

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  
MARCH 20, 2015

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Special Called Meeting with the County's Legislative Delegation in the Third Floor Conference Room of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Friday, March 20, 2015 at 12:30 pm with the following members present:

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

County Personnel in Attendance:  
County Manager Rick Morris  
Clerk to the Board Darlene Bullins

Legislative Delegation:  
House of Representative Bryan Holloway  
Senator Shirley Randleman (via conference call)

Chairman Ronda Jones called the Special Called Meeting to order and welcomed those in Attendance.

Chairman Jones expressed the Board's appreciation to the County's Legislative Delegation for taking time out of their busy schedules to participate in today's meeting.

Commissioner Booth delivered the invocation.

#### **GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE**

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

### **Legislative Delegation**

Representative Bryan Holloway was in attendance for today's meeting.

Senator Shirley Randleman, who was unable to attend today's meeting, was connected via conference call.

### **GENERAL GOVERNMENT – GOVERNING BODY – APPROVAL OF AGENDA**

Chairman Jones entertained a motion to approve or amend the March 20, 2015 Agenda.

Commissioner Booth moved to approve the March 20, 2015 Agenda as presented.

Commissioner Lankford seconded and the motion carried unanimously.

### **Five Priority Legislative Goals for 2015**

Chairman Jones noted the following NCACC Five Priority Legislative Goals for 2015:

- Support continued state funding of Medicaid and support efforts by the state to provide healthcare access for all citizens.
- Seek legislation to restore the statutory requirement that 40% of the net lottery proceeds be allocated to counties for school capital needs and increase the annual appropriation of lottery funds until the 40% allocation is restored.
- Seek legislation to repeal the statutory authority under N.C. G.S. 115C-431(c) that allows local school boards to file suit against a county board of commissioners over county appropriations for education.
- Oppose any shift of state transportation responsibilities to counties
- Oppose unfunded mandates and shifts of state responsibilities to counties.

Chairman Jones invited the Legislative Delegation to speak first if so desired.

### **Support Continued State Funding of Medicaid and Support Efforts by the State to Provide Healthcare Access for All Citizens**

### **Oppose any shift of state transportation responsibilities to counties**

Chairman Jones opened the floor for discussion.

Commissioner Inman commented:

- Attended the NCACC Legislative Goals Conference in Pinehurst
- There was a lot of discussion pertaining to Medicaid and expanding Medicaid

- Everyone understands how important Medicaid is to the counties and how fortunate the counties are to have gotten Medicaid off the backs of the counties
- Feel all counties feel this is a very important goal
- Do want to see healthcare access to all citizens
- Most important thing for counties is to not have Medicaid pushed back to the counties

Representative Bryan Holloway responded:

- Want to make sure that the commissioners know that he does not support kicking any burden to the counties, especially the rural counties
- Last session, the General Assembly took some of the Hold Harmless money away with Medicaid and put that burden on counties; I was not in favor of that
- Learn every quickly in Raleigh that you win some and lose some; no one wins everything that they want
- I have not heard any real discussion regarding Medicaid, but do know that there is the topic of Medicaid Reform
- Do we join that Affordable Care Act Exchange?
- Feel I can speak for both the House and Senate that they do not want to join into that Affordable Care Act Exchange
- We are already two years into the Affordable Care Act, in year four, state will pick up 10% to 15%; half a million new people that go on the system
- Can't afford that, actually can't afford the current Medicaid as it is
- There are a number of people in the State that actually qualify for Medicaid that were not taking services
- With the Affordable Care Act , it essentially forced them to take services or be fined; that was ½ billion new dollars in addition to a billion new dollars for Medicaid funding
- We are going to have to do some Medicaid Reform, the part that I don't want is to kick the burden back to the counties
- Other things that have popped up like secondary roads
- North Carolina is one of the very last states that pays for secondary roads
- Could make the argument to join the other states and shift the responsibility back to the counties
- Do not want to kick that burden to the counties
- To get back to the Medicaid issue, there is the thought of shifting the burden to the counties in some people's mind, but I don't support that and will fight that wholeheartedly

Senator Randleman responded:

- I agree with Representative Holloway pertaining to any issues that would have an effect or more burden on the counties
- Very much oppose to burdens being shifted back to the county
- On the Senate side, have not discussed anything regarding Medicaid being shifted back to the counties
- If I were in the county level, I would be concerned about road maintenance

- With gas prices dropping, funding decreases from the gas tax
- Do not support kicking road maintenance back down to the counties

Commissioner Lankford commented:

- Appreciate the opposition from our Legislative Delegation opposing road maintenance being shifted to the counties
- There is no way a small county like Stokes could exist with maintaining secondary roads if county funding had to be provided

Chairman Jones commented:

- Feel like the State would have to come up with a tax formula that would fund road maintenance and not fluctuate with the gas tax; needs to be sustainable

Representative Holloway continued:

- House and Senate have been talking about road funding and are still in negotiations
- Going to have to do something different to fund the roads
- North Carolina has the most highways than any other state government has to take care, other than Texas

Chairman Jones commented:

- Do not want to see people that have tried to be personally responsible with gas efficient cars be punished

Representative Holloway continued:

- Going to have to do something, not sure what it will be
- Have not heard anything about kicking the secondary roads down to the counties
- Would oppose secondary road maintenance being kicked down to the counties
- One thing that would help would be to stop transferring \$255 million out of the Highway Trust Fund to the General Fund; it is supposed to be spent on roads
- We do it because there is much overhead with schools, Medicaid, etc.
- Have got to stop transferring that funding out of the Highway Trust Fund
- To give the Republicans some credit, there is no way as much being transferred out as the Democrats did; Democrats have been transferring ½ to ¾ of a million dollars each year before the Republicans came in
- State is strapped for cash this year
- Medicaid is the State's "gorilla" that the State can't get off our backs

Senator Randleman commented:

- Senate has received an update from the Conference Committee this week
- Doesn't look like there is much agreement between the House and the Senate regarding the transportation issue
- Representative Holloway and myself are not on the Conference Committee

Representative Holloway continued:

- Those committees from the House and Senate have been meeting
- Personally do not like anything that they have come up with

- Senator Randleman and I both agree that there is a problem – funding
- Feel the House and the Senate also agree there is a problem with funding, but not an agreement on how to get there
- My position all along is to find a permanent fix, get away from band aids
- Would like to deal with this issue one time and move on and stop putting band aids on the issue
- Have not heard of transferring the roads back to the counties as part of the solution to fix the problem

Commissioner Lankford noted that he had not seen the last part of the first goal “Support Efforts by the State to Provide Healthcare Access for All Citizens” before.

Commissioner Inman noted that was approved at the Legislative Goal Conference; it was being pushed by those who wanted Medicaid expansion.

Representative Holloway responded:

- Would like to speak a few minutes about what Commissioner Lankford noted pertaining to the first goal
- Legislature gets beat over the head that we are heartless and don’t care if some of the citizens in NC have insurance
- That is not the case
- Our problem with the Affordable Care Act is pure budgeting perspective
- If the Federal Government wants a nationalized healthcare system, let them pay for it
- Don’t make the states pay for something that the states do not have the money to pay for
- Affordable Care Act pays for it the first three years, in year four, state then has to pick up 10% to 15%; which could be more
- In 2016, there will be a new president
- Congress can change overnight and that 15% can then be 25%

Senator Randleman responded:

- The last statistics I saw, which I am sure has increased, shows that there are over 700,000 children on Medicaid
- Children on Medicaid seem to be the largest group of participants

Commissioner Lankford commented:

- Affordable Care Act has caused the insurance industry to increase 27% with the subsidy
- Premiums have increased because of the Affordable Care Act

Senator Randleman responded:

- Spoke with a citizen who has cancer and can’t find out what his insurance options are, what insurance providers are available, etc.
- Trying to help him

Vice Chairman Walker commented:

- In reference to Goal #1, have spoken to families who are paying thousands of dollars in insurance premiums
- Questioned the Legislators “What happens if the State can’t continue to fund Medicaid?”

Representative Holloway responded:

- The reason it is being talked about by some is because it continues to grow for the State
- With the Affordable Care increase and the growth this year, the burden on the state continues to grow
- Have heard that Department of Health and Human Services is short by hundreds of millions; that is why the State is starting to look at how they can get through this
- Feel there are some in Raleigh that would like to put counties in the Medicaid business like it once was
- Don’t support putting the burden of Medicaid back on the counties
- Feel the State needs to take care of Medicaid
- Don’t expect anything regarding Medicaid to be dumped back on the counties this year, but that is a guess
- Think the Legislature still has enough rural makeup to prevent Medicaid being dumped back to the States
- Ten years down the road, the face of the Legislature is going to look much different, it is going to keep getting more and more urban
- North Carolina is growing fast, but rural North Carolina is not growing
- Going to soon have a massive overtake of urban legislators

Senator Randleman responded:

- Serve on the Program Evaluation Oversight Committee (Representative Holloway has served on the committee)
- This week, the committee adopted a motion that is going to require the Program Evaluation Staff to begin working with the counties in their Medicaid process to see if there are any cost efficiencies that can be identified at the county level to hopefully curtail some of the people who are going on Medicaid
- If there is something that can be put in place to control the Medicaid applications, we will know better what the cost might be
- Do not know what the State’s shortfall is going to be yet
- Every time the Medicaid figures come out, they are greater than what was anticipated and they continue to consume more of the State budget
- Have to do something in a cost saving measure to go into the counties to try to have some control on those numbers applying and being approved
- Not sure what they will look like

Representative Holloway responded:

- Would like to audit DHHS to find out what is exactly going on
- Members were taken off the Program Evaluation Committee who were trying to get things going

Commissioner Inman commented:

- Want to thank Representative Holloway and Senator Randleman for their opposition regarding the shift of secondary road maintenance to the counties
- About three years ago, this was mentioned, if that had happened to Stokes County then, it would have meant an eight cent tax increase to pay for transportation alone

**Seek Legislation to Restore the Statutory Requirement that 40% of the Net Lottery Proceeds be Allocated to Counties for School Capital Needs and Increase the Annual Appropriation of Lottery Funds until the 40% Allocation is Restored.**

Chairman Jones opened the floor for discussion.

Senator Randleman responded:

- This is talked about every session
- Need to find ways to bring stable funding to the counties
- Senate has come out this week with proposals in the area of taxes and economic development which would stabilize some funding for the counties
- Would hope the Legislature would be inclined to go into this direction, by not doing things, it is just delaying the inevitable
- Want some stable funding going to the counties for economic development

Representative Holloway responded:

- Have not heard a lot of discussion on the lottery this year, seems to not be a popular subject
- Think it will get kicked to the bottom of the barrel because of things like transportation and Medicaid
- Understand the County's perspective, you need money to guarantee these bonds
- It was sold to you that was what it was going to be used for
- Think you are down to 22% now
- Honestly, do not think it will be taken up this year
- Would support the efforts to restore the statutory requirement
- It was said to be used for school construction, it helps pay for teachers, it pays for technology which does not help commissioners build school facilities
- Personally feel it should all be used for school construction except for the small part that is used for scholarships
- Voted against the lottery because I said it was going to be a shell game and that it would be a problem for counties
- The second the State gave you the lottery, the State took away ADM Funds, took the local sales tax reimbursement
- To repel the lottery, it would take a miracle

Senator Randleman responded:

- Since we talked with the County last year, the House created their Lottery Oversight Committee and the Senate did the same thing

- At some point, I am hoping they will conduct joint meetings
- Sounds like it is going to be more legislative oversight regarding the lottery and what the lottery is being used for

Representative Holloway continued:

- Will give a warning, be careful
- Don't get so excited about the lottery, they might give you what you want on the lottery, but you might get something else you don't want
- Sometimes, people think in those terms
- Would almost encourage you to fight one battle at a time and get through this Medicaid Reform and then take on another battle

Vice Chairman Walker commented:

- County has been trying to catch up with school construction and the lottery funds would have helped
- In talking with the Stokes citizens, can't find an issue that is more important than quality jobs
- Stokes County is in a tough situation
- Attended an economic development session provided by the School of Governments
  - For 30 cents that a county spends, it gets back \$1.00 for commercial and business for property taxes
  - For 70 cents that a county spends, it gets back \$1.00 for agricultural
  - For \$1.30 that a county spends, counties on the average get back \$1 for residential tax base
- Stokes County is a rural county
- Stokes County is at the top of the list regarding the percentage of people who travel outside of the county to work

Senator Randleman commented:

- Can send anyone the plan that the Senate rolled out this week regarding sales tax distribution
- Have seen the numbers, Stokes County would be a winner
- You have a great quality of life in Stokes County
- We want all counties to prosper
- If you don't have economic development and jobs, you are not going to prosper
- You can't do it within, that is already evident
- Will be glad to send the legislation that was introduced this week
- I am cosponsor on that legislation
- The reason I cosponsored the legislation is because all three counties that are in our district will benefit from that proposal
- Stokes County will benefit
- It will come down to the rural counties versus the urban counties
- Will be a very close vote
- Hope those in the House who represent rural counties will support the legislation

Chairman Jones suggested to send the legislation to Clerk Bullins who can distribute the information.

Representative Holloway reiterated that the likelihood of Stokes County getting new Medicaid burden is highly unlikely; don't feel transportation responsibility will be kicked to the Counties, and don't think the County will get 40% of the lottery funding.

Representative Holloway noted:

- If we were not the majority, would not be sitting here talking about this, would have already been done
- That was the direction they were heading
- Democrats were ready to put the counties completely in the school bus business
- Getting ready to put counties in the secondary road business
- Would already be in the Medicaid business

Senator Randleman stated that she would agree with Representative Holloway's observation.

Commissioner Inman confirmed with Senator Randleman that the legislation she was referring to was the "80/20 bill" which is a shifting of sales tax dollars due to population.

Commissioner Inman noted the percentage of economic development, jobs, etc. from the four large urban counties is a ridiculous high number with Stokes County and 79 other counties fighting the same battle for any amount of economic development dollars.

Senator Randleman noted:

- It came out this week, almost 90% of the JD Grants went to three urban counties which is not fair to the other 97 counties
- Have to be proactive instead of reactive to get those dollars into rural North Carolina

Commissioner Inman and Chairman Jones expressed appreciation to Senator Randleman for sponsoring the legislation.

Commissioner Lankford questioned Representative Holloway where the House stood regarding the new legislation sponsored by Senator Randleman?

Representative Holloway responded:

- Not sure, but imagine the House will support the legislation
- Have made the point that more of the JD money needs to go to rural counties
- Will support that legislation

**Seek Legislation to Repeal the Statutory Authority under N.C. G.S. 115C-431(c) that Allows Local School Boards to File Suit Against a County Board of Commissioners over County Appropriations for Education**

Representative Holloway responded:

- Support the County Commissioners who are in charge of the county
- Do not need school boards being able to file lawsuits
- Legislators in Raleigh are all over the place regarding this issue
- It died last session
- Never came up for a vote
- Support the counties on this issue
- Don't think it is productive for school boards to file lawsuits against county commissioners
- Hasn't been talked about this year
- Don't think a bill has been filed

Senator Randleman responded:

- This did not even make the discussion in the Senate

Commissioner Inman commented:

- This was not one of my top five goals at the conference
- This came out of Union County
- Don't think it is a statewide problem

**Oppose Unfunded Mandates and Shifts of State Responsibilities to Counties**

Chairman Jones noted that this has been touched on in almost every topic discussed today.

Representative Holloway agreed that this has been touched on in almost every topic discussed today.

**Other Issues**

**Support Legislation to Grow North Carolina Statewide Economy Through Sound State Investments including Public Infrastructure, Competitive Incentives and Coordinated Efforts of County Economic Development Services**

Chairman Jones noted the 80/20 Legislation might be an answer for Stokes County.

Senator Randleman commented:

- Before the session began, the Senate was talking about making all of NC prosper
- That legislation proposed this week does by trying to get more money back into the counties in a steady stream that will allow the counties to go forward
- That is a number one priority for the Senate
- Will continue to work on it
- Want all counties to prosper
- Focused on getting economic dollars to rural North Carolina
- Everyone wants new businesses to come to their area

Representative Holloway commented:

- One thing that I feel helps infrastructure is high speed internet throughout the county
- I am going to file a bill within the next few weeks to allow counties to help build infrastructure; laying the groundwork for these internet companies
- Currently, counties can't do that
- Hopefully, the State will be able to provide funding for counties to build infrastructure
- Hope the NCACC will support the bill
- Very important issue

Senator Randleman noted that Wilkes Communication is very interested in providing high speed internet in Stokes County.

County Manager Rick Morris noted that Wilkes Communication will be briefing the Board of Commissioners next week at their meeting.

Vice Chairman Walker questioned Senator Randleman if the bill she mentioned regarding economic development will be restricted?

Senator Randleman responded:

- No, any aspect of economic development
- Will provide the Clerk with a copy of the bill for the Board

Senator Randleman excused herself from the meeting due to a scheduled meeting that she must attend.

The Board expressed appreciation to Senator Randleman for her participation in today's Special Meeting.

**Support the Current Model of Public Health Mental Health Administration, Ensure Adequate State Funding for Services and Facilities at the Local Level, and Structure Appropriate County Participation in Governance**

Commissioner Inman commented:

- Have tried to keep the Board aware of what DHHS is recommending
- Representative Holloway is aware of their recommendation to merge the current number of Managed Care Organizations (MCO) which is eight to four regional MCOs
- Feel the House is wanting to keep the service at the local level
- Feel the Senate is discussing privatization

Representative Holloway responded:

- Commissioner Inman is exactly correct
- House wants to leave it alone
- Senate wants to privatize it

Commissioner Inman commented:

- Meetings are going on
- Things change everyday

Representative Holloway responded:

- There is a lot of talk going on
- Don't expect to see a lot done
- Will probably be back here next year talking about the same thing

Commissioner Inman commented:

- It is going to get interesting
- Deadline for mergers is July 2016

Commissioner Lankford noted that he heard if there were changes, they would not happen until 2024.

Commissioner Inman responded:

- Have not seen that date on anything
- Hope that is right
- Can't see a merger happening by 2016
- Bigger is not always better
- Believe it is really close to getting the mental health system right, if the State would just leave it alone

**Support Legislation, Regulations, and Funding that Would Preserve Local Option and Authority Where Needed to Deploy Community Broadband Systems and Ensure Community Access to Critical Broadband Services**

Chairman Jones noted that this has already been covered in the discussion today.

Chairman Jones opened the floor for any other issues and final comments.

Commissioner Lankford commented:

- More regulations have been put on Volunteer Fire Departments per the Insurance Commission
- What kind of relationship does the Legislature have with the Insurance Commission?

Representative Holloway responded:

- Insurance Commissioner has rule making authority
- Can overstep and overturn the Insurance Commissioner, but the Legislature very seldom gets involved with that because we don't have folks over there to understand the rules and regulations
- That doesn't mean it hasn't been done
- If there is something in particular that has been changed, let me know, and I will be happy to talk Wayne Goodwin
- Legislation bill filing is April 8<sup>th</sup>

Vice Chairman Walker commented:

- Confirmed with Representative Holloway that he is working on a bill to allow counties to provide infrastructure for internet companies to provide high speed internet

Representative Holloway commented:

- Next step would be to provide to some funding to help counties to be able to provide the infrastructure

Chairman Jones questioned who would be willing to report the specifics of this meeting at the NCACC District Meeting in April.

Commissioner Inman volunteered to report the specifics of this meeting at the NCACC District Meeting in April.

The Board expressed appreciation to Representative Holloway for his participation at today's meeting and his continued support to Stokes County.

**Adjournment**

There being no further business to come before the Board, Chairman Jones entertained a motion to adjourn the Special Meeting.

Commissioner Inman moved to adjourn the Special Called Meeting. Commissioner Lankford seconded and the motion carried unanimously.

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**Darlene M. Bullins**  
**Clerk to the Board**

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**Ronda Jones**  
**Chairman**