

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF STOKES )  
 )

OFFICE OF THE COMMISSIONERS  
STOKES COUNTY GOVERNMENT  
DANBURY, NORTH CAROLINA  
JUNE 8, 2015

The Board of Commissioners of the County of Stokes, State of North Carolina, met for regular session in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Monday, June 8, 2015 at 1:30 pm with the following members present:

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

Commissioner J. Leon Inman -- absent

County Personnel in Attendance:  
County Manager Richard D. Morris  
Clerk to the Board Darlene Bullins  
County Attorney Tyrone Browder  
Finance Director Julia Edwards  
DSS Director Stacey Elmes  
Tax Administrator Jake Oakley

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

Chairman Jones noted that Commissioner Inman would not be present for today's meeting due to being in Raleigh to accept an award.

Vice Chairman Walker 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 June 8, 2015 Agenda.

Commissioner Booth moved to approve the June 8<sup>th</sup> Agenda as presented.

Vice Chairman Walker seconded and the motion carried (4-0) with Commissioner Inman absent.

### **COMMENTS - Manager/Commissioners**

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

County Manager Rick Morris commented:

- **Forsyth Tech – Agenda Item**
  - Director Ann Watts requested that the May 26<sup>th</sup> Agenda item designating an area at the Early College Site be postponed until the June 22<sup>nd</sup> due to not being able to be at the June 8<sup>th</sup> meeting (scheduled vacation plans)
  - Will be on the June 22<sup>nd</sup> Agenda
  - County staff has been working with Director Watts regarding the Agenda item
- **Public Hearing – Tuesday, June 9, 2015 – 7:00 pm – Proposed Fiscal Year 2015-16 Budget**
  - Government Center Complex – Courtroom “A”

Commissioner Booth commented:

- Noted the construction on the Stokes Pharmacy across from the Government Center has started

Vice Chairman Walker commented:

- This Board has some challenges with the upcoming county budget
- Know that everyone is pitching in and working hard to try to do the most we can with the available resources
- Want to be fair to the employees, the citizens, and all involved to the greatest extent possible

Commissioner Lankford commented:

- Ethics for Life – “All I know now is to live life to the fullest and do my best; every kid’s wish is to be loved forever”
  - Part of a poem written by a foster child
- At the last Piedmont Triad Regional Council (PTRC) meeting, a weatherization assistance program was presented which provides dollars that come from the state
  - Approval was given for the PTRC to accept \$2,714,688 for the following counties: Alamance, Caswell, Davidson, Forsyth, Guilford, Randolph, and Rockingham
  - Stokes County was in the group who received funding last year

Chairman Jones commented:

- No comments tonight other than it is a very busy time right now

Vice Chairman Walker commented:

- Chairman Jones is very actively involved in the farming program (Farmer's Market)  
– trying to bring fresh produce to our citizens

## **PUBLIC COMMENTS**

Chairman Jones noted that each speaker had three minutes for comments.

The following spoke during public comments:

### **Town Manager Frank James**

Town of Rural Hall

7290 Broad Street

Rural Hall, NC

Re: **"Thank You – Budget Process"**

Town Manager James presented the following comments:

- Thank you for the opportunity to speak today
- Wanted to let the Board know that I will not be able to attend the Public Hearing tomorrow evening due to a scheduling conflict, but our Fire Chief and Mayor Pro Tempore will be attending
- I, as a manager, understand the budget process extremely well
- Understand the process that goes into preparing a budget which includes all the requests the manager receives
- If you read the paper this past Thursday, "*Weekly Independent*", I commented how professional you have been to this approach
- Your staff has been excellent over this past year to work with
- Just want to take this opportunity to thank you for the job that you do as an elected official
- Sincerely appreciate all the consideration that has been given to, not only the fire departments, not only to the Town of Rural Hall, but to this county as a whole
- As I rode over today, I can see all the progress that is taking place – a new community college will soon be under construction
- Very proud to be a product of Stokes County
- Very proud to see all these good things happening
- Appreciate all the consideration given and hope this will be a very positive thing for everyone

Chairman Jones expressed appreciation to those speaking during public comments.

## **CONSENT AGENDA**

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

Consent Agenda:

- Minutes of March 20, 2015 – Special Session – Legislative Delegation
- Minutes of May 26, 2015 - Regular Meeting
- Minutes of May 29, 2015 – Budget Work Session
- Minutes of June 2, 2015 – Planning Meeting

**Sheriff's Department, Emergency Medical Services, Social Services, Contingency - Budget Amendment #76**

Finance Director Julia Edwards submitted Budget Amendment #76.

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 & Wages	\$1,672,344.00	\$3,178.00	\$1,675,522.00
<b>Emergency Medical Services</b>				
100.4370.000	Salaries & Wages	\$1,163,732.00	\$127.00	\$1,163,859.00
<b>Social Services</b>				
100.5310.000	Salaries & Wages	\$1,838,968.00	\$5,617.00	\$1,844,585.00
<b>Contingency</b>				
100.9910.100	Leave Contingency	<u>\$20,263.00</u>	<u>\$(4,709.00)</u>	<u>\$15,554.00</u>
<b>Totals</b>		<b>\$4,695,307.00</b>	<b>\$4,213.00</b>	<b>\$4,699,520.00</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 compensatory time due to NCFASST. Total vacation payoff is \$2,881, holiday payoff \$115, and compensatory time payoff \$5,926.

This will result in a **net increase** of **\$4,213.00** in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3301.202	DSS- Federal	<u>\$2,325,617.00</u>	<u>\$4,213.00</u>	<u>\$2,329,830.00</u>
<b>Totals</b>		<b>\$2,325,617.00</b>	<b>\$4,213.00</b>	<b>\$2,329,830.00</b>

### **Sheriff's Department - Budget Amendment #77**

Finance Director Julia Edwards submitted Budget Amendment #77.

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>Sheriff's Department</b>				
100.4310.510	Equipment	\$202,300.00	\$8,007.00	\$210,307.00
100.4310.511	Equipment – Non Capitalized	<u>\$27,028.00</u>	<u>\$800.00</u>	<u>\$27,828.00</u>
	<b>Totals</b>	<b>\$229,328.00</b>	<b>\$8,807.00</b>	<b>\$238,135.00</b>

This budget amendment is justified as follows:

To appropriate State and Federal Fines & Forfeitures to purchase a utility vehicle and supplies for investigative purposes – No County Funding.

This will result in a **net increase** of **\$8,807.00** 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>Current Budgeted Amount</b>	<b>Increase (Decrease)</b>	<b>As Amended</b>
100.3301.413	State Fines & Forfeitures	\$15,291.00	\$4,404.00	\$19,695.00
100.3301.411	Federal Fines & Forfeitures	<u>\$10,151.00</u>	<u>\$4,403.00</u>	<u>\$14,554.00</u>
	<b>Totals</b>	<b>\$25,442.00</b>	<b>\$8,807.00</b>	<b>\$34,249.00</b>

Commissioner Lankford moved to approve the Consent Agenda as presented. Vice

Chairman Walker seconded and the motion (4-0) with Commissioner Inman absent.

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

Chairman Jones noted there were no items for today's Information Agenda.

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

### **Tax Administration Report – May 2015**

Tax Administrator Jake Oakley presented the following informational data for the

May Report:

<b>Fiscal Year 2014-15</b>	<b>Budget Amt</b>	<b>Collected Amt</b>	<b>Over Budget</b>	<b>Under Budget</b>
<b>Current 2014 Taxes</b>	\$19,080,388.00	\$19,169,542.94	\$89,154.94	
<b>New Schools F-Tech Fund</b> (Includes Prior 98-2013 Taxes)	\$1,272,026.00	\$1,325,142.11	\$53,116.11	
<b>Prior Taxes</b> <b>1998-2013 Tax Years</b> County Regular & Motor Vehicles	\$675,000.00	\$635,190.78		\$39,809.22

**Collection Percentage**  
**As of May 31, 2015**  
 Current 2014 Tax = 100.47%

**New School F-Tech**  
**Fund = 104.18%**  
**Prior 1998-2013 Tax**  
**Years (Reg and MV) = 94.10%**

**EMS Current Collections**  
**Total Collected**  
 (05-01-15/05-31-15)  
 \$140,301.87  
**Total Collected**  
 (07-01-14/06-30-15)  
 \$1,467,578.64  
**Percentage of Collection =**  
 97.84%  
 Balance to collect = \$32,421.36

**Delinquent EMS Collection**  
**Report - Total Collected**  
 (05-01-15/05-31-15)  
 \$12,011.20  
 (07-01-14/06-30-15)  
 \$191,172.20  
**Percentage of Collection = 119.48%**  
**Balance over-collected: \$31,172.20**

**Business and Personal Property Discovery  
Report**

<b>Audit Dates</b>	<b>Accts</b>	<b>Total Value</b>	<b>Taxes Due</b>
(05-01-15/05-31-15)	31	\$172,300.00	\$1,497.02
(07-01-14/06-30-15)	376	\$4,626,734.00	\$43,826.81

**Motor Vehicle Release Report**  
**Audit Dates**  
 Assessment through NC  
 Department of Motor Vehicles

**Garnishment Totals**

Month	Total Accounts	Original Levy Amount	Collected Amount
(05-01-15/5-31-15)	181	\$63,453.20	\$68,225.92
<b>F/Year 2014-15</b>			
(07-1-14/6-30-15)	2,058	\$733,420.60	\$453,727.91

**Monthly Delinquent Tax Collection Report**

Tax Administrator Jake Oakley presented the following Monthly Delinquent Tax Collection Report for May 2015:

<u>County</u>	<u>Real/Personal</u>	<u>Property</u>	<u>May</u>	<u>2015</u>			
Year	Beginning Balance	Releases	Refunds	Debits/ Credits	Write-offs	Payments	Ending Balance
2013	\$ 279,067.22			\$(254.88)	\$(0.10)	\$(13,538.20)	\$ 265,274.04
2012	\$ 148,369.53					\$(5,832.68)	\$ 142,536.85
2011	\$ 83,825.73					\$(2,689.56)	\$ 81,136.17
2010	\$ 58,233.38					\$(825.55)	\$ 57,407.83
2009	\$ 37,559.55					\$(554.32)	\$ 37,005.23
2008	\$ 28,147.07					\$(472.20)	\$ 27,674.87
2007	\$ 19,464.06					\$(505.07)	\$ 18,958.99
2006	\$ 12,506.96					\$(193.40)	\$ 12,313.56
2005	\$ 10,306.76				\$(1,352.89)		\$ 8,955.87
2004	\$ 10,794.18				\$(1,554.33)		\$ 9,239.85
2003	\$ 8,812.23				\$(987.28)		\$ 7,824.95
2002	\$ 1,171.43						\$ 1,171.43
2001	\$ 4.58						\$ 4.58
2000	\$ 251.76						\$ 251.76
1999	\$ 313.78						\$ 313.78

<u>County</u>	<u>Motor</u>		<u>May</u>	<u>2015</u>			
Year	Beginning Balance	Releases	Refunds	Debits/ Credits	Write-offs	Payments	Ending Balance
2013	\$ 19,192.04			\$68.84	\$(0.64)	\$(901.36)	\$ 18,358.68
2012	\$ 2,677.32					\$(136.39)	\$ 2,540.93
2011	\$ 17,961.99				\$(0.02)	\$(254.23)	\$ 17,707.74
2010	\$ 20,416.19			\$166.32	\$(0.05)	\$(303.00)	\$ 20,279.46
2009	\$ 16,278.76			\$120.00		\$(173.87)	\$ 16,224.89
2008	\$ 17,317.11					\$(125.84)	\$ 17,191.27
2007	\$ 16,084.41			\$58.32		\$(82.74)	\$ 16,059.99
2006	\$ 11,600.71						\$ 11,600.71
2005	\$ 14,529.94				\$(15.44)		\$ 14,514.50
2004	\$ 12,874.01						\$ 12,874.01

June 8, 2015

2003	\$	13,236.19		\$(43.48)		\$	13,192.71
2002	\$						

<u>New</u>	<u>Schools</u>	<u>Forsyth</u>	<u>Tech</u>	<u>Fund</u>	<u>May</u>	<u>2015</u>	
Year	Beginning	Releases	Refunds	Debits/ Credits	Write-offs	Payments	Ending Balance
2013	\$ 19,818.21			\$(24.81)	\$(0.05)	\$(926.05)	\$ 18,867.30
2012	\$ 12,224.90					\$(375.52)	\$ 11,849.38
2011	\$ 6,411.46					\$(182.70)	\$ 6,228.76

<b>Interstate Collection Report</b>	<b>Collection</b>	<b>Total Collected</b>
May 2015		
Cumulative Total Collected to Date	NC Debt Setoff	<b>\$232,782.51</b>
Cumulative Total Collected (to date)	Motor Vehicles	\$133,265.75
Cumulative Total Collected (to date)	Property Taxes	\$85,289.64
Cumulative Total Collected (to date)	EMS	\$286,544.80
Collected (to date)	All Categories	<b>\$505,100.19</b>

### **Collection of New State Motor Vehicle Billings**

Tax Administrator Jake Oakley presented the following new report for the combination of County/State reporting of the collection of Motor Vehicles:

- Graph shows each month's collection per taxing codes:

**April 2015**

**New VTS System**

<b>Tax Code</b>	<b>Levy</b>	<b>Interest</b>	<b>Adjustment</b>	<b>Billing</b>	<b>Net</b>
<b>Jurisdiction</b>	<b>Billed</b>	<b>Paid</b>	<b>Made</b>	<b>Cost</b>	<b>Collected</b>
City of King	\$19,646	\$102	-\$14	-\$1,113	\$18,621
King Car Fee	\$2,615	\$14	None	None	\$2,629
Walnut Cove Town	\$3,000	\$12	None	-\$142	\$2,870
Danbury Town	\$269	None	None	-\$15	\$254
School Tax	\$13,198	\$78	-\$37	-\$648	\$12,591
King Fire	\$3,711	\$19	-\$18	-\$183	\$3,529
Rural Hall Fire	\$514	\$2	None	-\$25	\$491
Walnut Cove Fire	\$2,233	\$17	-\$2	-\$111	\$2,137
General County	\$197,962	\$1,167	-\$559	-\$9,732	\$188,838
Service Fire	\$11,477	\$71	-\$38	-\$561	\$10,949
<b>Total Collected</b>	<b>\$254,625</b>	<b>\$1,482</b>	<b>(\$668)</b>	<b>(\$12,530)</b>	<b>\$242,909</b>



- Cost in the New VTS System is calculated in all areas of billing (staffing, contracting, postage, DMV, software, etc.) by the NC Department of Revenue and prorated on each taxing district per bill
- Cost in car fees for the City of King is calculated in the City of King Bills

**CUMULATIVE COLLECTION FOR FISCAL YEAR 2014-15**  
**NC Vehicle Tax System Summary per Tax District)**

<b>Total Cumulative Collected to date (NCVTS) system</b>	City of King/Car fee	\$189,986.00
<b>Total Vehicles Billed Per Tax Code 4,923</b>	Total Expenses	<u>\$(9,576.00)</u>
<b>Average Cost per Bill = \$1.95</b>	Total Net Collected	\$180,410.00
<b>Total Cumulative Collected to date (NCVTS) system</b>	Town of Walnut Cove	\$26,537.00
<b>Total Vehicles Billed Per Tax Code 1,034</b>	Total Expenses	<u>\$(1,271.00)</u>
<b>Average Cost per Bill = \$1.23</b>	Total Net Collected	\$25,266.00
<b>Total Cumulative Collected to date (NCVTS) system</b>	Town of Danbury	\$2,890.00
<b>Total Vehicles Billed Per Tax Code 160</b>	Total Expenses	<u>\$ (140.00)</u>
<b>Average Cost per Bill = \$0.88</b>	Total Net Collected	\$2,750.00
<b>Total Cumulative Collected to date (NCVTS) system</b>	F Tech/School Fund	\$115,257.00
<b>Total Vehicles Billed Per Tax Code 44,209</b>	Total Expenses	<u>\$(5,650.00)</u>
<b>Average Cost per Bill = \$0.13</b>	Total Net Collected	\$109,607.00
<b>Total Cumulative Collected to date (NCVTS) system</b>	King Fire District	\$30,468.00
<b>Total Vehicles Billed Per Tax Code 6,771</b>	Total Expenses	<u>\$(1,512.00)</u>
<b>Average Cost per Bill = \$0.22</b>	Total Net Collected	\$28,956.00
<b>Total Cumulative Collected to date (NCVTS) system</b>	Rural Hall Fire District	\$5,574.00
<b>Total Vehicles Billed Per Tax Code 1,249</b>	Total Expenses	<u>\$(267.00)</u>
<b>Average Cost per Bill = \$0.21</b>	Total Net Collected	\$5,307.00
<b>Total Cumulative Collected to date (NCVTS) system</b>	Walnut Cove Fire Dist.	\$18,679.00
<b>Total Vehicles Billed Per Tax Code 3,935</b>	Total Expenses	<u>\$(905.00)</u>
<b>Average Cost per Bill = \$0.23</b>	Total Net Collected	\$17,774.00
<b>Total Cumulative Collected to date (NCVTS) system</b>	General County	\$1,728,786.00
<b>Total Vehicles Billed Per Tax Code 44,209</b>	Total Expenses	<u>\$(84,786.00)</u>
<b>Average Cost per Bill = \$1.92</b>	Total Net Collected	\$1,644,000.00
<b>Total Cumulative Collected to date (NCVTS) system</b>	Service Fire District	\$102,163.00
<b>Total Vehicles Billed Per Tax Code 25,535</b>	Total Expenses	<u>\$(4,996.00)</u>
<b>Average Cost per Bill = \$0.20</b>	Total Net Collected	\$97,167.00

Total Cumulative Collected NCVTS through April (all tax districts)	\$2,220,340.00
Total Expenses for NCVTS through April (all tax districts)	\$ 109,103.00
Total net collected for NCVTS through April (all tax districts)	\$2,111,237.00
Average cost per total billings through April	\$2.47 per bill

Lowest cost billed = \$2.25 (County, School Fund, Service Fire based on 44,209 cars)  
Highest cost billed = \$4.00 (County, School Fund, King City based on 4,923 cars)

**Release Less than \$100 – Real and Personal Property**

Tax Administrator Jake Oakley presented the following Release less than \$100 –

Real and Personal Property (May 2015) at the June 8<sup>th</sup> meeting for the Board's review:

**Release Less Than  
\$100 - Real/Personal  
Property**

Name	Bill No	Amount
Donald G Brady	15A2500.09.2	<u>\$4.24</u>
Total		\$4.24

**Refund Less than \$100 – Real and Personal Property**

Tax Administrator Jake Oakley presented the following Refund less than \$100 –

Real and Personal Property (May 2015) at the June 8<sup>th</sup> meeting for the Board's review:

**Refund Less Than  
\$100 - Real/Personal  
Property**

Name	Bill No	Amount
William Joseph Harrelson	14A156046149.08.1	<u>\$19.93</u>
Total		\$19.93

**Releases more than \$100 – Real and Personal Property**

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

Real and Personal Property (May 2015) at the June 8<sup>th</sup> meeting for the Board's review

with a request for consideration at the June 22<sup>nd</sup> meeting:

**Releases more than  
\$100 - Real/Personal  
Property**

<b>Name</b>	<b>Bill No</b>	<b>Amount</b>	<b>Reason</b>
<b>Penny Bibee</b>	14A698900419708	\$502.67	DWMH Repossessed and moved in December 2012 by Greentree
	13A698900419708	\$502.67	
<b>Richard D. Epperson</b>	14A692201062256	\$332.76	Home Destroyed by Fire In July of 2012
	13A692201062256	\$332.76	
<b>Terri Wilson</b>	13A696310452130	<u>\$728.00</u>	Fire Damage to House in 2012
<b>Total</b>		<b>\$2,398.86</b>	

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

Tax Administrator Jake Oakley presented the following Refunds more than \$100 – Real and Personal Property (May 2015) at the June 8<sup>th</sup> meeting for the Board's review with a request for consideration at the June 22<sup>nd</sup> meeting:

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

<b>Name</b>	<b>Bill No</b>	<b>Amount</b>	<b>Reason</b>
<b>Reba Mankins</b>	24161234	\$290.64	Vehicle Sold
<b>Donald Bennett</b>	20407438	<u>\$399.69</u>	Vehicle Sold
<b>Total</b>		<b>\$690.33</b>	

**Write Off Request**

Tax Administrator Jake Oakley presented the following Write Off Request (May 2015) at the June 8<sup>th</sup> meeting for the Board's review with a request for consideration at the June 22<sup>nd</sup> meeting:

- Request approval to write off a listed group of uncollectible personal property taxes from the period of 2003-2005
- Number of accounts = 72
- Total delinquent tax balance = \$4,545.98
- There is no further recourse in collecting these taxes
- Request the Board approve to write off the amount of \$4,545.98 for 2003-2005 delinquent personal property taxes

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

Tax Administrator Jake Oakley presented the following Present-Use Late Applications (May 2015) at the June 8<sup>th</sup> meeting for the Board's review with a request for consideration at the June 22<sup>nd</sup> meeting:

- Taxpayers: Louis and Betty Pack
  - Parcel: 602000372997
  - Acreage: 26
  - Reason: Woodlands - Has owned since 2006
- Taxpayers: James and Dana Redmond
  - Parcel: 693304841433
  - Acreage: 73.21
  - Reason: Has other forestry use-value

Tax Administrator Oakley commented:

- Department is approximately \$800,000 short of collecting what was billed out
- Don't feel \$800,000 will come in before June 30<sup>th</sup>, but should be close to collecting 98% of the billed amount and 102%-03% of the budgeted amount

Tax Administrator Oakley requested the following be placed on the June 22<sup>nd</sup> Consent

Agenda:

- Real and Personal Releases more than \$100
- Real and Personal Refunds more than \$100
- Write Off Request
- Present-Use Late Applications

Chairman Jones opened the floor for discussion.

Chairman Jones noted that several line items are already over 100% collected.

Commissioner Booth confirmed with Tax Administrator Oakley that 100.47% of the budgeted amount of Ad Valorem taxes has already been collected.

Commissioner Lankford questioned if there was a payment plan set up for garnishments?

Tax Administrator Oakley responded:

- Garnishments will be dropping since motor vehicles are no longer collected by the County
- Staff constantly works garnishments whenever possible
- Department does set up a payment plan if necessary

Commissioner Lankford commented on the great collection involving EMS bills.

Tax Administrator Oakley responded:

- Staff (Shellie Booe and Lisa Beasley) works very hard to make sure that EMS bills are billed out within 30 days of the service which makes a big difference in collections

Vice Chairman Walker commented:

- Very encouraged with the collection rates
- Questioned Tax Administrator Oakley what his observation was regarding this good collection year?

Tax Administrator Oakley responded:

- Once the cars went away, you only have real and personal property
- With no motor vehicles, this increases the collection rate
- The collection rate has probably been that high all along, but the collection rate for vehicles was probably about 85% which pulled the county's total collection rate down
- With the state collecting motor vehicle taxes, taxes must be paid before a tag is issued
- Will continue to provide the manager with the most accurate information regarding the current value each year for budgeting purposes

Vice Chairman Walker requested an update including feedback from citizens from Tax Administrator Oakley regarding the new systems the Tax Department is currently transferring to?

Tax Administrator Oakley responded:

- Not hearing complaints on the new GIS system
- New tax system is going live today and will be providing the Board with a full report in July
- Will have a new public website regarding the valuation of property that will be offered by the NC Property Tax Commission that will be an enhancement for our citizens
- Feel everything is going good right now

Commissioner Booth questioned Tax Administrator Oakley if he knew an estimate of what is being billed for EMS Services and the percentage being collected?

Tax Administrator Oakley responded:

- Would have to get that information back to the Board

- County currently accepts Medicare and Medicaid assignment which means the unpaid remaining amounts are written off
- All that information will be in the Settlement Report which will be provided to the Board in July

Manager Morris noted that approximately \$500,000 was billed for convalescent services this past year with approximately \$200,000 being collected.

Chairman Jones, with full consensus of the Board, directed the Clerk to place the following on the June 22<sup>nd</sup> Consent Agenda:

- Real and Personal Releases more than \$100
- Real and Personal Refunds more than \$100
- Write Off Request
- Present-Use Late Applications

### **Social Services Monthly Report**

DSS Director Stacey Elmes presented the following Social Services Monthly Report:

- Program Reports
  - Services Report (Social Work Services, Family Support Services, Administration)
    - Number of Children in foster care is down to 64 but DSS is monitoring 18 children
    - On Friday, 5/29, we had our foster parent appreciation picnic at Germanton Park
      - We were honored to have Chairman Jones and the county manager in attendance to speak to the group
      - There were approximately 80 people in attendance with lots of children
      - We are getting ready to “graduate” 10 families from our MAPP class
        - Once classes are completed, home visits and home studies must be completed along with the mound of paperwork that has to be submitted to the state for approval of their home
        - Will give the Agency 10 more places to place foster children
  - Family and Children’s Medicaid Corrective Action Record Review
    - Ten (10) cases were reviewed by the State
    - Seven (7) of the ten (10) cases had issues
    - Seven (7) of the cases had incorrect certification periods which was because staff misinterpreted policy. One other issue was a budgeting issue. Training is being provided to help with these issues.

- Corrective action report will be mailed to the Division of Medical Assistance

#### NCFAST Update:

- Our numbers are looking good. We continue to pay overtime to meet requirements. System issues have caused delays. Last week, three of the five days experienced significant delays.
- Two years ago, when you interviewed me for this position, one of the questions you asked me was if I thought NCFAST would be the program that would allow us to do more with less. At the time, I truly thought so. My answer now would be very different. While NCFAST is a good program, when it works well, the volume of work that has continued to grow over the years has caused us to get to a point of desperation.
- Since 2007-2008, our department has asked for income maintenance workers to help us keep up with the volume. We have received no new positions. Applications in income maintenance have increased by 79.3% since 2007-2008 and caseload sizes have increased by 71.6% since that time. We cannot continue down this path. Workers are overloaded and tired and discouraged. During this fiscal year (14-15), the state appropriated funding to provide counties with 75% reimbursement for Medicaid program work. The state wanted counties to come up with sustainable plans that would carry the department through the years to come. With that 75% reimbursement, we asked that our workers be able to work paid overtime to meet needs as well as to contract with some workers to get the work done. We have come such a long way from where we were when this money became available (October 2014). We have been able to get our application processing times down, as well as, get almost where we need to be with re-certification processing. We are not where we need to be, but we are close. We will not be able to maintain the workloads that we have, if we do not have additional help in the new fiscal year.
- Provided Board members with statistical information regarding applications, caseloads, and Income Maintenance Employee Requests:

- Applications

- Represents a 79.3% increase in applications

#### Number of Applications

Year	Taken
2013-14	6998
2012-13	7247
2011-12	7540
2010-11	6700
2009-10	6355
2008-09	6262
2007-08	5555

- Medicaid/Food & Nutrition/Work First Caseloads

- Represents a 71.6% increase in caseload size

Year	Number of Open Cases
2013-14	12,441
2012-13	12,907
2011-12	13,003
2010-11	11,908
2009-10	10,576

2008-09	9,474
2007-08	8,908

- Income Maintenance (IM) Employee Requests
  - Workload has increased with no permanent employees to help keep up with the growth

Year	Requested	Approved
2013-14	n/a	n/a
2012-13	n/a	n/a
2011-12	n/a	n/a
2010-11	(1) IMCaseworker	no
2009-10	n/a	n/a
2008-09	(2) IMCaseworkers	no
2007-08	(2) IMCaseworkers	no

- Provided Board members a letter county directors received from the State regarding the 75% reimbursement and the state's purpose for providing that reimbursement. On page 2 of the letter in the second paragraph, it states that the 75% reimbursement is permanent.
  - NCFAST FNS/SNAP Pending Applications – Report Date 05-29-2015
    - Total pending Apps = 76
    - Totally untimely = 0
  - NCFAST FNS Recertification Workload
    - Total Re-certifications in Progress = 42
  - NCFAST Application Processing – Tradition MAD Pending = 120
    - NCFAST Application Processing – Traditional Medicaid Pending Applications
      - Medical Assistance = 42
      - Medical Forced Eligibility = 1
      - Presumptive Medical Pregnancy = 2
      - Retroactive Medical Assistance = 46
      - Retroactive Medical Assistance Pregnancy = 2
  - MAGI Pending Applications
    - Insurance Affordability = 104
    - Insurance Affordability Pregnancy = 27
  - MA Re-certifications
    - MAGI – 4 past due
    - Traditional – 10 past due

DSS Director Stacey Elmes presented the following information regarding a new case management system for social workers:

- While on the subject of NCFAST, I'd like to shift gears from income maintenance to social work. We have been looking at ways to assist our social workers with the great amount of paperwork that they have to complete, as well as, try to find a system that everything a social worker does is accessible to supervisors and to me when the need



arises. A case management system like this would be time-effective, cost-effective, and would make a tremendous difference in the morale of our social work units. Over the past year, I have had an opportunity to see three different systems by three different companies

- Did not pursue this avenue in the budget process this year because county directors had been told that NCFAST was going to build this into their child welfare portal. In April, county directors were told that this was not going to happen or be a possibility.
- At that late date, there was no way that I could get it into the budget for Fiscal Year 2015-16. We are desperate for a way to help our social workers deal with the high caseloads and overwhelming mandates that keep them burnt out and looking for other positions
- Have looked at one particular system (Northwoods)
- Provided the Board with information gathered from the Northwoods about the case management system
- Provided the Board with a picture of a typical foster care case which filled up three boxes

County Manager Rick Morris commented:

- Like Director Elmes noted, the State had been telling agencies that there would be a system for social workers in the NCFAST System
- Was just notified by the State that this was no longer going to happen, just like another unfunded mandate by the State
- NCFAST focuses toward the Income Maintenance Programs leaving Social Workers being stuck with an extremely labor intensive manual system
- Because of the 75% reimbursement provided by the State during this fiscal year, DSS has realized a savings above and beyond what has been used for overtime and contract workers
- DSS estimates that there is an additional \$94,649.01 that could be used for a case management system
- Considering recommending that the \$94,649.01 be placed in Capital Reserve this fiscal year for the possible purchase in the 2015-16 Fiscal Year
- There is no way to determine if a case management system would truly benefit the workers, which system to purchase, etc. before the budget is approved for FY 2015-16
- Have discussed with Director Elmes about having an industry day similar to the one done during the E911 upgrade to truly examine each system
- Could review each system separately to make sure there is a very detailed analysis and understanding of what our requirement is and which system can provide that requirement at the best cost
- Would like to discuss this at one of the next budget work sessions

Commissioner Booth confirmed with DSS Director Elmes that Stokes DSS is currently not behind in Medicaid applications and re-certifications.

Director Elmes noted that the Agency is not behind because of overtime and contract

workers.

Commissioner Booth questioned DSS Director Elmes if the County was still on the old system, what would the workload be like?

Director Elmes responded:

- It would probably be similar
- Would still be requesting additional caseworkers in the FY 2015-16 budget
- The old system is a paper-based system where NCFAST is not
- Once the glitches are work out of NCFAST and the system is not down and there are enough workers to handle the caseload, NCFAST will be a good system

Commissioner Booth confirmed with DSS Director Elmes that contract workers are also being reimbursed at 75% with 25% being county funding.

Director Elmes responded:

- This past weekend, the NCFAST System was up and working great on Saturday
- On Sunday, the NCFAST System was down most of the day

Commissioner Booth confirmed with Director Elmes that overtime would have to continue to keep the applications and re-certifications up to date.

Director Elmes responded:

- As noted in the letter from the State, the State does not want counties to continue to rely on compensatory time, paid overtime, and temporary workers to handle the growing caseload
- The State noted that in many counties, this has resulted in a decrease in case processing accuracy and an increase in personnel instability

Commissioner Booth confirmed with DSS Director Elmes that it would be better to have a full time caseworker than to continue to rely on overtime and contract workers.

Vice Chairman Walker confirmed with DSS Director Elmes that a case management system will still be needed when NCFAST is up and running smoothly because the case management system is for social work and NCFAST is not going to have any direct connection with social work.

Director Elmes reiterated that the original plan for NCFAST was to include a case management system for social work, but the State has notified counties that is longer in the plan.

Vice Chairman Walker questioned what would be the total cost for the case management system and the percentage of reimbursement?

DSS Director Elmes responded:

- Have only received the one quote from Northwoods which is only good through the end of June
- Total system would be \$211,000 with an definite increase after July 1<sup>st</sup>
- The county's portion would be approximately \$91,000

Vice Chairman Walker noted three words mentioned by DSS Director Elmes that concern him: tired, overloaded, and discouraged; not good words to be associated with our workers.

DSS Director Elmes responded:

- Also concerned about the number of hours being worked by workers who truly care about their jobs and people receiving the needed services
- Social workers have a different struggle than the struggle that Income Maintenance Caseworkers have
- Income Maintenance Caseworkers want to make sure clients receive their Medicaid, Food Stamps, etc.
- Social Workers want to make sure the clients receive all the needed services
- There has been needed help in both Income Maintenance and Social Work for a very long time – that brings the discouragement
- If the Legislature increases the age for foster care to 21, which is being discussed, that will increase caseloads even more

Commissioner Lankford confirmed with DSS Director Elmes that corrective action plans must be put in place for the problems identified with the Family and Children's Medicaid Findings.

Director Elmes commented:

- The errors found in the recent review have no fees attached, but the State is getting ready to start assessing fees to the counties for errors found
- Very important that we get it right to eliminate possible fees

Director Elmes continued with her monthly report:

### **Metrics**

- As of May 2015:
  - Income Maintenance
    - NC FAST – Needs improvement – System continues to have issues with giving payment when they aren't due, glitches that cause payments not to process, slowness, etc.
    - WorkFirst – Needs improvement – System issues with payments; workers having to learn program.

- FNS – In compliance
  - Keeping this as green, but workers are having a difficult time keeping up with applications and re-certifications and general case management duties
- Adult Medicaid – Needs improvement – Workload numbers continue to be high
- Family and Children’s Medicaid – Needs improvement - Workload numbers continue to be high
- Child Support – In compliance
- Program Integrity – In compliance
- Appeal Hearings and Fraud Hearings – In compliance
- Day Care – In compliance
- Foster Care
  - Foster Care Services – Needs improvement
    - Continue taking children into custody
    - Reunification plans aren’t working and children are staying in care longer
  - Foster Care Home Licensing – In compliance
    - Foster Parent Appreciation Event on 05-29-2015 that Chairman Jones and Manager Morris attended
  - Adoptions – In compliance
- Child Protective Services
  - Investigations – In compliance
    - Unit fully staffed
    - Plan in place to get old cases completed and stay on target
  - Case Management – In compliance
    - Unit fully staffed
    - Plan in place to get old cases completed and stay on target
  - Adult Services
    - Adult Protective Services– In compliance
      - This is green but numbers continue to be high
      - Need a worker
    - Guardianship– In compliance
      - This is green but numbers continue to grow
      - The norm for cases is more mental health diagnosed folks which makes it difficult for our social work staff who are not mental health professionals
    - SSBG/HCCBG/Payee/Adult Day– In compliance
    - Family/Monitoring– In compliance
    - SA IH/MAC– In compliance
    - CAP DA/CAP C– In compliance
    - Intake– In compliance
    - Caseloads– In compliance
- Supervision (Staff/Supervisor Ratio)- Needs Improvement
  - Continue to have two supervisors who supervise more than the state recommends/mandates

- Staffing (Years of Service) – In compliance
  - Currently have one vacancy
- Medicaid Transportation – In compliance
- Clerical – In compliance

DSS Director Elmes commented:

- Speaking with Manager Morris and realized that our metrics speak directly about programs and not employees
- Going to “tweak” the metrics to have it speak about staff morale, caseloads, mandates, turnover, etc.
- Hope to have that ready for the July meeting

Director Elmes continued:

- Poems written by two foster children
  - Provided Board members with poems that had been written by two Stokes County Foster children
- Guardian Ad Litem Program
  - Provided Board members with information about the Guardian Ad Litem Program
- Video – Children’s Home Society of NC – Family Finders
  - Presented Board members a short video presentation of a foster child talking about being in foster care
  - Family Finders works with foster children to find the foster child a real family

Chairman Jones expressed appreciation to DSS Director Elmes for the monthly report.

### **Proposed Site – Animal Control Adoption Facility**

County Manager Rick Morris presented the following information regarding the proposed site at the old prison camp for the proposed Animal Control Adoption Facility:

- Briefly mentioned this at the last meeting
- The two (2) sites previously designated for the proposed Animal Control Adoption Facility at the old prison camp are no longer feasible for the facility because of the Brownfield and the terrain
- Have found another area on the site
- Provided the Board with maps designating the new proposed site, away from the Brownfield area, bad terrain, etc.
- The new proposed site has an old metal building, which is almost down, that would have to come down
- The animal group has located someone who will take down the building for \$10,000, if the area is designated by the Board

- One advantage of this proposed site is that the area is the farthest from the other facilities on the site which would propose less any interference for the rest of the property
- This site is closer to the community college and closer to the main road
- One thing being discussed informally, if the building is located on this proposed site, it is a possibility that Forsyth Tech might start some curriculum such as animal technician
- Would possibly have sewer near the site
- Recommend the new proposed site
- Proposed site would have to be rezoned
- Recommend placing the item on the June 22<sup>nd</sup> Action Agenda
- Would be glad work on any analysis or research the Board needs for the June 22<sup>nd</sup> meeting

Chairman Jones opened the floor for discussion.

Commissioner Lankford confirmed with Manager Morris that the Animal Group has agreed to pay for the removal of the building located on the proposed site.

County Manager Morris responded:

- The \$10,000 would still be cheaper than grading, sewer systems, etc.
- Once the building is removed, there would be very little site preparation
- Good access from the main road

Vice Chairman Walker confirmed with Manager Morris that he would recommend the proposed site.

County Manager Morris responded:

- Believe this is probably the only site on the old prison camp location that would be feasible for the project

Commissioner Booth confirmed with Manager Morris that there could be excess funding from the sewer project that could run sewer near the proposed site which would make it cheaper for the group to connect.

The Board discussed where the sewer project would actually be once the project is completed.

Vice Chairman Walker confirmed with Manager Morris that the Animal Control Adoption folks are on board with the proposed site.

The Board agreed to place the item on the June 22<sup>nd</sup> Action Agenda.

Chairman Jones, with full consensus of the Board (Commissioner Inman absent), directed the Clerk to place the item on the June 22<sup>nd</sup> Action Agenda.

**Germanton Park Association – Grant Proposal**

County Manager Rick Morris provided the following information regarding the Germanton Park Association – Grant Proposal:

- Germanton Park Association proposed to remove and replace the infant/toddler swings and support structure located at Germanton Park
- The project includes mulch and containment under the playground equipment
- Estimated cost for the project is \$3,102.26
- Germanton Park Association has requested the grant of \$2,000
- All the county owned parks, except Moratock, have participated in the park grant program approved by the Board last FY 2014-15
- Proposed project meets all the requirements of the grant
- Need to move the item to today's Action Agenda in order to expedite the project for Fiscal Year 2014-15
- Have seen the swings at the park and this is a very worthwhile project

Chairman Jones opened the floor for discussion.

The Board had no issues with the request.

The Board agreed to place the item on today's Action Agenda.

Chairman Jones, with full consensus of the Board (Commissioner Inman absent), directed the Clerk to place the item on today's Action Agenda.

**East Coast Pyrotechnics Fireworks Display – The Vineyard Camp**

County Manager Rick Morris provided the following information regarding the request from East Coast Pyrotechnics:

- Fire Marshal has received an application from East Coast Pyrotechnics for a Fireworks Display at the Vineyard on July 3, 2015
- Fire Marshal has reviewed the application and plans
- Fire Marshal recommends that this application be approved by the Board of Commissioners

- Fire Marshal will inspect the site prior to the issuance of a permit as approved by NC Fire Code
- Recommend approval at the next meeting – possible Consent Agenda

Chairman Jones opened the floor for discussion.

The Board had no issues with the request.

The Board agreed to place the item on the June 22<sup>nd</sup> Consent Agenda.

Chairman Jones, with full consensus of the Board (Commissioner Inman absent), directed the Clerk to place the item on the June 22<sup>nd</sup> Consent Agenda.

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

### **Wilkes Communication Inc – Proposed Resolution and Proposed Lease**

County Manager Rick Morris noted the following proposed Resolution and Lease for Wilkes Communications needed to be moved to the June 22<sup>nd</sup> meeting for possible action:

#### **Proposed Resolution**

### **RESOLUTION AUTHORIZING EXECUTION OF A GROUND LEASE TO WILKES COMMUNICATIONS, INC.**

**WHEREAS**, Wilkes Communications has offered to lease from Stokes County an unimproved parcel of land consisting of approximately one acre and located at the intersection of Sheep Rock Road and Hwy 8 and 89 in Danbury, North Carolina for the purpose of constructing and operating an office and communications center to provide fiber optic broadband internet service to all areas of Stokes County, including unserved and underserved areas, all as more particularly set forth in the attached Lease Agreement; and

**WHEREAS**, the terms of said offer have been advertised for ten days as required by law, and no upset bid has been received by the County; and

**WHEREAS**, the terms of the attached lease are fair to the County, and provide an adequate rate of return based on the market value of the property; and

**WHEREAS** the construction and operation of an office and communications center to provide fiber broadband internet service to all of Stokes County, including unserved and underserved areas of the county, will make available needed communication services to all Stokes County residents, and will be an economic benefit to all of Stokes County;



**NOW THEREFORE, BE IT RESOLVED** that the Stokes County Board of Commissioners hereby authorizes the Chairman and Clerk to the Board to execute, on behalf of Stokes County, the attached Lease Agreement, subject to a pre-audit certificate thereon by the County Chief Financial Officer and approval as to form and legality by the County Attorney.

Adopted this \_\_\_\_ day of May, 2015.

\_\_\_\_\_  
**Chairman Ronda Jones**

\_\_\_\_\_  
**Vice-Chairman Jimmy Walker**

\_\_\_\_\_  
**Commissioner James D. Booth**

\_\_\_\_\_  
**Commissioner J. Leon Inman**

\_\_\_\_\_  
**Commissioner Ernest Lankford**

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

**Proposed Lease Agreement**

**NORTH CAROLINA**

**LEASE AGREEMENT**

**STOKES COUNTY**

THIS LEASE, dated as of \_\_\_\_\_, 2015, and entered into by and between the **County of Stokes, North Carolina**, a political subdivision of the State of North Carolina, as lessor (the "County"), and **Wilkes Telecommunications, Inc., DBA River Street Networks**, as lessee, ("Wilkes"),

**WITNESSETH:**

**WHEREAS**, the County and Wilkes desire to provide fiber optic broadband services to all areas of Stokes County, including the unserved and underserved areas of the County;

**WHEREAS**, Wilkes has proposed to lease from the County approximately one acre of vacant land located at the intersection of Sheep Rock Road and Hwy 8 and 89 as more particularly described on the attached Exhibit A, hereinafter referred to as the "Leased Property", to construct and use a building on the Property to be used as an office and communications center for said services;

**WHEREAS**, the County, has agreed to lease said Property upon the terms and conditions set forth herein;

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

**ARTICLE I**  
**Definitions**

All capitalized terms used in this Lease and not otherwise defined herein have the meanings assigned to them in the Lease Agreement, unless the context clearly requires otherwise. In addition, the following terms have the meanings specified below, unless the context clearly requires otherwise:

“Lease” means this Lease Agreement between the County and Wilkes.

“County Representative” means the Chairman of the Board of Commissioners of the County or the County Manager or any person at the time designated by a written certificate furnished to Wilkes and signed on the County’s behalf by the Chairman of the Board of Commissioners, to act on the County’s behalf for the purpose of performing any act under this Lease.

“Event of Default” means one or more events of default as defined in Section 11.1.

“Lease Term” means the term of this Lease as determined under Article IV.

“Lease Year” means the twelve-month period of each year commencing on June 1 and ending on the next May 31.

“Leased Property” means the Property as described in Exhibit A and the improvements thereon.

All references to articles or sections are references to articles or sections of this Lease, unless the context clearly indicates otherwise.

## **ARTICLE II**

### **Representations, Covenants and Warranties**

The County and Wilkes each represent, covenant and warrant for the other’s benefit as follows:

(a) Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with its terms and conditions, nor the consummation of the transactions contemplated hereby, results or will result in a breach of the terms, conditions and provisions of any agreement or instrument to which either is now a party or by which either is bound, or constitutes a default under any of the foregoing.

(b) To the knowledge of each party, there is no litigation or proceeding pending or threatened against such party (or against any other person) affecting the rights of such party to execute or deliver this Lease or to comply with its obligations under this Lease. Neither the execution and delivery of this Lease by such party, nor compliance by such party with its obligations under this Lease, requires the approval of any regulatory body or any other entity the approval of which has not been obtained.

## **ARTICLE III**

### **Demising Clause**

The County hereby leases the Leased Property to Wilkes, and Wilkes hereby leases the Leased Property from the County, in accordance with the provisions of this Lease, to have and to hold for the Lease Term.

#### **ARTICLE IV**

##### **Lease Term**

**Section 4.1    *Initial Term.*** The Initial Lease Term commences on the date of the Lease and ends on May 31, 2025..

**Section 4.2    *Renewal Options.*** Wilkes shall have an option to renew this lease for three consecutive ten year renewal Terms beginning at the expiration of the initial term. Wilkes may exercise the option to renew by giving the County 90 days written notice of intent to renew prior to the end of the then existing term. If any renewal term is not exercised, then all Wilkes rights under this lease shall terminate at the end of the then existing term.

**Section 4.3    *Additional Renewals.*** In the event that Wilkes exercises all of its renewal options, and desires to renew this Lease for one or more additional terms, the County agrees to negotiate in good faith with respect to any such additional renewal terms.

#### **ARTICLE V**

##### **Quiet Enjoyment**

**Section 5.1    *Quiet Enjoyment; Transfer.*** The County hereby covenants that Wilkes shall, during the Lease Term, peaceably and quietly have and hold and enjoy the Leased Property without interference or hindrance from the County, except in the event of default by Wilkes, or as otherwise expressly required or permitted by this Lease.

The provisions of this Article are subject to rights to inspect the Leased Property as set forth herein.

#### **ARTICLE VI**

##### **Consideration For Lease**

**Section 6.1    *Use of Leased Property.*** Wilkes hereby agrees to use the Leased Property as an office and communications center to provide fiber optic and broadband internet services to all areas of Stokes County, and for related purposes.

**Section 6.2    *Payments.*** In partial consideration for its acquisition of rights to use the Leased Property during the Lease Term, Wilkes hereby agrees to pay to the County monthly rent in the amount of \$168.00 payable in advance on the first day of each month during the lease term. Rent for the first partial month shall be pro-rated.

#### **ARTICLE VII**

##### **Possession, Maintenance, Utilities, Repair and Taxes**

**Section 7.1 Possession.** Wilkes shall take possession of the Leased Property on the date of this Lease.

**Section 7.2 Use, Maintenance, Repair, Insurance, Taxes and Assessments.**

(a) **Maintenance; Repair.** Wilkes shall use the Leased Property in a careful and proper manner, in compliance with all applicable laws and regulations. Wilkes shall maintain the Property in a neat and attractive condition and shall be responsible for all landscaping, grounds and parking lot maintenance and repair.

(b) **Insurance.** Wilkes shall maintain continuous insurance on the Leased Property, to include the following: (1) all-risk, fire, casualty and extended coverage insurance covering the Leased Property in an amount not less than one hundred percent of the full insurable replacement thereof, as the same may from time to time be determined, including any improvements, alterations and additions; and (2) comprehensive general liability insurance in an amount customarily maintained by the County at its other facilities. Wilkes shall furnish to the County a Certificate of Insurance evidencing continuous coverage for all such insurance. Any of said insurance may be provided under a "blanket policy" covering other properties of Wilkes

(c) **Taxes and Assessments.** Wilkes shall also pay all taxes and assessments of any type or nature levied, assessed or charged against any portion of the Leased Property.

(d) **Utilities.** Wilkes shall be responsible for all utilities expense and costs for utilities furnished to the Leased Property and improvements.

**Section 7.3 Improvements and Modification of Leased Property, Liens.**

(a) **Additions, Modifications and Improvements.** Wilkes shall be totally responsible for all modifications or improvements to the Leased Property.

(b) **Water and Sewer.** Wilkes shall be totally responsible for extension of any utility lines necessary to furnish the Leased Property with water & sewer service.

(c) **Liens.** Wilkes will not permit any lien to be established or remain against the Leased Property for labor or materials furnished in connection with any additions, modifications or improvements made by Wilkes under this Section. Except as provided in this Article and except as the County may consent thereto, Wilkes shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than the respective rights of Wilkes and the County as herein provided.

(d) **Condition of Property.** Wilkes accepts the Property in "as is" condition, and County shall have no obligation or liability to make any repairs or improvements to the Property.

**ARTICLE VIII  
Corrective Action**

**Section 8.1 Further Assurances; Corrective Instruments.** Wilkes and the County agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention hereof.

**Section 8.2 Wilkes and County Representatives.** Whenever under the provisions hereof the approval of Wilkes or the County is required to take some action at the request of the other, unless otherwise provided, such approval or such request is to be given for Wilkes by the Wilkes Representative and for the County by the County Representative, and Wilkes and the County are authorized to act on any such approval or request of such representative of the other.

## **ARTICLE IX**

### **Title to Leased Property; Limitations on Encumbrances**

**Section 9.1 Title to Leased Property and Improvements.** The Leased Property shall be owned by County at all times during the term of this Lease. During the term of this Lease, all improvements on the Leased Property paid for by Wilkes shall be owned by Wilkes. Upon the expiration or earlier termination of this Lease, the Leased Property shall continue to be owned by the County, and all improvements on the Leased Property shall become the property of the County.

**Section 9.2 Limitations on Encumbrances.** Wilkes will not allow any encumbrances to be placed against the Leased Property or any improvements without the express written consent of the County. Provided, however, County acknowledges that Wilke's primary lenders have an after-acquired general lien upon all Wilkes properties.

## **ARTICLE X**

### **Assignment, Subleasing and Indemnification**

**Section 10.1 Assignment and Subleasing.** Wilkes may not assign or sublease the Leased Property, in whole or in part, without the prior written consent of the County.

**Section 10.2 Indemnification.** Wilkes agrees to indemnify and save the County, its officers, employees and agents harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the operation or management of the Leased Property by Wilkes during the Lease Term, including any claims arising from: (a) any condition of the Leased Property resulting from the acts or negligence of Wilkes and its employees and agents, (b) any act of negligence of Wilkes or of any of its agents, contractors or employees or any violation of law by Wilkes or breach of any covenant or warranty by Wilkes hereunder; or (c) the incurrence of any cost or expense in connection with the construction of improvements. Wilkes further agrees to investigate, handle, respond to, provide defense for, and defend the same at its sole expense and agrees to bear all other costs and expenses related thereto. Wilkes shall be notified promptly by the County of any action or proceeding brought in connection with any claims arising out of circumstances described in (a), (b) or (c) above.

## **ARTICLE XI**

### **Events of Default**

**Section 11.1 *Events of Default.*** Each of the following is an “Event of Default” under this Lease, and the term “Default” means, whenever it is used in this Lease, any one or more of the following events:

(a) Wilkes failure to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given by the County, unless the County agrees in writing to an extension of such time before its expiration; but if the failure stated in such notice cannot be corrected within the applicable period, the County shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Wilkes within the applicable period and diligently pursued until such failure is corrected and, further, if by reason of any event or occurrence constituting force majeure Wilkes is unable in whole or in part to carry out any of its agreements contained herein, Wilkes shall not be deemed in default during the continuance of such event or occurrence.

(b) The dissolution or liquidation of Wilkes or the voluntary initiation by Wilkes or the of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against Wilkes of any such proceeding which shall remain undismissed for 60 days, or the entry by Wilkes into an agreement of composition with creditors or Wilkes’ failure generally to pay its debts as they become due.

(c) The failure of Wilkes to complete the construction of an office and communications center within three years from the date of this agreement.

(d) The failure of Wilkes to operate an office and communications center on the Leased Property on a regular basis for the furnishing of fiber optic broadband, and related services in Stokes County.

(e) Abandonment of the Leased Property by Wilkes.

**Section 11.2 *Remedies on Default.*** Whenever any Event of Default has happened and is continuing, the County may terminate this Lease and take possession of the Leased Property; and/or take whatever action at law or in equity may appear necessary or desirable, including the appointment of a receiver, to collect the amounts then due, or to enforce performance and observance of any obligation, agreement or covenants under this Lease.

**Section 11.3 *No Remedy Exclusive.*** No remedy herein conferred on or reserved is intended to be exclusive, and every such remedy is cumulative and in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing on any default impairs any such right or power, and any such right and power may be exercised from time to time as may be deemed expedient. It is not necessary to give any notice in order to be entitled to exercise any remedy reserved in this Article, other than such notice as may be required in this Article.

**Section 11.4 *Waivers.*** If any agreement contained herein is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder. A waiver of an event of default under the Contract shall constitute a waiver of any corresponding Event of Default under this Lease; provided that no such waiver shall extend to or affect any subsequent or other Event of Default under this Lease or impair any right consequent thereon.

**Section 11.5 *Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws.*** Wilkes and County agree, to the extent permitted by law, that in the case of a termination of the Lease Term by reason of an Event of Default, neither Wilkes nor the County shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of any remedy provided hereunder, and Wilkes and the County, for themselves and all who may at any time claim through or under either of them, each hereby waives, to the full extent that it may lawfully do so, the benefit of such laws.

## **ARTICLE XII Miscellaneous**

**Section 12.1 *Notices.*** All notices, certificates or other communications hereunder are sufficiently given if given by United States mail in certified form, postage prepaid, and will be deemed to have been received five Business Days (as defined in the Indenture) after deposit in the United States mail in certified form, postage prepaid, as follows:

- (a) If intended for the County, addressed to it at the following address:

County of Stokes, North Carolina  
Government Center  
P O Box 20  
Danbury, NC 27016  
Attention: County Manager

- (b) If intended for Wilkes, addressed to it at the following address:

Wilkes Communication, Inc.  
1400 River Street  
Wilkesboro, NC 28697  
Attention: CEO

**Section 12.2 *Binding Effect.*** This Lease is binding on and inures to the benefit of Wilkes and the County and their successors in interest, subject, however, to the limitations contained in Article XI.

**Section 12.3 *Severability.*** If any provision of this Lease, other than the requirement of the County to provide quiet enjoyment of the Leased Property, is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 12.4 Execution in Counterparts.** This Lease may be simultaneously executed in several counterparts, each of which is an original and all of which constitute but one and the same instrument.

**Section 12.5 Applicable Law.** This Lease is governed by and to be construed in accordance with the laws of the State of North Carolina.

**Section 12.6 Captions.** The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

**Section 12.7 Amendments and Further Instruments.** The County and Wilkes may, from time to time, execute and deliver such amendments to this Lease and such further instruments as may be required or desired for carrying out the expressed intention of this Lease.

**Section 12.8 Memorandum of Lease.** The County and Wilkes shall, on or before the Closing Date, file a memorandum of this Lease legally sufficient to comply with the relevant provisions of the North Carolina General Statutes with the Stokes County Register of Deeds.

**Section 12.9 Renewal.** Wilkes shall have the right and option to renew this lease on the same terms and conditions as set forth in Section 4.2 herein.

**Section 12.10 Attorney Fees.** In the event of a default under the terms of this Lease, which default results in a legal proceeding in the courts of Stokes County, the non-prevailing party agrees to pay reasonable attorney fees incurred by the prevailing party.

**Section 12.11 Zoning Approval.** The foregoing notwithstanding, this Lease is subject to zoning approval by the Town of Danbury, for the use of the Leased Property by Wilkes.

**IN WITNESS WHEREOF,** the parties hereto have caused this Lease to be executed in their corporate names by their duly authorized officers, all as of the day and year first above written.

**County of Stokes, North Carolina**

**Wilkes Telecommunications, Inc.**

By: \_\_\_\_\_  
Ronda Jones, Chairman  
Stokes County Board of Commissioners

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Attest:

Title: \_\_\_\_\_

\_\_\_\_\_  
Darlene M. Bullins  
Clerk to the Board of Commissioners



County Manager Morris commented:

- Believe the survey has been completed last Friday, but have not received the information needed for the lease agreement
- Should have the information by the June 22<sup>nd</sup> meeting
- Will place the item on the Action Agenda
- County will be working with Wilkes Telecommunications, Inc., DBA River Street Networks regarding the county's business

Chairman Jones opened the floor for discussion.

Commissioner Booth confirmed with Manager Morris that the company was already lying out the network with orange stakes across the county.

The Board agreed to place the item on the June 22<sup>nd</sup> Action Agenda.

Chairman Jones, with full consensus of the Board (Commissioner Inman absent), directed the Clerk to place the item on the June 22<sup>nd</sup> Action Agenda.

#### **Appointment – Stokes County Aging Planning Committee**

Chairman Jones noted that Janelle Kent was nominated at the May 26<sup>th</sup> meeting to serve on the Stokes County Aging Planning Committee.

Chairman Jones opened the floor for any further nominations.

There were no further nominations.

Commissioner Lankford requested the following additional information:

- List of current members
- Any connection with YVEDDI
- Connection with Piedmont Triad Regional Council

Clerk Bullins noted that the Aging Planning Committee designates the Home Community Care Block Grant that comes to Stokes County (Senior Services, DSS, Senior Centers).

Chairman Jones entertained a motion to close the nominations.

Commissioner Booth moved to close the nominations. Commissioner Lankford seconded and the motion carried (4-0) with Commissioner Inman absent.

Chairman Jones polled the Board:

Commissioner Lankford: Janelle Kent

Commissioner Inman: absent

Chairman Jones: Janelle Kent

Vice Chairman Walker: Janelle Kent

Commissioner Booth: Janelle Kent

Chairman Jones noted that Janelle Kent was appointed to serve on the Stokes County Aging Planning Committee.

Chairman Jones, with full consensus of the Board (with Commissioner Inman absent) directed the Clerk to place the item back on the Action Agenda for nominations.

#### **Germanton Park Association – Grant Proposal**

Chairman Jones entertained a motion regarding the Grant Proposal from Germanton Park Association which was presented by Manager Morris at today's meeting.

Commissioner Lankford moved to approve the Grant Proposal from Germanton Park Association. Commissioner Booth seconded and the motion carried (4-0) with Commissioner Inman absent.

#### **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)

Commissioner Booth 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)

Commissioner Lankford seconded and the motion carried (4-0) with Commissioner Inman absent.

The Board reentered the opened session of the June 8<sup>th</sup> meeting.

**Adjournment**

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

Commissioner Booth moved to adjourn the meeting. Vice Chairman Walker seconded and the motion carried (4-0) with Commissioner Inman absent.

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

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**Ronda Jones**  
**Chairman**