the citizens
- Seemed the departments were reasonable with their budget requests

County Manager Morris commented:

- Will provide the Board with more than one option (tax increase) next year

Chairman Booth commented:

- Hoping for extra revenue next year
- Have to wait and see what next year brings
- To comment on economic development, this Board recently made funding available for a site to be “site ready” in King – this site is now on the state website
- Site is ready for a business
- Confirmed with Manager Morris that there is another site almost completed as “site ready” in the Pine Hall area
- Feel economic development will come once the community college is built

Chairman Booth questioned the Board if there were any questions for the staff to have for the budget work session scheduled for tomorrow?

Commissioner Inman responded:

- Not at this time

Commissioner Lankford responded:

- Not at this time other than trying to find out what is the current school system's fund balance

Finance Director Edwards responded:

- Thought at the joint meeting, it was stated if things continue, their fund balance would be down to approximately \$400,000 at the end of June 2014

Commissioner Inman commented:

- Confirmed with Manager Morris that the \$600,000 appropriation for capital does not include the contingency that may be left over from the Lawsonville Project

Manager Morris responded:

- Have not received any response from the Board of Education regarding the offer made by the Board of Commissioners to use any left over funding from the Lawsonville Project on other urgent needs

Vice Chairman Jones responded:

- Not at this time

Commissioner Walker responded:

- The funding appropriated for getting the site ready in King came from Capital Reserve – Economic Development, not General Fund
- Have not talked to department heads to see why some did not request more
- Total amount for economic development of this budget is 4 tenths of 1 percent
- When you know that the top priority in the county is creation of jobs and citizens question what you are doing about it, you can tell them it is 4 tenths of 1 percent
- Would be hard pressed to approve a budget that has an increase in it this year
- If we are going to have to make severe cuts next year or increase taxes, any increase in this year's budget is going to add to that
- Not prepared to deal with an increase in this year's budget

Chairman Booth commented:

- Encouraged board members to have questions ready for tomorrow's meeting that need answering

Adjournment

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

Commissioner Inman moved to adjourn the Budget Work Session. Commissioner Lankford seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

James D. Booth
Chairman