

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  
MAY 26, 2015

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 Monday, May 26, 2015, at 6:00 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 Richard D. Morris  
Clerk to the Board Darlene M. Bullins  
County Attorney Tyrone Browder  
Finance Director Julia Edwards

Chairman Ronda Jones called the meeting to order and welcomed those in attendance.

Chairman Jones delivered the invocation.

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

Chairman Jones 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 Jones entertained a motion to approve or amend the May 26, 2015 Agenda.

County Manager Rick Morris requested to add an item to tonight's Discussion Agenda.

County Manager Rick Morris requested the following addition to tonight's Agenda:

- Received a request from DSS Director Stacey Elmes to post externally a vacant Social Worker III – Foster Care position in case there are no internal candidates
- Would request the item be placed on tonight's Discussion Agenda and moved to tonight's Action Agenda to expedite the hiring process

Vice Chairman Walker requested the following amendment to tonight's Agenda:

- Would like for the Discussion Item "Consideration of Ordinance Proposal" to be postponed
- Feel like it is a little premature due to the fact that the Economic Development Commission has not had a chance to deal with the issue
- My understanding is that this item does have a direct bearing on Economic Development in the County
- Would suggest the item be postponed until a future meeting

Chairman Jones commented:

- Do not have any issues with postponing the item, it was just a courteous follow up from the presentation

Chairman Jones opened the floor for discussion regarding the requests for tonight's Agenda.

The Board unanimously agreed to Manager Morris' addition and Vice Chairman Walker's postponement regarding the May 26<sup>th</sup> Agenda.

Vice Chairman Walker moved to approve the May 26<sup>th</sup> Agenda as amended.

Commissioner Lankford seconded and the motion carried unanimously.

## **COMMENTS**

### **Manager/Commissioners**

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

County Manager Rick Morris commented:

- Stokes County EMS Receives American Heart Association's Mission: Lifeline EMS Recognition Award
  - Stokes County EMS has received the American Heart Association's Mission: Lifeline EMS Bronze Award for implementing quality improvement measures for the treatment of patients who experience severe heart attacks
  - Every year, more than 250,000 people experience a STEMI or ST Elevation Myocardial Infarction, a type of heart attack caused by a complete blockage

of blood flow to the heart that requires timely treatment. To prevent death, it is critical to restore blood flow as quickly as possible, either by surgically opening the blocked vessel or by giving clot-busting medication

- Unfortunately, a significant number don't receive prompt reperfusion therapy, which is critical in restoring blood flow. Mission: Lifeline seeks to save lives by closing the gaps that separate STEMI patients from timely access to appropriate treatments. Mission: Lifeline's EMS recognition program recognizes those emergency responders for their efforts in improving STEMI systems of care and improving the quality of life for these patients.
- Agencies that receive the Mission: Lifeline Bronze Award have demonstrated at least 75 percent compliance for each required achievement measure for three months (one quarter) and treated at least four STEMI patients for the year
- "EMTs and paramedics play a vital part in the system of care for those who have heart attacks," stated Nancy Brown, Chief Executive Officer of the American Heart Association/American Stroke Association. Since they often are the first medical point of contact, they can shave precious minutes of life-saving treatment time by activating the emergency response system that alerts hospitals. The American Heart Association applauds Stokes County EMS for achieving this award that shows it meets evidence-based guidelines in the treatment of people who have severe heart attacks.
- EMS Director Greg Collins stated that this is the second year that Stokes County EMS has received this recognition due to the efforts of our staff
- Proposed Animal Shelter Adoption Facility
  - County staff has been working to provide an adequate space for the proposed Animal Shelter Adoption Facility
  - Having a lot of trouble with the recent site at the Old Prison Camp location, which had been presented to the Board earlier, because of the Brownfield and rough terrain
  - Presented the Board with a map showing another possible option at the Old Prison Camp location which is closer to Dodgetown Road
  - The proposed site has a building which will have to be taken down; the proposed site is actually farther away from the Old Prison Camp facility
  - Animal folks have been given an estimate of \$10,000 to remove the building
  - Would suggest placing the item back on the Agenda for further discussion at the next meeting

Chairman Jones opened the floor for discussion regarding the placement of the item on the next Agenda.

It was the consensus of the Board to place the proposed site for an Animal Shelter Adoption Facility on the June 8<sup>th</sup> Discussion Agenda.

Chairman Jones, with full consensus of the Board, directed the Clerk to place the item on the June 8<sup>th</sup> Discussion Agenda.

Commissioner Lankford commented:

- Ethics for Life – “So that thou will incline thine ear unto wisdom, and apply thine heart to understanding”
- Very proud of our Veterans and honor those who have given their lives

Commissioner Inman commented:

- Echo Commissioner Lankford’s comments remembering all our service men and women who are currently serving and those who have served this great Country along with their families
- Must not forget about all the police, fire, and EMS who serve this county everyday in the line of duty

Vice Chairman Walker commented:

- Would like to welcome those in attendance for tonight’s meeting

Commissioner Booth commented:

- Would like to extend appreciation to those who attended the Stokes County Soil and Water Awards Banquet last Thursday
- Very good event that recognizes Farmer and Educator of the Year along with student poster and essay winners

Chairman Jones commented:

- Stokes Future Farmers’ Market is now open at Pioneer Community Hospital of Stokes on Fridays from 2:00 pm to 6:00 pm
- Will be speaking at the Social Services Foster Parents’ Picnic on Friday
- Attended the groundbreaking ceremony for the Howard Coble Intermodal Complex in Greensboro
- Very pleased to see our Sheriff’s Department at Belews Creek on Memorial Day

### **Presentation of Fiscal Year 2015-16 Recommended Budget**

Chairman Jones turned the presentation of the Fiscal Year 2015-16 Recommended Budget over to County Manager Rick Morris.

County Manager Rick Morris read the following Budget Message and presented the Board of Commissioners his Fiscal Year 2015-16 Recommended Budget:

**Budget Message**  
Fiscal Year 2015/16

TO: **The Honorable Chairman and Commissioners**  
Stokes County Board of County Commissioners (BOCC)

FROM: Richard D. Morris, County Manager

DATE: May 26, 2015

SUBJECT: **Fiscal Year 2015/16 Recommended Budget**

County Manager Morris extended appreciation to the Department Heads and Finance Director Julia Edwards for their support in the development of the 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) 2015/16. A mandatory Public Hearing for the recommended FY 2015/16 Budget has been scheduled for 7:00 PM in Courtroom "A" of the Stokes County Government Center on Tuesday, June 9, 2015.

**Budget Theme**

The budget theme for Stokes County's FY 2015/16 recommended budget is "**Facing Realities Head On**". Since the 2008 economic crash, Stokes County Government has worked hard to maintain the same high level of local government services, plus support education and local healthcare access, while keeping the portion of the Ad Valorem tax rate that feeds the County's General Fund at 60 cents for the past ten years with no increase. Fire tax has also remained stable and the only recent Ad Valorem tax increase of 4 cents was approved specifically to fund school and community college construction / renovation projects. This budget recommendation continues to provide the current level of local government services and support to education, but to do so will require a 6 cent Ad Valorem increase to support the County's General Fund and a 1.5 cent increase to the Fire Tax to support the fire departments that serve the county. That being said, as the economy continues to struggle, the theme of "**Facing Realities Head On**" is intended to direct the budget focus to how the county will continue to meet its high level of services to its citizens until adequate new revenue sources can be developed through economic growth, changes in sales tax distribution or other sources that might become available, such as expansion of the county jail as an expanded source of increased revenue. The theme of "**Facing Realities Head On**" should be no surprise to those who have read the previous three budget messages, which clearly described the county's dilemma of vanishing revenue and revenue sources plus unavoidable budget increases which are required to keep the county functioning to meet statutory requirements. It is very clear that the budget challenges will continue this coming fiscal year and next and this budget should be viewed in the context of both FY 2015/16 and FY 2016/17 at a minimum. This makes the

assumption that new revenue sources will materialize in the FY 2017/18 timeframe, such as Walmart, jail expansion, an updated county revaluation and possibly a significant increase in sales tax through redistribution or increased economic prosperity. Even though the economy remains weak, the demands on many of the County's departments continue to increase with some of our departments now reaching critical mass on staff availability to meet their minimum requirements. I will address the staffing issue extensively later in this budget message. As we move forward with this budget, I would again emphasize that difficult challenges will have to be addressed **"Head On"** to continue local government services at a level that most people expect and often take for granted will be there. This budget message is intended to focus everyone's thinking on the next two fiscal years as we try to survive until additional revenue sources hopefully materialize. The County continues to see unfunded mandates, often through subtle and not-so-subtle reductions in state and federal funding, such as reductions in Health Department and Department of Social Services (DSS) reimbursements. While revenue sources are disappearing and uncertain, expenses to operate the county are continuing to increase every year. The ultimate challenge is to balance the needs and expectations of the citizens against the cost of addressing those needs financially. Affordability must continue to weigh heavily in evaluating everything the county does, no matter how great the idea or how important the service being rendered. All recommendations included in this budget proposal were evaluated based on their impact to the FY 2015/16 Budget, and also with a forward focus on how they will impact the following year's budget. This proposed budget requires the appropriation of \$1 Million dollars of General Fund Balance, which is balanced with the recommended 6 cent (96% collection rate) Ad Valorem tax increase to address the increased expense side of the proposed budget, while maintaining at least a 20% General Fund Balance. It also leaves some available General Fund Balance to appropriate for the FY 2016/17 Budget if current estimates materialize as expected. This is a conservative, low risk budget recommendation that addresses structural and other budget increases while continuing to adjust to the loss / reduction of previous revenue sources such as "Hold Harmless" revenue and sales taxes due to the bad economy, plus Ad Valorem tax revenue reduction due to revaluation.

### **Executive Summary**

The total recommended Stokes County Budget for FY 2015/16 is \$44,827,006. This is a 2.27% (\$994,362) increase over last year's approved budget. Without the recommend increase in base salaries, that will be discussed later, the increase would only be 1.02%. This recommendation requires a 6 cent Ad Valorem tax increase plus the use of \$1 Million from the General Fund to balance the budget. The preparation of these budgets is escalating in difficulty each year as the gap between revenue and expenses continues to grow. Insufficient revenue is being generated by the County's traditional revenue sources to keep up with the structural and other growth components of the annual budget. The fact that revenue sources are not producing sufficient revenue does not change the fact that a certain level of resources are required for the County to deliver the services it is required to provide. The two primary categories of these resources are equipment and salaries. Sufficient equipment and supplies must be provided to match the level of services being offered. Competitive salaries are required to hire and retain employees who are in many cases performing complex and sometimes dangerous jobs for the public. The competitive salary component of the resourcing function has now emerged as a critical issue that must be addressed now, even during the next two difficult budget years. The county is struggling to fill critical positions, especially in the 24/7 emergency services area. Personnel turnover and the associated costs remain very high and filling schedules in the EMS and Sheriff's Departments are becoming near impossible. This

translates into high risk and increased liability for the county. Staffing issues will be addressed in more detail as a separate paragraph in this budget message. The 2.27% increase in this year's recommended budget, over last year's adopted budget, was driven by five major contributors which are listed below:

- Increased base salary recommendation for Sheriff's Department, EMS and Emergency Communications (E-911)
- Increase in part-time salary rates and use of overtime pay for public safety personnel
- Structural increases built into the budget for personnel such as longevity increases and increases in medical coverage and county retirement contribution
- 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 the large fund balance possibly being pulled back by the State; Title XIX reimbursements are also decreasing and on hold this year, but still expected to come in
- The cost of equipment and supplies required to perform the county mission of providing services to the public

Other factors that influenced the FY 2015/16 proposed budget, most of which are beyond the control of the county, are listed below:

#### **Under Revenue**

- Economy still experiencing weak recovery
- Sales tax continues to increase, but remains down from earlier years
- Interest income from idle funds remains low due to the Federal Government keeping interest rates at or near zero
- Evaporation of revenue sources and long period of minimal Ad Valorem tax increases
- Continued decrease of state and federal funding

#### **Under Expenses**

- Replacement of vehicles to meet rotation schedule and replace vehicles that are no longer serviceable / supportable
- Fuel and energy costs remain high
- Increased volume of calls in both EMS and the Sheriff's Department, plus jail over capacity
- Costs of training and re-training personnel due to high turnover
- Increase in health insurance cost
- Replacement of the outdated computers which are at end of life and no longer supportable

#### **Other Major Influencers**

- No more "Hold Harmless" to replenish "General Fund"
- Revaluation reduction in Ad Valorem property tax revenue
- Possible impact from new debt for construction of community college building

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 most critical emerging issue in Stokes County Government is the non-competitive level of base salaries. This issue is now reaching the “boiling point” in the emergency services departments where no acceptable applications are being received for many full and part-time open positions. Competitive pay would clearly attract qualified applicants and retain the current employees.
- With the 6 cent Ad Valorem tax increase, I expect the General Fund Balance to remain at or above 20% for the FY 2015/16 projected budget; however, at this time I could not guarantee that same projection for FY 2016/17. The percentage in FY 2016/17 will depend on the performance of other revenue sources between now and then plus the decision that is made on the Ad Valorem tax rate and level of services to be provided at that time. This budget uses \$1 Million of Fund Balance to balance the budget, which leaves a projection of at least \$1 Million dollars of available Fund Balance to work with in FY 2016/17. As we approach the end of this fiscal year, we think the expenditure of appropriated General Fund Balance for FY 2014/15 may be less than expected which could be a big plus for the FY 2016/17 Budget.
- The shortage of revenues continues to keep the County from meeting 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.
- The Fire Commission requested a fire tax increase in their budget request as projected last year. With many of the fire departments, the long standing volunteer model for fire department operations is not meeting the minimum requirements for fire protection without some presence of paid fireman. The Office of State Fire Marshal inspected fire departments in Stokes County and City of King this month with three departments being placed on probation.

### **Budget Requests from County Departments**

The department heads were conservative in their FY 2015/16 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 2014/15 Budget. With the structural increases and personnel / equipment recommendations in my budget proposal, the growth was relatively low at only 2.27%, which is still less than needed to sustain the previously established rotation of ambulances, patrol vehicles and other departmental material and capital needs. Though this budget period is unusually challenging, equipment is still required or the services cannot be provided. In my view, a budget strategy of just cutting all equipment or making large across-the-board cuts during a tough budget year is short-sighted, unrealistic and ignores the realities of conducting the county’s day to day operations. The areas of “Equipment” and “Personnel” are specifically 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 only computers at the end of life were approved, unless they were funded by other than county dollars. The list of equipment items recommended for approval is shown below:

- Laptop computer for District Resource Center
- Laptop computers for Elections Department one-stop voting
- New vehicle for Emergency Management (all non-county funds)
- One new ambulance for the EMS Department
- One new vehicle for Fire Marshal
- Two computer tablets for Fire Marshal
- Replacement suction unit for Fire Marshal
- Reconditioned AED for Fire Marshal
- Server switches for Information Technology Dept.
- Projector for Information Technology Dept.
- Replace NAS drive and renew domain for Natural Resources Dept.
- Computer for Register of Deeds (non-county funds)
- New vehicles for the Sheriff's Dept. (5 patrol cars)
- Investigative software for Sheriff's Dept.
- Evidence drying cabinet for Sheriff's Dept.
- Bullet proof vests for the Sheriff's Dept.
- New vehicles for DSS ( 2 cars, 1 van)
- New garbage truck for Solid Waste Dept.
- New or used pickup truck for Solid Waste Dept.
- New compactor with installation for Solid Waste (grant match only)
- Chevrolet and Ford scan tools for Vehicle Maintenance Dept.
- Vehicle lift for Vehicle Maintenance Dept.
- Ceiling tiles for the Government Center upper level from capital reserve
- Installation of one transfer switch at London Elementary for emergency shelter

*Note: A jail control panel and jail gate will need to be added if the jail expansion does not occur.*

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 Solid Waste Department, which will only be purchased if an adequate vehicle can be identified for the available funds. The purchase of vehicles for the Sheriff's Department and DSS are to meet minimum requirements to maintain adequate vehicles to perform the job. We are now in a position that no pass down vehicles are available to fill other department needs and with DSS we are having to pay expensive mileage reimbursement for DSS personnel to drive their privately owned vehicles. The purchase of new computers is included to replace computers that are outdated. Almost 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 \$868,220 with \$641,000 of that amount to be financed. The financing will cover vehicles with the exception of the Emergency Management vehicle that will be paid for using Emergency Management Performance Grant (EMPG) funds. Other funding sources for equipment are Register of Deeds technology funds and state & federal funds. Grants and Capital Reserve are also being used to fund equipment. \$89,852 will be required for equipment in the FY 2015/16 Budget Proposal from the General Fund as compared to \$66,434 in the FY 2014/15 Budget.

## **Personnel**

**Reclassification Requests / New Positions / On-Call** – Various personnel requests were received from the Animal Control Department, Sheriff's Department, Public Buildings Department, Finance Department, and DSS. An expansion of those receiving on-call pay was requested by various departments and is recommended for approval. This approval is recommended based on the fact that there is an unequal standard of on-call pay for non-exempt employees in county policy where some are reimbursed for on-call and others are not. My recommended budget fixes this inequity by paying on-call pay to all departments that are required to have non-exempt on-call personnel designated.

I am recommending two personnel reclassifications for approval in this budget. These recommended reclassifications are to ensure the classification reflects the actual duties being performed in the position. No reinstatements of previously unfunded positions were approved. Reclassifications recommended for approval are listed below:

- **Reclassify Deputy Animal Control Officer to Animal Control Officer II**
  - Animal Control calls plus animal shelter responsibilities are overwhelming the staff and impacting responsiveness to the public
  - This reclassification would provide a fourth animal control officer with equal responsibilities as his fellow officers, which would more evenly balance the staff's duties, including on-call requirements, and allow the department head more flexibility on tasks that are performed to include answering calls, shelter cleaning / maintenance and euthanasia responsibilities
- **Reclassify Fire Marshal to Fire Marshal / Paramedic**
  - This reclassification will reflect the actual duties being performed by the current Fire Marshal, where he backs up EMS with paramedic duties on a non-interference basis with his primary duties as Fire Marshal
  - Also, paramedic backup is critically needed by EMS service at this time due to personnel staffing challenges
- **Recommendation adds five new government positions to Dept. of Social Services to eliminate five contract positions**
  - Request was for seven full-time positions to eliminate more expensive contract workers and increase job tasking flexibility of workers
  - Recommendation adds two Income Maintenance Caseworker IIs, one Income Maintenance Supervisor I and two social worker IIIs for foster care

- Addition of these positions saves the County \$43,917 local dollars annually because contracted positions cost more than the government positions. These positions will also allow the drawdown of additional state & federal funding
  - Leaves three contract positions for adult services to perform work of two social workers that were requested but not recommended.
  - Adds flexibility to the functions that can be performed by these positions that are not available under the contracting scenario, such as working nights and weekends.
- Recommendation denies the addition of two Sheriff's Deputy positions and one Finance position

The total amount of funds required for the recommended reclassifications, on-call and position additions is \$259,240 of which \$125,500 comes from federal or state funds. The funding impact of approving my personnel recommendations would be a net increase of approximately \$132,658 county dollars annually.

### **Personnel Turnover /Availability/Retention**

The subject of personnel turnover and its negative impact on county government operations has been discussed extensively during budget discussions over the past three years. The County has been able to operate effectively, even with high turnover, primarily due to a core of dedicated individuals who stayed with the county for various reasons over a long period of time. Those core individuals, who are also in many cases our most experienced workers, are shrinking in numbers due to retirements and other reasons. They are not being replaced by people with the same viewpoint on remaining with the county. The county continues to experience unacceptable personnel turnover rates that result in high training costs and increased organizational liability, risk and instability. Departures from the county are almost exclusively for higher pay. This problem has now evolved to the next level, which is the non-availability of suitable qualified personnel to fill critical positions, especially in the career fields where 24/7 coverage is required. At the last BOCC meeting, the Sheriff's Department was given approval for special pay provisions to use current full time personnel to fill additional shifts beyond their regular shifts at time and one half pay. This is just a band aid approach to the larger personnel issue the County is facing.

It goes without saying that the most critical asset the county has is its people. They provide the services, many of which are complex requiring extensive training, education and experience. Non-availability of personnel has surfaced in a big way recently with the EMS Department and the Sheriff's Department. Stokes County is not attracting suitable applicants to fill its critical EMS and law enforcement openings. When you couple this with the high turnover, which also continues, it places these departments in crisis mode. The most senior level personnel, including the EMS Director and the Sheriff, are having to work multiple shifts at all hours of the night and day to fill vacancies caused by personnel shortages. This situation results in sleep deprivation and high fatigue levels which greatly increase the County's liability. This problem is compounded by the fact that both of these departments are experiencing significant increases in call volume and overall workload. The 24.25 hour schedule that our EMS Department uses is designed to allow for periods of sleep during the shift and we are experiencing more and more instances where the EMS personnel are so busy they don't get enough sleep.

The large majority of personnel turnover, and now personnel shortage issues clearly have one root cause. The root cause is completely non-competitive base salaries. If the base salaries of the public safety departments' personnel are not increased by an amount between \$3,000 and \$5,000 annually, I expect these departments to experience mission failure in the very near future. My definition of mission failure is EMS units shut down and areas of the county not covered by the required law enforcement personnel. The county's non-competitive base salaries are causing department instability across the county as other counties set competitive salaries and Stokes County does not. We are increasingly not able to hire or retain a satisfactory number of suitable full-time and part-time employees to meet minimum requirements. To address this urgent situation my budget recommendation includes a three grade increase in base pay for full time sworn law enforcement officers, jailers, credentialed EMS personnel and telecommunicators (E-911). The cost of this proposal is \$548,700. The approach that has been used to recently address this issue in the Health Department for professional positions will not work in the 24/7 arena because units will have to be taken out of service during the lengthy negotiations process with the BOCC once qualified applicants are identified. The turnover rate for the current budget year is 21.6%, which speaks for itself. One hundred and three (103) full/part time county employees have departed or are in the process of departing Stokes County this fiscal year with 30+ days remaining before the year ends. Decisive action is needed on salaries to address the immediate issues with emergency services, but also to address the same issue in the other county departments since an objective outside salary analysis has not been conducted since 2001. In summary and for reasons stated above, I do not accept the premise that Stokes County can continue to operate successfully with the current turnover rates and base salaries that best case attract non-qualified untrained individuals who require costly training and extensive lead time before they can be fully engaged in their work assignments.

### **Part-Time Salary Rates**

With the county's 24/7 services, part-time employees play a key role in meeting staffing requirements as part-time employees are used to fill gaps and also fill full-time positions when openings occur. It is becoming almost impossible to hire qualified part-time employees to fill critical positions in the County's 24/7 departments. Again, the problem in attracting part-time employees is that competing counties pay significantly higher part-time rates. Lack of available part time personnel also places the County in a difficult position with increased risk of mistakes by overworked full-time personnel. The increase of \$2.00 per hour to part-time rates that was approved last year has made minimal impact on part-time recruiting because the rate increases were still too far below the competition. To address this situation, my budget proposal recommends another \$2.00 per hour increase to current part-time wages for the following 24/7 positions:

- Deputy Sheriff - Increase to \$13.32 per hour and \$14.66 after 200 hours
- EMT Basic - Increase to \$11.75 per hour
- EMT Intermediate - Increase to \$13.79 per hour
- EMT Paramedic - Increase to \$14.77 per hour
- Jailor - Increase to \$13.32 per hour and \$14.66 after 200 hours
- Telecommunicator - Increase to \$11.61 per hour and \$13.79 per hour after 200 hours

## **EMS Recommendation**

After much analysis of the EMS workload increases and personnel shortages, my recommendation is that all convalescent transport be contracted out to a private service for a minimum of the next two fiscal years. The Stokes County EMS Department is no longer capable of providing both advanced life support (ALS) and convalescent calls with the number of personnel and front-line units the County has in service. Surrounding counties have been running an increasing number of Stokes County's ALS calls, which directly impacts revenue received by the County. The County's five front-line units are routinely fully committed running ALS calls. The contracting for convalescent calls will also reduce county revenue that is being collected for these transports. The county is currently billing approximately \$500,000 annually for these services and actually collecting about \$200,000 of that amount. I would also recommend that during the next two years an internal study be completed to determine what structural changes need to be made to the EMS Department to address the issues of increased workload, work schedules, convalescent transport, personnel staffing and complexity of medical services provided. Changes are definitely needed if we are to keep the performance of the EMS Service at its current level.

## **Economic Development Department**

The Interim Director of Economic Development and I have developed the proposed budget for the one-year period where the economic development function is being reassessed by the BOCC. Among other changes, it brings some of the website and advertising functions internal to the county where they were contracted out before. This budget supports the continuation of many economic development activities that are currently in process and supports the expansion of economic development opportunities during the one-year reassessment period.

## **Employee Cost of Living Adjustment (COLA)**

I am not recommending a cost of living adjustment or bonus this year for county employees due to the difficult budget challenges the County faces. I feel the lack of a COLA or bonus strengthens the need for the BOCC to approve the personnel and equipment requests that I have recommended so employees will at a minimum have the resources they need to perform their duties during FY 2015/16, which is a difficult budget period that includes high caseloads and overall workload that is trending up in many departments.

## **Board of Education (BOE) Requests**

As stated throughout this budget message, the County budget is especially challenging during the next two years, which also impacts what can be done for the School System. Recent new school construction and renovation has added new debt though a significant amount of school debt is due to be paid off in FY 2017/18 (West Stokes & Piney Grove). The Lawsonville Elementary Project, which was the last project funded by the BOCC on the current school construction / renovation list, is now completed with no new school construction on tab at this time, with the exception of the Forsyth Tech Community College Project, which is totally separate from the Stokes County BOE construction projects. The budget challenge will now shift to the repair, modification and maintenance of the existing schools where additional funding will become available starting in the

FY 2017/18 timeframe as alluded to above. This additional funding can only be used on BOE school capital projects or for school debt should additional debt be incurred.

### **Current Expense**

Though the ADM level has decreased significantly during the past few years, the Current Expense budget request from the BOE for county funding contains an approximate 9.92% increase over last year's approved budget. This translates to an approximate \$1,013,058 increase over last year's BOE request. Last year's BOE budget appropriated \$1,027,343 of their Current Expense Fund Balance toward their Current Expense budget and in this year's request the BOE does not have remaining Fund Balance to appropriate. 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 \$105,297 to the BOE for Current Expense to pay for operations & maintenance expenses for the Poplar Springs Elementary School. The \$105,297 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. The BOE will use \$482,709 of their Current Expense Fund Balance to balance their budget. This depletes the BOE Current Expense Fund Balance amount that was available at the end of FY 2013/14 per their audit.

### **Capital Outlay Expense**

The BOE Capital Outlay request for this budget was \$1,462,500. This would require \$457,500 from the County's General Fund to meet this request. My recommendation is to provide the BOE \$1,700,000, and include the authorization for the BOE to spend up to \$1 Million from their Current Expense Fund Balance on capital projects if any fund balance becomes available. As in previous years, my recommendation is to continue prioritizing the BOE capital funding toward the retirement of debt from earlier school construction, which will require \$1 Million in the proposed FY 2015/16 Budget. This annual \$1 Million debt payment for General Obligation Bonds (West Stokes and Piney Grove Schools) will continue for two more years before this amount can be appropriated to school capital projects. In FY 2016/17 the debt payment will be reduced to \$1,273,572 which should free up in the County's General Fund an additional \$65,400 of additional funding which could be used for school Current Expense or Capital Outlay, but is not required to be used for that purpose. In FY 2017/18, the remaining debt payment will be \$828,772, which will free up \$171,228 of school capital outlay funds, which must go to the BOE plus \$273,572 of County General Fund dollars which could also be used for school Current Expense or Capital Outlay. In FY 2018/19, the entire \$1 Million will become available, all of which must go to school capital needs or school debt per general statute. For FY 2015/16, the remaining capital funds after debt payment in the amount of \$700,000 will be appropriated for capital outlay in the areas of safety, school security and roof repair / replacement. The \$700,000 appropriation is a \$100,000 increase over last year's recommended appropriation for this purpose.

### **Special Appropriation**

A special appropriation in the amount of \$60,000 is made to the BOE from county economic development funds to recognize the BOE support of and potential participation in the expansion of broadband connectivity in the county. This funding is added to the BOE budget request above and beyond the funding amounts agreed to by the BOCC and BOE for Current Expense and Capital funding.

### **Status of Revenue**

The key message I presented during the recent budget guidance sessions was that the county has a revenue problem not an expense problem. A review of recent statistics from the Local Government Commission (LGC) shows that counties similar to Stokes have an average budget expense level at the \$51 Million to \$55 Million range. Hold Harmless funding is now history. A potential increase from the next revaluation increase is a couple of years out and a sales tax rebound is uncertain unless something like the proposed sales tax redistribution legislation currently before the General Assembly is approved. The County's General Fund Balance is available as a limited resource to help balance the budget in FY 2015/16 and FY 2016/17. After that the General Fund will diminish as a dependable source of additional revenue if it is to be kept at the level needed to address emergencies and obtain future debt when the decision is made to do so. At some point, one would expect sales tax and Ad Valorem tax to rebound to help offset the increased costs of providing services, which will continue to increase each year unless drastic cuts are made to the services being provided and in most cases drastic cuts are not an option because the services are required by general statutes. This leaves the County with only one option, that being increased Ad Valorem taxes which are a necessary evil. As noted earlier, the time for an increased Ad Valorem tax rate has arrived this year. Our latest projections show that another Ad Valorem tax increase in FY 2016/17 Budget may not be required. This will depend to some degree on decisions that are made by the BOCC on this budget proposal. We have projected that approximately \$1,752,762 of appropriated General Fund Balance from FY 2014/15 will be available to replenish the General Fund Balance on June 30, 2015. No unexpended funds were recouped from the last quarterly financial execution review that could be returned to the General Fund Balance. The dollar amount going back into the General Fund Balance at the end of the year has become negligible due to lean budgeting where the departments are spending all of the amounts they have budgeted to meet their mission requirements.

### **Health and Dental Insurance Costs**

The shift three 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 have some minor changes because the County will be switching to an insurance broker this year who will provide coverage through Blue Cross Blue Shield and not through the current insurance carrier using the League of Municipalities Insurance Pool. The changes in coverage will further incentivize employees to use generic drugs and to not use hospital emergency rooms. Prescription costs will also be slightly more expensive for most

employees. These changes were required to maintain an acceptable increase in premium cost that the County could afford. Even with these changes the County will be expending an increased amount of funds from the HRA account to subsidize prescription costs. On the positive side, the new policy will automatically include \$25,000 of term life insurance for each active full-time employee covered by the health insurance policy at no individual cost to the employee. An option will also be available for the employee to purchase additional term life insurance if they desire to do so. The change of insurance carriers held the increase in insurance premiums to 4.5 % where the quote from the League of Municipalities was a 21% increase. The cost for the employee co-pays in the areas of emergency services, urgent care and prescriptions will increase. The current health insurance provider will also be introducing a wellness program that will help to keep premiums lower and prevent health problems for employees. Wellness programs are becoming the norm for all insurance programs to reduce medical costs. Under the new insurance carrier dental premiums will remain the same as last year.

### **Enterprise Funds**

The County has three enterprise funds which are described below.

- **“Stokes Reynolds Memorial Hospital Fund”** – This budget recommendation appropriates \$75,000 for Pioneer Health Services (PHS). It also includes the \$10,000 annual payment to the County to fund future capital based expenditures that result 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 annually 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 FY2015/16 the payment to PHS was scheduled to be reduced from \$200,000 to \$100,000 per the lease agreement; however, the lease was modified where \$25,000 will also be withheld by the County to pay one-half of the purchase price for the sale of Stokes County Home Health to PHS. The payments will continue to scale down until five 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.
- **“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. As a reminder, the rates for the Danbury Water & Sewer Funds are at only half of the amount that is normally required to qualify for most state funded infrastructure grants.

### **New Grant Program for County Parks**

This proposed budget continues the grant program for improving county owned parks. The grant application process is in place and projects have been submitted or will be submitted by Pinnacle, East Walnut Cove, Lions and Germanton Parks. This program allows interested individuals or organizations to apply for up to \$2,000 per park annually to make improvements to the park



facilities. In order to receive the funding the applicants provide a match, which can be in the form of cash or in-kind contributions. The total amount placed in this fund for FY 2015/16 will be \$8,000. In addition to the grant program, I am recommending that \$2,000 per park be allocated to county owned parks for the operations and maintenance of the parks with the exception of Moratock Park which is already maintained by the county staff. This recommendation is driven by the lack of volunteers to maintain the parks and the possibility that these parks could be returned to the County for operations. A policy / process will be put in place that meets all internal control requirements to disburse funds for the operation of the eligible parks.

### **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 was completed. As a result of funds raised by the library, Stokes County's final payment was \$33,000 in lieu of the original \$50,000 requirement, with the amount owed being confirmed by the Interim Town Manager of Walnut Cove. The remainder of the obligation for the renovation and upgrade of the library is the responsibility of the Town of Walnut Cove to address as the Town Council sees fit.

### **Water / Sewer Project Gap Funding**

Stokes County is near completion of the project 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 was provided by multiple grant agencies, with the largest amount coming from The Golden LEAF Foundation. Because of uncertainty as to the final total of available grant funding, the BOCC signed a Funding Gap Letter that stated that the County would 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. At this point in time, the project has not encountered any significant construction issues and there is a high probability that no gap funding will be required from the County.

### **General Fund Balance**

Under my proposed budget, \$1 Million will be required from the County's General Fund along with the recommended 6 cent Ad Valorem tax increase to balance the budget. This is \$1,823,913 less than the amount appropriated from the General Fund Balance in the FY 2014/15 Budget. The County is down to the last \$2 Million estimated to be available from the General Fund for use this year and next to balance the budget without a significant downturn below 20% in the General Fund Balance. My recommended approach uses half of the previously projected available amount this year and saves the other half for FY 2016/17. An estimate of approximately \$1,752,762 will be

returned to the County's General Fund balance on June 30, 2015 from the unexpended funds and any revenue overages remaining from the FY 2014/15 Budget. This amount is higher than earlier projections that were expected. 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% to maintain the county's strong financial rating with the national rating agencies. With the use of \$1 Million from the County's General Fund Balance to balance the proposed FY 2015/16 Budget, it is projected that the County's General Fund Balance will remain above 20% for FY 2015/16, but is at risk of dipping below 20% in FY 2016/17 if other revenue sources are not identified or available to produce required revenues.

### **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 / renovation 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, the Title XIX Medicaid Fund Balance was spent which required an increased level of local funds to support the Title XIX programs. The proposed FY 2015/16 Budget also requires significant local funding to support Title XIX programs. This year's projected Medicaid settlement amount is \$120,000 as compared to \$150,752 for FY 2014/15. Title XIX funding needs to stay on the watch list for local funding to ensure these shared programs are needed, and that they generate sufficient revenue to justify the program costs and the use of the local funding share.

### **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 continue to increase.

### **Sales Tax Receipts**

Sales tax receipts for the "General Fund" are up by \$240,703 over last year, as of March 31, 2015, which is a 9.1% increase. Article 40 and 42 sales tax receipts, where a proportion goes to the School System, are up by \$95,930 over last year for the same time period, which is also a 9.1%

increase. Even though sales tax receipts are fairly consistent from last year, they remain significantly lower than the levels received prior to 2008. Stokes County desperately needs the proposed sales tax redistribution legislation currently being discussed in the North Carolina Legislature to be passed in its current form if we are to remain financially sound without additional Ad Valorem tax increases in the future.

### **Ad Valorem Taxes**

Ad Valorem taxes are the main source (54.23%) of revenue for the county budget. Based on the last Stokes County audit, the FY 2013/14 actual collection rate was 96.97%. 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 96.97%, though I do not recommend going above 96%. A new variable is now two years old where tobacco buy-out payments expired, which means approximately \$6.2 million annually is no longer coming to Stokes County. There is no indication that this change has negatively impacted Ad Valorem tax collection rates at this point in time. Approximately 50.09% of the Ad Valorem tax revenue goes to fund the County's School System.

### **Legal Services**

This proposed budget includes a \$1,000 per month increase in retainer fee for the County Attorney, due to the increasing level of effort required to provide legal support to the County. Examples of increase effort are the time consuming review of closed session minutes and the performance related to increased real estate transactions. If the Jail is expanded that will also require additional legal work. 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 \$80,000 which also includes an allocation for litigation and outside legal services that would not fall under the scope of the County Attorney's contract. Additional funding in the amount of \$95,000 is also included in the DSS Budget for the DSS attorney, of which \$35,133 is county funds.

### **Fire Marshal Recommendation**

It is my recommendation that the Fire Marshal Office be moved back out of the Sheriff's Department organization and put back as an independent department under the county manager. The transition period where the Fire Marshal Office was under the Sheriff's Department worked well and solidified the relationship between the two departments and the processes the two departments needed to use to support each other. Both department heads would now prefer that the departments operate independently. It should be noted that the Sheriff took on the additional responsibility of the Fire Marshal office without additional compensation. As stated earlier, I have also recommended that the current Fire Marshal be reclassified to reflect the additional duties he is performing as a paramedic in addition to his Fire Marshal duties. I have also recommended a pick-up truck with camper shell for the Fire Marshal to replace the current SUV type vehicle he is currently assigned. EMS regulations require that fire-fighting equipment and EMS supplies be separated in the vehicle to prevent contamination of medical items. The four wheel drive SUV

currently assigned to the Fire Marshal would likely be transferred to Natural Resources to replace the four wheel drive vehicle assigned to them last year that quickly became unserviceable.

### **Animal Control Recommendation**

A reclassification of the Deputy Animal Control Officer position is proposed to increase staff flexibility and relieve some stress from the other three animal control officers. This change will make all animal control duties interchangeable among the staff with the exception of additional duties required of the Department Head. The training line item has been increased slightly in my proposed budget to provide required training, such as euthanasia to the new animal control officer who was recently hired as the result of a retirement.

### **Fire Departments and Fire Tax**

My budget recommendation raises the fire tax rate by 1.5 cents to 8 cents. This increase was recommended by the Fire Commission. The additional funding will be used to address personnel issues associated with responding to fire calls and also for additional radios that are needed to supplement the basic issue of new radios provided by Stokes County as part of its mandated communications upgrade. All of the fire departments have been upgraded with the VIPER Radio System, which was the final phase of the county's narrow banding communications upgrade. The county's fire departments just completed an inspection from the Office of the State Fire Marshal and, as stated earlier, three fire departments were placed on probation.

### **Miscellaneous Requests from Outside Agencies**

Several outside agencies requested and were recommended for funding in the Stokes County FY 2015/16 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 (\$9,000). Total for all YVEDDI programs was \$168,734.
- **Roanoke River Basin** – Request was denied for \$3,792.
- **N.C. Wildlife Resource Commission Beaver Management Assistance Program** – Request for \$4,000 was denied
- **N.C. Forestry Service** - Request for temporary smoke chaser funding was again recommended to provide additional support to fire departments at fire scenes (\$15,701). The request for a new vehicle for the Forestry Service was not recommended.
- **Stokes County Fire Association** - Provided \$20,688 a \$6,193 increase
- **Sparrow House** – Request for \$20,000 from the Sparrow House was not recommended for approval. The Sparrow House does not yet meet required standards for referrals by Stokes County's Domestic Violence Office.
- **JCPC**- Recommended \$177,814 of which \$41,804 is county matching funds

## **Summary**

In summary, my recommended budget attempts to place the County in the best possible financial position to provide the necessary services to the public during the next two budget years where additional revenue is needed to deal with increased expenses which have been held to the bare minimum required for the successful operation of this county government.

- **What this recommended budget does not do.....**
  - Does not furlough or lay off any full time county employees
  - Does not eliminate or reduce any existing services to our citizens
  - Does not reinstate any of the unfunded positions from the FY 2011/12 Budget
  - Does not provide a COLA or bonus for full and part-time employees
  
- **What this recommended budget does do.....**
  - Adds 6 cents to Ad Valorem tax rate for County's General Fund and 1.5 cents to the County's Fire Tax rate.
  - Appropriates County General Fund dollars to balance the budget
  - Makes adjustments in some basic pay levels to address staff retention and shortages
  - Keeps the projected County General Fund Balance in close proximity to 20% for the FY 2015/16 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 minor changes in benefits and keeps Health Reimbursement Account structure in place
  - Increases part time salary rate by \$2.00 per hour for Public Safety personnel who are difficult to recruit
  - Equalizes the on-call pay policy for all departments

## **Conclusion / Recommendations**

I think it is safe to say that no one, including me, is pleased with the budget situation we are facing for the next two years; however, I think this budget recommendation faces "**Head On**" the real needs of this county based on my, and our department heads, best collective assessment of where the county is at this time. I'm sure there will be those who balk on the increase in Ad Valorem tax rates to support the county's General Fund and Fire Service, but I would counter that with the fact that the current and recent Boards of County Commissioners have provided a very high level of government services during the past ten years with no increase in Ad Valorem tax for the General Fund and only a small increase in Ad Valorem tax of 4 cents to support education through school construction / renovation and community college projects. Even though we will experience some expected "bumps in the road" for the next couple of years, I would also remind the naysayers that there are a lot of accomplishments from this and previous boards of commissioners and county staff members that make the case for an optimistic future for Stokes County. A few examples are:

- Major school construction and renovation projects completed for the BOE
- A new community college coming on line next year
- A new sewer system for the Meadows Community and community college
- A major initiative to expand broadband coverage to unserved and underserved customers throughout the County
- The transfer of Camp Sertoma properties to Hanging Rock State Park
- An exciting transformation of the Art Market property in Danbury, which is owned by the County
- The construction of a new medical / community center in Pine Hall thanks to the generosity of Mr. Ronald Petree and his sister Ann
- Expanded local medical services from Pioneer Hospital and other surrounding medical providers
- The development of a comprehensive land use plan to support expanded economic growth of the County

I think these examples are good illustrations that the citizens of Stokes County have received significant value for their tax dollars over the past ten years and that there is no reason that this pattern should not continue.

There are obviously parts of this recommendation that the BOCC and General Public would prefer not to hear, but shame on me if I report what everyone wants to hear instead of what they need to hear to address critical issues faced by Stokes County. 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 believe we are now in the first year of at least a two year “Perfect Storm”. The essence of our “Perfect Storm” is that we have run out of sufficient revenue to fund the county operations without Ad Valorem tax increases, which are not desired by anyone. There is a new component of this “Perfect Storm” that has now surfaced more rapidly than I had hoped and is driving the county’s risk and liability up significantly. That component is non-competitive base salaries. I had hoped the county could wait until the FY 2017/18 timeframe to deal with this issue, but it is now clear that this issue will have to be addressed much sooner. The FY 2015/16 budget proposal will preserve a General Fund Balance at the desired level for another year but only by increasing taxes or eliminating services, and as I have stated earlier, further cuts in services are not really feasible given the statutory requirements and the expectations of the County’s citizens. 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 the recommended Ad Valorem tax increases and use of remaining available General Fund Balance in FY 2015/16 and FY 2016/17 to balance these two budgets. 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. It’s my opinion that my recommended budget for this year addresses all major budget issues faced by the County to maintain services for FY 2015/16 while preserving some of the available General Fund Balance for the FY 2016/17 County Budget.

**It is my formal recommendation that the BOCC adopt my recommended budget of \$44,827,006 for the FY 2015/16 Fiscal Year.**

This budget message includes 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.

**Public Comments:**

There were no public comments.

**CONSENT AGENDA**

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

Consent Agenda:

**Minutes**

- Minutes of May 11, 2015 – Regular Meeting

**Sheriff's Department - Budget Amendment #69**

Finance Director Julia Edwards submitted Budget Amendment #69.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	<b>Sheriff's Department</b>			
100.4310.511	Equipment – Non-Capital	<u>\$27,028.00</u>	<u>\$630.00</u>	<u>\$27,658.00</u>
	<b>Total</b>	<b>\$27,028.00</b>	<b>\$630.00</b>	<b>\$27,658.00</b>

This budget amendment is justified as follows:

To purchase a TV for the DRC Alcohol Program. No County Funding.

This will result in a **net increase of \$630.00** 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	Budgeted Amount	Increase (Decrease)	As Amended
100.3301.413	State Fines & Forfeitures	<u>\$14,661.00</u>	<u>\$630.00</u>	<u>\$15,291.00</u>
	<b>Totals</b>	<b>\$14,661.00</b>	<b>\$630.00</b>	<b>\$15,291.00</b>

**Sheriff's Department, Jail, Emergency Medical Services, Social Services & Contingency – Budget Amendment #70**

Finance Director Julia Edwards submitted Budget Amendment #70.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	<b>Sheriff's Department</b>			
100.4310.000	Salaries and Wages	\$1,645,513.00	\$26,831.00	\$1,672,344.00
	<b>Jail</b>			
100.4320.000	Salaries and Wages	\$639,068.00	\$4,734.00	\$643,802.00
	<b>Emergency Medical Services</b>			
100.5310.000	Salaries and Wages	\$1,163,618.00	\$114.00	\$1,163,732.00
	<b>Social Services</b>			
100.4310.000	Salaries and Wages	\$1,824,444.00	\$14,524.00	\$1,838,968.00
	<b>Contingency</b>			
100.9910.000	Contingency	<u>\$55,573.00</u>	<u>\$(35,310.00)</u>	<u>\$20,263.00</u>
	<b>Total</b>	<b>\$5,328,216.00</b>	<b>\$10,893.00</b>	<b>\$5,339,109.00</b>

This budget amendment is justified as follows:

To transfer funds from Leave Contingency for payoff due to retirements, dismissals, resignations, and Social Services paying for compensatory time related to NCFAS. Total vacation payoff = \$10,696; holiday payoff = \$21,305; and compensatory time payoff = \$14,202.

This will result in a **net increase of \$10,893.00** 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	Budgeted Amount	Increase (Decrease)	As Amended
100.3301.202	DSS-Federal	<u>\$2,314,724.00</u>	<u>\$10,893.00</u>	<u>\$2,325,617.00</u>
	<b>Totals</b>	<b>\$2,314,724.00</b>	<b>\$10,893.00</b>	<b>\$2,325,617.00</b>

**Health Department, Public Buildings & Capital Reserve Fund - Budget Amendment #71**

Finance Director Julia Edwards submitted Budget Amendment #71.



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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
<b>Health Department</b>				
100.5100.510	Equipment	<u>\$00.00</u>	<u>\$10,000.00</u>	<u>\$10,000.00</u>
	<b>Total</b>	<b>\$00.00</b>	<b>\$10,000.00</b>	<b>\$10,000.00</b>
<b>Capital Reserve Fund</b>				
201.4190.013	Public Buildings	\$88,475.00	\$(10,000.00)	\$78,475.00
201.9810.000	Transfer to General Fund	<u>\$210,431.00</u>	<u>\$10,000.00</u>	<u>\$220,431.00</u>
	<b>Total</b>	<b>\$298,906.00</b>	<b>\$00.00</b>	<b>\$298,906.00</b>

This budget amendment is justified as follows:

To transfer funds from Capital Reserve Fund to replace air conditioner unit at the Health Department

This will result in a **net increase of \$10,000.00** 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	Budgeted Amount	Increase (Decrease)	As Amended
	Transfer from Capital Reserve			
100.3982.960	Fund	<u>\$210,431.00</u>	<u>\$10,000.00</u>	<u>\$220,431.00</u>
	<b>Totals</b>	<b>\$210,431.00</b>	<b>\$10,000.00</b>	<b>\$220,431.00</b>

#### **Emergency Management, Capital Reserve Fund - Budget Amendment #72**

Finance Director Julia Edwards submitted Budget Amendment #72.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
<b>Emergency Management</b>				
100.4330.350	Maint. & Repairs to Equipment	\$14,000.00	\$(14,000.00)	\$00.00
100.9820.960	Transfer to Capital Reserve Fd	<u>\$134,692.00</u>	<u>\$14,000.00</u>	<u>\$148,692.00</u>
	<b>Total</b>	<b>\$148,692.00</b>	<b>\$00.00</b>	<b>\$148,692.00</b>
<b>Capital Reserve Fund</b>				
201.4330.001	Emergency Management	<u>\$14,692.00</u>	<u>\$14,000.00</u>	<u>\$28,692.00</u>
	<b>Total</b>	<b>\$14,692.00</b>	<b>\$14,000.00</b>	<b>\$28,692.00</b>

This budget amendment is justified as follows:

To transfer funds General Fund EMPG Funds not used for repairs. These funds are required to be used for Emergency Management.

This will result in a **net increase of \$14,000.00** 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.

<b>Account Number</b>	<b>Account Description</b>	<b>Budgeted Amount</b>	<b>Increase (Decrease)</b>	<b>As Amended</b>
201.3981.000	Transfer from General Fund	<u>\$134,692.00</u>	<u>\$14,000.00</u>	<u>\$148,692.00</u>
	<b>Totals</b>	<b>\$134,692.00</b>	<b>\$14,000.00</b>	<b>\$148,692.00</b>

#### **Vehicle Maintenance, Capital Reserve Fund - Budget Amendment #73**

Finance Director Julia Edwards submitted Budget Amendment #73.

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

<b>Account Number</b>	<b>Account Description</b>	<b>Current Budgeted Amount</b>	<b>Increase (Decrease)</b>	<b>As Amended</b>
	<b>Vehicle Maintenance</b>			
100.4330.350	Maint. & Repairs to Equipment	<u>\$17,547.00</u>	<u>\$1,325.00</u>	<u>\$18,872.00</u>
	<b>Total</b>	<b>\$17,547.00</b>	<b>\$1,325.00</b>	<b>\$18,872.00</b>
	<b>Capital Reserve Fund</b>			
201.4250.006	Vehicle Maintenance	<u>\$14,692.00</u>	<u>\$(1,325.00)</u>	<u>\$13,367.00</u>
201.9810.000	Transfer to General Fund	<u>\$220,431.00</u>	<u>\$1,325.00</u>	<u>\$221,756.00</u>
	<b>Total</b>	<b>\$235,123.00</b>	<b>\$00.00</b>	<b>\$235,123.00</b>

This budget amendment is justified as follows:

To transfer funds from Capital Reserve Fund for unexpected items while installing the Petro-Vend Fuel System.

This will result in a **net increase of \$1,325.00** 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.

<b>Account Number</b>	<b>Account Description</b>	<b>Budgeted Amount</b>	<b>Increase (Decrease)</b>	<b>As Amended</b>
100.3982.960	Transfer from Capital Reserve	<u>\$220,431.00</u>	<u>\$1,325.00</u>	<u>\$221,756.00</u>
	<b>Totals</b>	<b>\$220,431.00</b>	<b>\$1,325.00</b>	<b>\$221,756.00</b>

### Health Department - Budget Amendment #74

Finance Director Julia Edwards submitted Budget Amendment #74.

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

<b>Account Number</b>	<b>Account Description</b>	<b>Current Budgeted Amount</b>	<b>Increase (Decrease)</b>	<b>As Amended</b>
<b>Health Department</b>				
100.5100.000	Salaries	\$418,121.00	\$3,458.00	\$421,579.00
100.5100.090	Social Security Tax (FICA)	\$25,898.00	\$279.00	\$26,177.00
100.5100.091	Medicare	\$6,057.00	\$65.25	\$6,122.25
100.5100.100	Retirement	\$29,342.00	\$333.45	\$29,675.00
100.5100.110	Health Insurance	\$66,183.00	\$145.00	\$66,328.00
100.5100.111	Dental Insurance	\$4,613.00	\$10.30	\$4,623.30
100.5100.180	Professional Services	\$52,000.00	\$8,000.00	\$60,000.00
100.5100.230	Medical Supplies	\$6,500.00	\$2,560.00	\$9,060.00
100.5100.260	Departmental Supplies	\$5,465.00	\$598.00	\$6,063.00
100.5100.311	Employee Training	<u>\$5,700.00</u>	<u>\$2,000.00</u>	<u>\$7,700.00</u>
	<b>Total</b>	<b>\$619,879.00</b>	<b>\$17,449.00</b>	<b>\$637,328.00</b>

This budget amendment is justified as follows:

Each year, the Health Department is given a projected budget thru the State Contract Addendums. This budget amendment is needed to make adjustments for additional monies received and areas where cuts were made by the State.

This will result in a **net increase of \$17,449.00** 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.

<b>Account Number</b>	<b>Account Description</b>	<b>Budgeted Amount</b>	<b>Increase (Decrease)</b>	<b>As Amended</b>
100.3301.232	WIC – Client Services	\$102,331.00	\$7,931.00	\$110,262.00
100.3301.237	Health Promotions	\$13,075.00	\$13,757.00	\$26,832.00
100.3301.226	WIC – Breastfeeding	\$5,669.00	\$8,000.00	\$13,669.00
100.3301.255	Bioterrorism	\$42,121.00	\$(13,885.00)	\$28,236.00
100.3301.239	Immunization Action Plan	\$14,616.00	\$(914.00)	\$13,702.00
100.3301.245	Communicable Disease	<u>\$11,000.00</u>	<u>\$2,560.00</u>	<u>\$13,560.00</u>
	<b>Totals</b>	<b>\$188,812.00</b>	<b>\$17,449.00</b>	<b>\$206,261.00</b>

### **Environmental Health - Budget Amendment #75**

Finance Director Julia Edwards submitted Budget Amendment #75.

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

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
<b>Environmental Health</b>				
100.5192.511	Non-Capital Equipment	<u>\$00.00</u>	<u>\$1,989.00</u>	<u>\$1,989.00</u>
	<b>Total</b>	<b>\$00.00</b>	<b>\$1,989.00</b>	<b>\$1,989.00</b>

This budget amendment is justified as follows:

The Food & Lodging Program is receiving an additional funding of \$1,989.00 for completing required inspections. Environmental Health has tried to get their computers on an update rotation. Will be replacing a dated computer with these funds.

This will result in a **net increase of \$1,989.00** 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	Budgeted Amount	Increase (Decrease)	As Amended
100.3301.234	Food and Lodging	<u>\$00.00</u>	<u>\$1,989.00</u>	<u>\$1,989.00</u>
	<b>Totals</b>	<b>\$00.00</b>	<b>\$1,989.00</b>	<b>\$1,989.00</b>

### **Tax Administration Report – April 2015**

#### **Refunds more than \$100 – Real and Personal Property**

Tax Administrator Jake Oakley presented the following Refunds more than \$100 –

Real and Personal Property (April 2015) at the May 11<sup>th</sup> meeting for the Board's review and consideration at the May 26<sup>th</sup> meeting:

#### **Refunds more than \$100 - Real/Personal Property**

Name	Bill No	Amount	Reason
Patel Bhaviniben	16523125	\$114.00	Vehicle Sold
Lee Satterfield	25588410	<u>\$261.00</u>	Plate Purchased in Error
<b>Total</b>		<b>\$375.00</b>	

### **Present-Use Value Late Applications**

Tax Administrator Jake Oakley presented the following Present-Use Value Late Applications (April 2015) at the May 11<sup>th</sup> meeting for the Board's review and consideration at the May 26<sup>th</sup> meeting:

- Taxpayer: Tim Watkins
  - Parcel: 603000972515
  - Acreage: 14.31
  - Reason: Has other land under farm use
- Taxpayer: Thomas and Debra Day
  - Parcel: 696900457432
  - Acreage: 26.0
  - Reason: Has other land under farm use
- Taxpayer: Laurel Jones
  - Parcel: 691500033333
  - Acreage: 13.58
  - Reason: Has other land under farm use
- Taxpayer: Lillian Stone Trust
  - Parcel: 597203233437
  - Acreage: 3.72
  - Reason: Has qualifying land in Surry County

### **Write-Off Request**

Tax Administrator Jake Oakley presented the following Write Off Request (April 2015) at the May 11<sup>th</sup> meeting for the Board's review and consideration at the May 26<sup>th</sup> meeting:

- Recently, a tax lien sale was conducted for the Tax Office covering property located at 150 Trinity Drive, King
- Parcel #5992-10-25-5348
- Following the sale, a portion of the proceeds were seized by the State of North Carolina to satisfy an earlier priority lien by the State
- Stokes County did receive proceeds covering \$1,369.15 in county taxes and \$825 for attorney fees
- After the application of these sales proceeds, the following balance of county property taxes remain on the account:
  - \$2,573.28
- There is no further recourse in collecting these taxes

- Request the Board approve to write off the balance of the delinquent taxes on Parcel #5992-10-25-5348

**Lease Purchase Agreement – Walnut Cove Vol. Fire Department and Rescue Squad, Inc.**

County Manager Rick Morris presented the following proposed letter submitted from the Walnut Cove Vol. Fire Department and Rescue Squad, Inc. for the Lease Purchase Agreement for the purchase of a pumper/tanker (financial institute requires the approved document) for the Board's consideration and approval at the May 26<sup>th</sup> meeting:

United Financial of North Carolina, Inc.  
58 Wilkie Way  
Fletcher, NC 28732

Re: Lease Purchase Agreement between United Financial of North Carolina, Inc. and Walnut Cove Volunteer Fire Department and Rescue Squad, Inc.

Dear Sirs:

I am Chairman of the County Commissioners of Stokes County.

This letter is to advise you that: Walnut Cove Volunteer Fire Department and Rescue Squad, Inc. is a qualified Volunteer Fire Department, assigned to protect a specific Fire District within Stokes County.

In addition, a special ad valorem (Fire Tax) is assessed on the real property owners of this district. Said Tax is to be used exclusively to provide equipment, facilities, and training as is necessary to provide fire protection for said district. Said funds may also be used to upgrade equipment as the need arises. This tax is collected by the County and disbursed by the Finance Office to the Fire Department on a regular basis by the County Finance Officer.

The Walnut Cove Volunteer Fire Department and Rescue Squad, Inc. is operated and managed by the Board of Directors of the Fire Department and the Officers of said Department. The Department is currently meeting the requirements of their Fire Service Contract.

The Walnut Cove Volunteer Fire Department and Rescue Squad, Inc. has made the Board of Commissioners aware of their intention to acquire a new capital asset through a Lease Purchase transaction with your firm. Please be advised that the County has no objections to this transaction.

If I can be of any further assistance, please let me know.

Sincerely yours,  
Ronda Jones  
Chairman - Stokes County Board of Commissioners

May 26, 2015

Commissioner Inman moved to approve the Consent Agenda as presented.

Commissioner Booth seconded and the motion carried unanimously.

## **GENERAL GOVERNMENT – GOVERNING BODY – INFORMATION AGENDA**

### **NCFAST Update**

County Manager Rick Morris presented the following NCFAST Update from DSS Director Stacey Elmes:

- Stokes DSS is caught up (for the most part) through May with Medicaid and Food Stamp re-certifications
- The biggest issue for DSS is needing workers to get the work completed
- Director Elmes stated that two years ago, she thought that NCFAST would one day be the system that allowed counties to get by with fewer workers
- Director Elmes stated that she did not see that as a possibility now; the workload is too high
- Doing the work in NCFAST is effective time wise (when the system works correctly), it is the volume of work that DSS must complete that is overwhelming and a computer system will not make that go away
- Staff is continuing to do the best they can with the NCFAST System and volume of work

Chairman Jones opened the floor for discussion.

Commissioner Lankford confirmed with Manager Morris that overtime compensation was still being paid to DSS employees working with the NCFAST program. Commissioner Lankford questioned if it would still be needed after the start of the new fiscal year?

County Manager Morris responded:

- Feel it will still be needed after the new budget year, unless the Board approves some of the recommendations included in the proposed budget for FY 2015-16

## **GENERAL GOVERNMENT – GOVERNING BODY – DISCUSSION AGENDA**

### **Forsyth Tech Community College – Agricultural Grants Update & Trades Course Options**

County Manager Rick Morris noted that Senior Director Ann Watts and Economic Development WorkForce Coordinator Sally Elliot, Forsyth Technical Community College, were in attendance for tonight's meeting to update the Board regarding Agricultural Grants and Trades

Course Options.

County Manager Rick Morris turned the meeting over to Director Ann Watts.

Director Ann Watts announced that the Early College graduated 29 students this year who have been offered \$2.2 million in scholarships with the possibility of scholarships that have just not been awarded yet.

Director Watts presented the following information to the Board:

**Tobacco Trust Fund “Off the Ground” Grant:**

- Grant funding will be used to fund a greenhouse and a hoop house along with equipment needed for Horticulture and sustainable agriculture courses
- Grant amount requested is \$100,000
- Need the allowed use of approximately 3 acres of land on the community college campus for the placement of a greenhouse/hoop house and other agricultural related programs; no funding is being requested from the County
- The land would continue to be owned by Stokes County
- Jeff Jennings, Tobacco Trust Fund, will be visiting Forsyth Tech this week regarding the grant

**USDA National Institute of Food and Agriculture Planning Grant:**

- Requested grant amount is \$25,000 which will be used for the planning of a regional approach to address the need for more students into the pipeline of agricultural related careers (farming, agronomy, bio agricultural research, environmental sciences, etc.)
- The grant is being submitted jointly by Forsyth Tech (FT) and Rockingham Community College (RCC)
- High Schools in both counties, FT and RCC Community Colleges, Agricultural Extension Services in both counties, as well as, A&T University, would be involved in the planning year with the goal of submission of an implementation grant at the end of the planning year for \$300,000
- Will hopefully address the void that is coming in agricultural related careers
- No funding is being requested from the county
- Just wanted to let the Board know what is being done by Forsyth Tech for Stokes County

**Trades Programs Expansion Options at Forsyth Tech/Stokes County Center:**

- Need for the small metal storage building and the welding building to be relocated from Sertoma to FT/Stokes County Center and the welding equipment to be moved so that classes can be held at the campus on Dodgetown Road
- No funding is being requested from the county



- The proposed project would be completed with the combined support of Piedmont Triad Regional Council, Forsyth Tech, Stokes County Maintenance and private funding
- Since Sertoma has been transferred to the Park, some of the buildings are no longer available for use for classes
- Classes for the HVAC have been moved to the Northwest Forsyth Center which is not ideal
- Losing welding students due to the facility (no heating/cooling, inadequate restroom facilities, etc.)
- Students are going to other locations that have better facilities
- Would request approval to investigate the possibility of moving buildings to the Dodgetown location to grow the trades programs

Chairman Jones opened the floor for discussion.

Vice Chairman Walker commented:

- Appreciate all that is being done to promote community college education here in Stokes County
- Have been a steadfast supporter of helping our farmers continue to be able to make a living from the land
- Confirmed with Director Watts that the average age of farmers in Stokes County is 59 years old
- Need to have some way for the next generations to be able to continue to make a living from the land
- I am not a fan of seeing good farmland go to subdivisions
- I am not a fan of riding by a place that used to be a farm and now there are rows of houses
- Very concerned about the amount of fruit that comes from California to North Carolina; has to cost more, loses some of the flavor, etc.
- Applaud you for your efforts
- So easy to just look over our agricultural component
- Nothing is simple any more, farming has become more difficult with farmers having to be certified in chemical use, running the farm like a business, etc.
- Know that there are Future Farmers of America (FFA) Organizations in the high schools, but wonder if it is good to have them at the community college?

Director Watts responded:

- There are approximately 160 students in the high schools each year that take agricultural and horticultural programs
- Really hoping to build on those programs to provide somewhere for the students to go after graduation for additional training

Vice Chairman Walker questioned Director Watts what indication do we have that there is sufficient interest in these types of courses?

Director Watts responded:

- As a part of writing the grants, worked with Cooperative Extension in Stokes, Rockingham, and Forsyth Counties who supplied data
- Stokes Cooperative Extension has reported a lot of calls being received from people who are moving in and want to use the land, but don't know how to farm
- Also looked at the high school statistics and the kind of programs being offered in the three counties
- In February on a cold winter Saturday, the Forsyth Tech Stokes County Center hosted more than 30 farmers for a day of health and safety workshops; very successful event

Vice Chairman Walker continued:

- Would have trouble looking the farmers in the eye if we were not trying to do whatever we could do to try to help them for the future
- Need to look down the road to provide them the education they need to succeed as farmers
- I don't want to feel like we are overlooking anything that we can do for anyone in the County
- Have a special place for the farmers
- Farming has been a way of life for many people in Stokes County
- Farming is a tradition that I would like to see continue to whatever extent possible
- Have my support

Commissioner Booth commented:

- Farming is the number one industry in North Carolina
- Heard Steve Troxler in a meeting state that agriculture is an estimated \$80 billion industry in North Carolina and he believes it could become a \$100 billion industry in the not-too-distance future
- Feel the trades are very important in the high schools and the community college

Commissioner Lankford commented:

- Confirmed with Director Watts that the courses would be taught at the community college with high school/early college students being able to enroll
- Know that some of these same agriculture courses are currently being taught at some of the high schools in the County

Director Watts responded:

- Looked at the courses being offered in the high schools
- These courses at the community college would offer certification and count towards a degree
- Could be taught to those high schools students in a dual role which would be tuition free
- Would never duplicate what is being offered in the high schools, would only want to add to it

Commissioner Inman commented:

- Very excited to see this on the Agenda tonight
- When the land was purchased for the community college, the vision was always that more than 4 acres would be used; most everyone's vision included having trades and/or horticulture at the Stokes campus
- In the mid-nineties, the decision was made to start eliminating trades and vocational programs because of "technology"
- Feel it was a big, huge mistake
- There is a renewed emphasis regarding trade/vocational programs and the need for those programs
- Governor McCrory supported legislation to give a big boost to vocational education
- Grew up on a farm, learned farming the old fashion way; it was our way of life
- With the small number actively engaged in farming today, it is incumbent upon technical colleges and others to give them the opportunity to succeed
- We owe it to our young people to expose it to them, if nothing else but to grow a garden
- It would be interesting to see how many people do not know how to start a garden
- Feel this is a worthwhile project
- Support the use of the land for this program

Chairman Jones commented:

- Fully support the programs
- Was a vocational teacher and then technology came along
- These programs are truly needed
- Agree with Commissioner Inman's comments that it was a big mistake taking the vocational courses out of the high schools
- Have my full support; working very hard with the Farmer's Market and Stokes Future to turn things around
- Need to make people aware
- Many people are not aware that Stokes County offers locally grown popcorn which is really good
- Lots of time, the courses in the high schools are overcrowded, lack resources, etc.

Commissioner Booth commented:

- Visited a farm recently in Watauga County where a young farmer is using new techniques to grow soybeans; very impressive

County Manager Morris noted that the County would assist Director Watts on the feasibility of moving the buildings, site locations for the buildings/greenhouses, and bring them back to the Board for approval.

The Board discussed the timing of the programs with Director Watts.

County Manager Morris noted that he could have a designated area for the Board to review at the next meeting with option to possibly move to the Action Agenda.

County Manager Morris, with Director Watts' concurrence, noted that the moving of the buildings would not have to be approved at the next meeting.

Director Watts noted that placing the items on the next Agenda with the option to move the land request to the Action Agenda would work.

Chairman Jones noted it was the consensus of the Board, to place the item on the next Discussion Agenda with option to move to the Action Agenda.

Chairman Jones, with full consensus of the Board, directed the Clerk to place the item on the June 8<sup>th</sup> Discussion Agenda.

Vice Chairman Walker expressed appreciation to Director Watts and staff for being proactive with the grants and especially for looking at the needs in the county.

#### **Consideration of Ordinance Proposal**

Chairman Jones noted that the Consideration of Ordinance Proposal was approved by the Board during the "Approval of the Agenda" to be removed from tonight's Agenda.

#### **Health Department External Posting**

County Manager Rick Morris presented the following request to post externally a vacant Public Health Nurse II:

- Vacant Public Health Nurse II position is a revenue producing position which provides services to the citizens of Stokes County
- Will have no internal qualified applicants
- Request to move the item to tonight's Action Agenda in order to possibly expedite the filling of the position

Chairman Jones opened the floor for discussion.

The Board had no issues with the Manager's request.

The Board had no issues with moving the item to tonight's Action Agenda.

Chairman Jones, with full consensus of the Board, directed the Clerk to place the item on tonight's Action Agenda.

**Appointments – Stokes County Aging Committee**

County Manager Rick Morris noted the following regarding appointments to the Stokes County Aging Committee:

- Committee has lost several members over the past years
- Stokes County Aging Committee requests the Board of Commissioners appoint 7 individuals to fill the 7 vacant positions
- Committee has lost several of the committee members due to health issues
- County has received an application for appointment from Janelle Kent

Chairman Jones opened the floor for nominations.

Commissioner Booth nominated Janelle Kent.

Chairman Jones entertained a motion to close the nominations.

Commissioner Booth moved to close the nominations. Commissioner Lankford seconded and the motion carried unanimously.

Vice Chairman Walker confirmed with Clerk Bullins that advertising would be placed in the Stokes News and placed on the County website.

Vice Chairman Walker suggested posting this at the Senior Centers in Walnut Cove and King.

Chairman Jones, with full consensus of the Board, directed the Clerk to place the item on the June 8<sup>th</sup> Action Agenda.

**Social Services Health Department External Posting**

County Manager Rick Morris presented the following information regarding the request from DSS Director Stacey Elmes to post externally a Social Worker III Foster Care vacant position:

- Vacant Social Worker III – Foster Care position is being posted internally
- Director Elmes feel there will not be any interest from current staff

- Very critical position that needs to be filled as soon as possible
- Request to move the item to tonight's Action Agenda in order to possibly expedite the filling of the position

Chairman Jones opened the floor for discussion.

The Board had no issues with the Manager's request.

The Board had no issues with moving the item to tonight's Action Agenda.

Chairman Jones, with full consensus of the Board, directed the Clerk to place the item on tonight's Action Agenda.

**GENERAL GOVERNMENT – GOVERNING BODY – ACTION AGENDA**  
**Wilkes Communication, Inc**  
**Proposed Resolution and Proposed Lease**

County Manager Rick Morris notified the Board that the survey was not completed and requested to place the item back on the June 8<sup>th</sup> Action Agenda.

County Manager Morris noted that Wilkes Communication is also working on sites in King and Walnut Cove and should have the surveys completed for the June 8<sup>th</sup> meeting.

The Board had no issues with placing the item back on the June 8<sup>th</sup> Action Agenda.

Chairman Jones, with full consensus of the Board, directed the Clerk to place the item on the June 8<sup>th</sup> Action Agenda.

**Personal Liability and Worker's Compensation Insurance Renewal**

Chairman Jones entertained a motion regarding the Personal Liability and Worker's Compensation Insurance Renewal presented at the May 11<sup>th</sup> meeting.

Commissioner Booth moved to approve that the County continue to stay with the North Carolina Association of County Commissioners Risk Management Insurance Pool for Fiscal Year 2015-16 for Worker's Compensation, Liability, Property and Auto at a cost of \$565,327.00. Commissioner Inman seconded and the motion carried unanimously.

## **Economic Development Assessment**

Chairman Jones noted the Economic Development Assessment was discussed at the May 11<sup>th</sup> meeting.

Chairman Jones noted the need to decide if there was going to be an Assessment Committee and if so, the makeup of the committee.

Chairman Jones entertained a motion.

Vice Chairman Walker requested the Manager to repeat what he feels would be best for this Committee.

County Manager Morris responded:

- Attended the last Economic Development Commission (EDC) meeting and wondered what was the point in the EDC meeting with the Board supposedly restructuring economic development and determining where the Board of Commissioners want to go with economic development in Stokes County
- The approved motion by the Board stated that several items would be done by the Board of Commissioners during the one-year period
- Need to get started
- Feel the EDC needs some guidance from this Board as to what direction to take forward
- Have had other committees for community college, sewer project, etc. that keeps the full Board informed of what is going on
- This committee would bring suggestions, concerns, etc. back to the Board of Commissioners
- Feel that Arts Council Director Eddy McGee, Planning Director/Interim Economic Development Director David Sudderth and myself should be on the committee with a couple of commissioners and EDC members

Vice Chairman Walker noted that the Chairman and Vice Chairman of the EDC and Board of Commissioners was discussed at the May 11<sup>th</sup> meeting.

County Manager Morris noted the Chairs and Vice Chairs would work on the committee, but suggested not making the committee too large.

Commissioner Inman commented:

- Having served as the appointed commissioner to the EDC, I am not being critical, feel the Board had gotten to depend on the Economic Development Director too much

- The Agenda was primarily composed by the director and had become a rubber stamp EDC to the Economic Development Director
- Have discussed this with Manager Morris
- Feel it needs to be reassessed
- EDC has a Strategic Plan in place
- With what has happened with Wilkes Communication, it is going to be a tremendous boost to entrepreneurs
- Feel the Board of Commissioners needs to provide direction to the EDC
- EDC did not meet this past month

Chairman Jones commented:

- Reiterated what the original, approved motion stated during the one-year period of this reclassification, the Board of County Commissioners, with the assistance of County staff will:
  - Reassess the Economic Development mission and process that is currently in place
  - Review the Economic Development Director's job description/duties
  - Review the EDC Bylaws and mission statement
  - Review and analyze all other aspects of the economic development function in the County to include the development of metrics, which would be used to measure the success of the Economic Development Department's function
- Need to know if the Board wishes to continue with the development of a committee

Commissioner Booth commented:

- Confirmed with Chairman Jones that the committee would be doing the assessment instead of the County Commissioners

Chairman Jones responded:

- The Assessment Committee would bring the information from the assessment back to the Board of Commissioners on a regular basis

Commissioner Booth commented:

- Liked the point made by Commissioner Inman regarding giving the EDC direction

Vice Chairman Walker moved to approve the development of an economic development assessment/planning committee with members being comprised of Chairman and Vice Chairman from both the Board of County Commissioners and Economic Development Commission, County Manager Rick Morris, Interim Economic Development Director David Sudderth, and Arts Council Director Eddy McGee and the assessment brought back to the Board of Commissioners in a timely and appropriate manner, fully and thoroughly. Commissioner Inman seconded and the motion



carried (3-2) with Commissioner Lankford and Commissioner Booth voting against the motion.

### **Health Department External Posting**

Chairman Jones entertained a motion regarding external posting for a Public Health Nurse II vacant position which was presented by Manager Morris at tonight's meeting.

Commissioner Inman moved to approve the external posting for a Public Health Nurse II vacant position. Commissioner Booth seconded and the motion carried unanimously.

### **Social Services - External Posting**

Chairman Jones entertained a motion regarding external posting for a Social Worker III – Foster Care vacant position which was presented by Manager Morris at tonight's meeting.

Commissioner Booth moved to approve the external posting for a Social Worker – Foster Care vacant position. Vice Chairman Walker seconded and the motion carried unanimously.

### **CLOSED SESSION**

Chairman Jones entertained a motion to enter Closed Session for the following:

- 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 G.S. 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 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 G.S. 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 reentered the opened session of the May 26<sup>th</sup> meeting.

**EMS – Salary Approval**

Chairman Jones entertained a motion.

Commissioner Lankford moved to approve the hiring of applicants Jolly and O'Brien at an annual starting salary of Grade 69 – Step (6B). Commissioner Booth seconded and the motion carried unanimously.

**Adjournment**

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

Commissioner Inman moved to adjourn the 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**