

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 23, 2016

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, May 23, 2016 at 6:00 pm with the following members present:

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

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

Chairman J. Leon Inman called the meeting to order and welcomed those in attendance.

INVOCATION

Chairman Inman invited those who wished to join in the invocation to please do so.

Vice Chairman Booth delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman Inman invited those in attendance to join the Board in the Pledge of Allegiance.

GENERAL GOVERNMENT – GOVERNING BODY – APPROVAL OF AGENDA

Chairman Inman entertained a motion to approve or amend the May 23, 2016 Agenda.

Commissioner Jones moved to approve the May 23rd Agenda as presented.

Commissioner Walker seconded and the motion carried unanimously.

COMMENTS - Manager/Commissioners

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

County Manager Rick Morris commented:

- 2016 Mission Lifeline EMS Recognition
 - Stokes County EMS has received the Silver Achievement Award from the American Heart Association for demonstrating continued success in using the Mission: Lifeline EMS Program
 - First time receiving the Silver Award, received Bronze Award last year
- Medicine Drop
 - Provided the Board with total doses collected since 2011 being 1,030,904.95
- Upcoming Meetings
 - Budget Work Session – Tuesday, May 31st at 1:00 pm
 - Public Hearing – Thursday, June 2, 2016 – 7:00 pm

Commissioner Lankford commented:

- Ethics for Life – “The entirety of Your word is truth, and every one of Your righteous judgments endures forever” (Psalm 119)

Vice Chairman Booth commented:

- Soil and Water Awards Banquet
 - Very successful banquet for Soil and Water winners
- Sauratown Trails
 - Event for Make a Wish Foundation was held this past weekend
 - Forty-one individuals raised approximately \$80,000

Commissioner Walker commented:

- Encouraged with the event sponsored by the Soil and Water that involves our students, teachers, and farm families (good wholesome activities for our youth)

Commissioner Jones commented:

- Welcome everyone
- Would like for all of us to remember the upcoming Memorial Day and for all those who have fought for us regardless of race, creed, religion, or gender
 - Takes every one of us to keep this nation safe

Chairman Inman commented:

- County Assembly Day – Raleigh
 - Attended this past Wednesday with Vice Chairman Booth
 - Had opportunity to talk to some of our legislators
 - Echo Commissioner Walker’s comments regarding the Soil and Water Awards Banquet

PUBLIC HEARING – Proposed Resolution Approving a Contract and a Deed of Trust with Respect Thereto and Delivery Thereof and Providing for Certain Other Related Matters for the Community College

Chairman Inman opened the Public Hearing for the Proposed Resolution Approving a Contract and a Deed of Trust with Respect Thereto and Deliver Thereof and Providing for Certain Other Related Matters for the Community College.

There were no public comments.

Chairman Inman closed the Public Hearing.

PUBLIC COMMENTS

Chairman Inman noted that the Board of Commissioners will hear Public Comments, but will not respond to Public Comments and that each speaker will be allowed three (3) minutes.

The following spoke during Public Comments:

DeVonne Duncanson
1035 Old Rustic Place Lane
Walnut Cove, NC
RE: **Extending Waterlines**

Ms. Duncanson presented the following comments:

- Here to petition the Board of Commissioners to extend waterlines
- Have a huge problem in the Walnut Cove area near the Duke Power Plant
- There are approximately 250 homes that do not have drinking water
- All have different contaminants
- For me in particular, have arsenic
- They say the safe drinking level is 10 ppb MCL
- We can't afford to stay and we can't afford to go
- No one wants to buy our property
- We can't do anything to help ourselves
- Filtration is out of the question because my well only produces a half of a gallon a minute
- With reverse osmosis, which is what it takes to filter arsenic, you lose half of your water
- To dig another well would be approximately \$10,000 and there is no guarantee that I will not get the same kind of well
- The only solution to this problem that we can see is to extend the water lines
- Existing waterlines stop on Crestview; we need the waterlines extended between 4 to 6 miles that would cover approximately 250 homes
- Currently Duke Power is supplying us with water, I personally get approximately 10 cases every other week
- Received information that the water I am receiving from Duke Power will be stopped very soon

- Even though we are grateful for the water, we don't have the luxury of just turning on the faucet to get a glass of water to drink
- I have to go outside and bring the water inside whenever I need water
- Have four horses that are drinking contaminated water along with chickens and goats
- Have been in the area for approximately 3 years and did not know that this problem existed when I moved here
- We have a huge problem
- Been to the Town of Walnut Cove Commission who say they can't help me; they recommended that I come to you
- Not sure where I am going after this, but will continue to go until we can get some help
- Really need some help in this area
- Can't live without water
- Please consider extending the waterlines to help out community around the Belews Creek area

Chairman Inman directed Manager Morris to look into this situation.

E.A. "Buddy" Timm

PO Box 573

Walnut Cove, NC

RE: **HB2 Resolution**

Mr. Timm read and presented the following to the Board of Commissioners:

My wife, Ramona, and I appreciate your courage to take a public stand, by putting forth a Resolution to support HB2, which corresponds to reality and truth.

In the beginning, God created them male and female.

Therefore, people are what they have been born!

Emotions and confusion are matters for the Doctors of Psychology.

Your leadership is a great example for our youth to be proud of and take courage; and stand: not for folly, but for truth!

For, from mankind's stand, depends the future of civilization.

Thank you!

PRESENTATION OF FISCAL YEAR 2016-17 RECOMMENDED BUDGET

County Manager Rick Morris read and presented the following Budget Message for the Fiscal Year 2016-17 Recommended Budget:

Budget Message
Fiscal Year 2016/17

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

FROM: Richard D. Morris, County Manager

DATE: May 23, 2016

SUBJECT: **Fiscal Year 2016/17 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) 2016/17. A mandatory Public Hearing for the FY 2016/17 Budget recommendation has been scheduled for 7:00 PM in Courtroom "A" of the Stokes County Government Center on Thursday, June 2, 2016.

Budget Theme

The budget theme for Stokes County's FY 2016/17 recommended budget is **"Ensuring Financial Sustainability in an Unpredictable World."** The world changed in 2008 when the United States experienced the largest economic crash since the Great Depression. Since that time, Stokes County Government has worked diligently to maintain the same high level of local government services and to support education and local healthcare access. This budget recommendation continues to provide the current level of local government services and supports education and healthcare, but to do so will require a 2 cent Ad Valorem tax increase to support the County's General Fund and a 1.0 cent increase to the Fire Tax to support the fire departments that serve the county. This budget recommendation does not include or address in any way the recent hospital bankruptcy situation, which will have to be dealt with separately as part of the budget approval process. That being said, as the economy continues to struggle, the theme **"Ensuring Financial Sustainability in an Unpredictable World"** is intended to direct the budget focus to how the county will continue to deliver its high level of services to its citizens as the cost to provide those services continues to escalate every year. From a "change" perspective, the county finds itself in a very dynamic, volatile environment financially. With that being said, an increasing level of resources are required to deliver local government services. This budget recommendation contains operational needs, not "nice to have" wishes. As costs escalate, it is imperative that sufficient revenues be provided which is the major point of the budget theme **"Ensuring Financial Sustainability in an Unpredictable World"**. The budget theme **"Ensuring Financial Sustainability in an Unpredictable World"** should be no surprise to those who have read the previous four budget messages, which clearly describe the county's dilemma of vanishing revenues and decreasing revenue sources. The best example of this is the loss of \$7.7 M of Hold Harmless revenue since FY 12/13 where this funding source was reduced and then eliminated the next fiscal year. Unavoidable and often unexpected budget increases are required to keep the county functioning to meet statutory requirements. The **"Unpredictable World"** is further illustrated by recent events like the

bankruptcy of Pioneer Health Services and the challenge to staff EMS positions. It is very clear that the county is surrounded by old and new budget challenges that must be resolved to keep our local government operations viable. Every functional area must be closely evaluated from a budget perspective, to include the largest single expenditure item in the Stokes County Budget, which is the Stokes County School System.

From a revenue perspective, Stokes County is funded in this proposed budget approximately \$4.8 M below the average county of its size. According to the latest data from the Local Government Commission, the average county budgets of like population range from \$51.9 M to \$54.9 M. Potential new revenues from sales tax this year will help to address this problem; however, additional revenues from Revaluation and expansion of the jail will not materialize until the FY 2017/18 timeframe at the earliest, which does not help with the challenges of the FY 2016/17 Budget. As the Obama economy continues to struggle, the demands on many of the County's departments continue to increase with more than one 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 need to be addressed now and not later to continue local government services at a level that most people expect and often take for granted. This budget message is intended to focus everyone's thinking on this fiscal year's challenges as we try to survive until additional revenue sources hopefully materialize in FY 2017/18 and beyond. The County continues to see unfunded mandates, often through subtle and not-so-subtle reductions in state and federal funding. With revenue sources disappearing and uncertain, expenses to operate the county continue to increase as a result of many factors beyond the county's control. The ultimate challenge is to balance the needs and expectations of the citizens with 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. This proposed budget requires the appropriation of \$2,297,018 of General Fund Balance, which is balanced with the recommended 2 cent (97.0% collection rate) Ad Valorem tax increase to address the increased expense side of the proposed budget, while maintaining a minimum 20% General Fund balance. This is a conservative, low risk budget recommendation that addresses built in structural plus other budget increases while continuing to adjust to the loss / reduction of previous revenue sources such as "Hold Harmless" revenue and reductions in Ad Valorem tax due to the last Revaluation.

Executive Summary

The total recommended Stokes County Budget for FY 2016/17 is \$47,073,728. This is a 4.78% (\$2,147,122) increase over last year's approved budget. Without the recommend changes for EMS, which will be discussed later, the increase would only be 3.78%. This budget recommendation requires a 2 cent Ad Valorem tax increase plus the use of \$2,297,018 from the General Fund to balance the budget. 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. While revenues lag, a base level of resources are required each year to provide the required level of local government services. The two primary categories of these resources are capital items and personnel related costs. Sufficient equipment and supplies must be provided to match the level of services being offered. Competitive salaries are needed to hire and retain employees who are often performing complex and dangerous jobs for the public. The competitive salary component of the

resourcing function has emerged as a critical issue that must be addressed now and for that reason, I have included funding for an outside salary study in my proposed budget since the last outside salary study was conducted over 16 years ago in 2000. Without a new and updated objective outside salary study being completed, it is impossible develop a funding plan and schedule, for how the salary study recommendations would be funded and implemented. Personnel turnover and the associated costs remain very high though turnover has improved due to measures taken by the BOCC in this year's current budget. A growing concern is turnover that may or may not be directly related to compensation, such as retirement and changing of career fields, where employees choose to leave local government. Stokes County's maturing workforce is definitely a growing concern as the institutional knowledge walks out the door with an increasing number of retirements. This directly translates into higher risk and increased liability for the county. Staffing issues will be addressed in more detail as a separate paragraph in this budget message. The 4.78 % increase in this year's recommended budget, over last year's adopted budget, was driven by five major contributors which are listed below:

- Change of work schedule for EMS
- Structural increases built into the budget for personnel such as longevity increases, an estimated \$232,560 increase in medical insurance premiums plus a slight increase in the county retirement contribution
- The addition of personnel positions to address growing work requirements, such as the addition of community college buildings and Autumn Square plus other added requirements such as Francisco School.
- The cost of equipment and supplies required to perform mission related tasks that are expanding in number and scope.
- And last but not least the county is still trying to absorb the loss of "Hold Harmless", which has cost the county \$7.7 M in revenue since it ended.

Other factors that influenced the FY 2016/17 proposed budget, some of which are beyond the control of the county, are listed below:

- Economy still experiencing weak recovery
- Replacement of vehicles to meet rotation schedule and replace vehicles that are no longer serviceable / supportable
- 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 turnover
- Significant increase in health insurance cost
- Revaluation reduction in Ad Valorem property tax revenue
- Increasing workload for DSS

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. Non-competitive pay directly impacts the operational stability of the county.

- With the 2 cent Ad Valorem tax increase, I expect the General Fund Balance to remain at or above 20% for the FY 2016/17 projected budget; however, at this time I could not guarantee that same projection for FY 2017/18. The percentage in FY 2017/18 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 next year. This budget uses \$2,297,018 of Fund Balance to balance the budget, which leaves no excess General Fund balance to work with in FY 2017/18 if the 20% fund balance is maintained.
- 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 and increases in maintenance and repair expense.
- The Fire Commission requested a fire tax increase this year that lines up with the request it submitted last year which would add one cent in this budget. The fire departments have experienced success with their paid fireman program and the full one cent is needed to continue to pay a limited number of firemen to be available during certain periods of the day when volunteers are not available.
- Hold Harmless revenue loss is not fixed but instead being addressed by the spending of General Fund balance in lieu of a permanent fix. During the past 4 years, \$9,653,267 of General Fund balance has been appropriated, with \$2,355,172 actually being expended if this year's projections hold true. At current values this is an 8 cent tax increase to replace Hold Harmless. This reality was the basis for my 6 cent Ad Valorem tax increase in last year's budget recommendation.

Budget Requests from County Departments

The department heads were consistent in their FY 2016/17 budget requests. They requested \$2,179,815 for equipment and my recommendation was for \$991,432. Their personnel requests totaled \$533,878 and my recommendation was for \$299,828, which excludes the EMS personnel recommendation. They continue to operate on very lean budgets, as evidenced by the limited funding the County was able to recoup during quarterly financial execution reviews of the FY 2016/17 Budget. With the built in increases plus personnel / equipment recommendations in my budget proposal, the growth was fairly predictable at 4.80%, which is still less than needed to sustain the previously established rotation of ambulances, patrol vehicles and other departmental material and capital needs. Even though adequate revenue generation remains a challenge, the addition and replacement of equipment items is still required to provide services. In my view, a budget strategy of ignoring equipment needs 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. A detailed description of equipment and personnel requests and recommendations are included as Attachments #2 and #3 to this message and are summarized below:

Equipment

Requests were submitted for a variety of equipment to include computers. All computer and software requests were reviewed by the Information Technology (IT) Department and only

computers and software 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:

- **Animal Control**
 - Outside Kennel Area
 - Stainless Steel Exam Table
 - Tranquilizer Gun
- **District Resource Center**
 - Weed eater & Leaf Blower
- **Emergency Communications**
 - Generator (Sauratown Mountain)
- **Emergency Medical Services**
 - Air TraQ Camera Adapters
 - Ambulance
 - Computers
 - Engle Coolers (medication refrigeration)
 - Ferno Stretchers
 - Monitor / Defibrillators
 - TruCPR Coaching Devices
- **Finance**
 - Software Upgrade
- **Fire Marshal**
 - Air Packs
 - Computer
- **Forsyth Tech**
 - Front Entrance Security Gate
- **Information Technology**
 - Computer
 - Network Switches
- **Jail**
 - Two-way Radios
 - Transport Car
 - Washing Machine
- **Natural Resources**
 - Computer
- **Public Buildings**
 - Carpet, Community Services Bldg.
- **Register of Deeds**
 - Computer
 - Shelving
- **Sheriff**
 - Body Armor
 - Computers and Laptop Computers
 - Radio Headset Ear Pieces
 - New Patrol Cars

- Used Cars
- **Solid Waste**
 - Replacement Dumpsters
- **Tax Administration**
 - Document Scanner
- **Vehicle Maintenance**
 - Car Lift
 - Front End Alignment Machine
 - Pallet Jack
 - Plasma Cutting Torch
 - Vehicle Tire Lift

The recommended computers and some E-911 equipment are funded by a combination of county, capital reserve, and E-911 funds, which are identified specifically in the detailed budget documentation. The purchase of vehicles for the Sheriff's Department and EMS are to meet minimum requirements to maintain adequate vehicles to perform the job. The purchase of new computers is included to replace computers that are outdated. The increasing county dependence on computers and the network requires replacement of these very out-of-date computers so our employees can perform their duties. The total amount recommended for equipment in this budget is \$991,432 with \$773,296 of that amount to be financed. Other funding sources for equipment are Register of Deeds technology funds, 4 cent tax fund, capital reserve fund and other revenues in the amount of \$112,524. A significant level of equipment is also being purchased by the Danbury Water and Sewer Funds and the E911 Fund. A detailed breakout of equipment is included as Attachment #2.

Personnel

Reclassification Requests / New Positions – Departmental personnel budget requests were received from Economic Development, EMS, Finance, Public Buildings, Jail, Sheriff's Dept., Revaluation, DSS and Senior Services. The requests that are recommended for approval are briefly summarized below, by department:

- **Economic Development** - Recommend approval of the Economic Development Assessment Panel recommendation, which includes a one year reclassification for the Arts Director, and funds a position in Economic Development which is reclassified from an Administrative Assistant to an Economic Development Analyst.
- **Elections** – Board of Elections requested a pay increase for the Elections Director and Deputy Elections Director.
- **Public Buildings** –
 - **Forsyth Tech** - Adds two custodian /Maintenance/ Security Technician positions (hire Nov 2016); Reclassifies one Custodian/Maintenance /Security technician to Lead Custodian/Maintenance/Security Technician;
 - Adds new Lead Custodian position to Public Buildings.
 - **Water / Sewer Funds** – Reclassifies Maintenance worker/Road signs/Water & sewer position to Water & Sewer Maintenance Tech.
 - Redirects funding of water and sewer maintenance technicians to other funds and departments.

- **Jail** – Adds one jailer position.
- **Sheriff's Dept.** – Adds one deputy position and reclassifies detective position.
- **Revaluation** – Adds part time contract employee for one year required to meet Revaluation requirements.
- **Social Services** – Reclassifies Processing Assistant IIIs to IVs; Reclassifies Processing Assistant III to Income Maintenance I; Reclassifies Social Worker IIs to Social Worker IIIs; Creates a Social Worker Program Manager position; Adds Community Social Services Assistant position
- **Senior Services** – Reclassifies the Senior Services Program Director to Senior Services Director; reclassifies Office Assistant II to Office Assistant III.
- **EMS** – Discussed separately in this message

My recommendation includes 11 personnel reclassifications and 8 added new positions (Attachment #3), excluding the recommended EMS positions. These recommended reclassifications are to ensure the classification reflects the actual duties being performed in the positions. Added positions are to cover additional workload requirements caused by an increased volume of work such as the addition of new community college buildings for Forsyth Tech and increased workloads in DSS, Sheriff's Dept., Jail and Public Buildings.

The total amount of funds required for the recommended reclassifications, and position additions is \$299,829 of which \$46,943 comes from federal or state funds and \$42,035 comes from other funding sources. The funding impact of approving my personnel recommendations would be a net increase of approximately \$210,851 county dollars annually. In FY 2016/17 these reclassifications, position additions and salary increases will start 09/10/2016 pay period. Exceptions to this are Forsyth Tech starts 10/18/2016 pay period and EMS starts 8/13/2016 pay period.

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 four 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 desire to remain with Stokes County. The BOCC took emergency action in the FY 2015/16 Budget to address personnel shortages in the emergency services departments and also supplemented the salaries in the non-emergency services departments. With the salary increases that were approved last year, the total turnover has been reduced to 12% for full time employees and 16% if part time employees are factored in. Given the reduced turnover percentages overall, EMS and to a lesser degree DSS continue to experience significant turnover issues. An increased percentage of this year's turnover was from retirements and other reasons such as changing of career fields. Whatever the reason, turnover results in high training costs, organizational instability, increased risk and higher liability for the county. Turnover in the EMS Department has recently required emergency pay provisions to keep qualified personnel to fill critical positions. This is a band-aid approach to the problem. A longer term approach will be discussed in a separate section of this message.

Salary Study

May 23, 2016

The root cause of most turnover and personnel retention in the county is non-competitive salaries. An objective outside pay study has not been conducted in Stokes County since 2000. An updated, objective, outside pay study is now needed to re-baseline the county's salary plan and make Stokes County's salaries competitive enough to keep turnover to an acceptable level. It is recognized that increasing salaries to a more competitive level is a major budget issue, but until a realistic salary study is completed, no framework exists for addressing this issue. A good outside salary study would define the competitive salary requirements and form the foundation for developing a funding plan to address salary shortfalls where they exist. The funding plan could be phased in over time and not necessarily executed immediately. This could have a positive impact on keeping personnel long term that might be looking at moving on for higher salaries. For these reasons, I have included \$45,000 in my budget recommendation for an outside salary study from an organization such as the PTRC, and will not be recommending a bonus or COLA for employees in this budget recommendation. I would not recommend any type of internal salary study because by definition there is an organizational conflict of interest that often limits the objectivity of such internal reviews of this nature. These reviews are also best completed by experts who are familiar with current market conditions.

Status of Revenue

The county continues to experience a revenue shortage even though the sales tax formula for North Carolina has been changed to provide a partial solution to this problem. As stated earlier, 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 \$51.9 M to \$55.9 M range. Stokes County is yet to come up with a solution to replace the Hold Harmless funding that ended 2 years ago. A potential increase from the next revaluation increase is still a year out and the base sales tax amount still lags behind the levels received prior to 2008. The County's General Fund Balance is available as a limited resource to help balance the budget in FY 2016/17 but probably not in FY 2017/18. The General Fund is rapidly diminishing 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 needed. At some point, one would expect sales tax and Ad Valorem tax to rebound but the timeframe is uncertain. Expenses will continue to increase each year unless major cuts are made to the services being provided; however, most services are required by general statute. This leaves the County with only one option, that being dependence on Ad Valorem taxes when emergencies occur, such as the Pioneer Health Services bankruptcy, where other revenue sources are not producing the required revenue. This budget recommendation includes a \$1,250,000 revenue estimate from the new sales tax formula which is projected to provide \$1,500,000 annually and it also includes \$250,000 of new estimated sales tax revenue from the Walmart store, which is now projected to open during the Spring of 2017. On the sales tax estimate, the amount the county receives could be affected by new legislation that has been introduced that integrates county tier ratings into the allocation process. At this time it does not appear that any of the appropriated General Fund balance from FY 2015/16 will be available to replenish the General Fund balance on June 30, 2016. 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 daily mission requirements.

EMS Staffing Recommendation

After much analysis of the EMS workload increases and personnel shortages, my recommendation is that the EMS Department be changed from the current 24/48 hour shift schedule to a 24/72 hour shift. This change should reduce the EMS turnover / non-availability of paramedics and make Stokes County more competitive with competing counties for paramedics. Many of our competing counties have already gone to 24/72 or 12 hour shifts, paying time and a half for overtime and in most cases have higher base salaries than Stokes. Stokes operates on a 24/48 hour shift, pays one-half time for overtime and has lower base salaries. This comparison illustrates the problem we are having keeping enough paramedics to staff our ambulances. This will require the addition of 11 positions and will cost approximately \$518,756 per year including fringe benefits. I have budgeted for the additional staff to start at the 08/13/2016 pay period, which would cost \$450,658 including fringe benefits for this fiscal year. The only other approach evaluated was to increase current salaries to be competitive and keep the 24/48 hour shift, which will cost about the same amount and would continue to band aid the problem instead of fixing it. Absent some action being taken, it will be impossible to keep 5 ambulances staffed to provide the current coverage because of the competitive environment we find ourselves in for paramedics. The County's five front-line units are routinely fully committed running ALS calls and often requesting assistance from surrounding counties to run ALS calls. This is the case even though the county contracted in FY 2015/16 for convalescent calls which appears to be working well to this point. I would also recommend that along with study of privatization during the next two years an internal study be completed to determine what other changes need to be made to the EMS Department to address the issues of increased workload, work schedules, 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 in a very competitive environment.

Board of Education (BOE) Requests

For reasons stated last year and in this message, this budget is the second year of an extremely challenging two year budget period. This fact directly impacts the funding levels of current expense and capital that the county can provide to 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 budget challenge has now shifted to the repair, modification and maintenance of the existing schools where additional capital 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. The BOCC has already taken action in FY 2015/16 to address these needs by funding the initial phase of the \$1,243,040 roof replacement project at Chestnut Grove Middle School prior to the annual budget process.

Current Expense

Though the ADM level has decreased by approximately 741 students since 2013 the Current Expense appropriation to the School System has remained at \$10,211,763 for the past four years. This year the Current Expense budget request from the BOE for county funding contains an approximate 5.76% increase over last year's approved budget. This translates to an approximate \$587,934 increase over last year's BOE request. The reduction in students

has now resulted in the closing of a school and the corresponding decrease in operating and maintenance cost. Given the combination of student reductions and facility closing, the county now needs to adjust the School System's Current Expense budget to reflect these changes. My recommendation is to provide the BOE \$9,817,340 for Current Expense, which is a decrease of \$339,126 in Current Expense over that appropriated in the FY 2015/16 Budget. This decrease is a one half of one percent decrease in the School System's total budget when state and federal funding are factored in. The formula used to calculate this reduction was to keep the funding level per student at the same level as last year at \$1,586 multiplied by the current ADM level of 6,190 as reported by the State. The \$1,586 level per student compares very favorably with other counties with similar populations to Stokes County. This recommendation also includes \$95,440 to the BOE for Current Expense to pay for operations & maintenance expenses for the Poplar Springs Elementary School. The \$95,440 will come from the New School / Forsyth Tech Construction / Renovation Fund (previous 4 cent tax increase) and will not impact the County's General Fund.

Capital Outlay Expense

The BOE Capital Outlay request for this budget was \$651,000. This would require no funding from the County's General Fund to meet this request. My recommendation is to provide the BOE \$1,651,000, and include the authorization for the BOE to spend additional funds 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 M in the proposed FY 2016/17 Budget. The annual \$1 M debt payment for General Obligation Bonds (West Stokes and Piney Grove Schools) will continue for one more year where this amount can then be appropriated to school capital projects. In FY 2017/18, the remaining debt payment will be \$828,772, which will free up an additional \$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 appropriated for school Current Expense or Capital Outlay. In FY 2018/19, the entire \$1 M will become available, all of which must go to school capital needs or school debt per general statute. For FY 2016/17, the remaining capital funds after debt payment in the amount of \$651,000 will be appropriated for capital outlay.

Broadband / High Speed Internet Grant Funding

The BOCC recently conducted a competitive solicitation process and awarded \$1,800,000 in grant funding for expansion of broadband / high speed internet to unserved and underserved residents in Stokes County. Though the overarching justification for this grant was expansion of economic development, an equally important component of the project is Internet connectivity to students in the county who either have no connectivity or connectivity that is slow and/or cost prohibitive. There is no substitute for affordable, high speed Internet connectivity to the home in today's virtual learning environment that is required for all forms of education. This funding will be disbursed in three equal payments over the next three fiscal years with the initial \$600,000 payment to Wilkes Communications, dba RiverStreet Networks in July 2016. This company submitted the winning

proposal in the county's Broadband solicitation. Along with the county's grant funding investment, the company is privately investing the remaining balance of the project with an estimated value of \$12,900,000. This is arguable the most important economic development opportunity ever undertaken by Stokes County given the importance of Internet connectivity to every aspect of daily life and the fact that this connectivity can be leveraged in so many different ways to expand business, education and convenience for Stokes County residents. As part of this project, Wilkes Communications, dba RiverStreet Networks is constructing a new customer service / network hub building in Danbury, providing additional local jobs and providing Stokes County a state-of-the-art fiber optic broadband system that will set Stokes County apart from other rural counties, not only in the State of North Carolina, but nationwide.

Economic Development Department

The Interim Director of Economic Development and I have developed the proposed budget for the additional one-year period where the economic development function is being reassessed by the BOCC. It keeps most of the website and advertising functions internal to the county where they were contracted out earlier. 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 additional one-year reassessment period. The BOCC also chartered an Economic Development Planning and Assessment Committee to look at the Economic Development function and the committee made a formal recommendation to the BOCC, which is Attachment #4 to this message. My recommendation is that all provisions of that recommendation that have not already been adopted by the BOCC be adopted as part of the FY 2016/17 Budget.

Environmental Health Recommendation

It's my recommendation that the Environment Health Section of the Health Department be placed under the operational control of the County Manager for all operational matters related to the environmental health function. Under this arrangement the Environmental Health Supervisor would report directly to the County Manager for environmental health operational issues and for budget preparation discussions. This change would not move the Environmental Health personnel out of the Health Department, which keeps them under the State Personnel Act. Personnel actions will continue to be handled by the Health Director. The Health Director would also be kept in the loop on operational issues being dealt with by the county manager and the Environmental Health Section. The reason for this change is to streamline the reporting and resolution of environmental health issues to include schedule backlogs that tend to flow straight from citizens and county commissioners to the county manager as a matter of course.

Medical Director Support to Animal Control

This budget recommendation increases the compensation for the required Veterinarian support contract to the Animal Shelter from \$1,200 to \$3,000 annually. It also makes adjustments in scope to other areas of the contract to reflect the latest regulatory requirements and supply needs to operate the Animal Shelter.

Health, Dental and Term Life 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 costs for employees. The terms and conditions of the insurance plan will not change and the county will continue with its insurance broker this year and will stay with the current insurance carriers. The insurance plan will continue to explore ways to better incentivize employees to use generic drugs and to not use hospital emergency rooms. Prescription costs will remain approximately the same for most employees. Unfortunately the county will experience an increase in health insurance premiums of 15% which adds \$232,560 to the budget. The cost for the employee co-pays in the areas of emergency services, urgent care and prescriptions will stay the same. The insurance carrier will continue to consider implementation of 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. Insurance premiums for dental and term life coverage 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 fund will be used by the county to reassume control of the hospital in accordance with the path forward that is selected by the BOCC as a result of the recent announcement of Chapter 11 bankruptcy proceedings of Pioneer Health Services. The county will appropriate funds for operational cost through this fund if the BOCC decides to take control of hospital operations. A cash infusion of an amount to be determined before budget approval will be required in the FY2016/17 Budget for hospital operations. The recommend 2 cent Ad Valorem tax increase does not include funds for operation of the hospital. An additional property tax increase beyond the 2 cents will be required to fund hospital operations during any period where the hospital operations are directly under county control. The exact amount of tax funds that will actually be spent will depend directly on how well the hospital performs financially, which is to be determined.
- **“Regional Sewer Fund”** – This fund remains financially sound. It is recommended that the residential sewer rate for this fund be increased to keep the rates comparable with state guidelines and supplement the revenue for the fund. The recommended rates are contained in the detailed budget documentation. The fund could be negatively impacted if the hospital ceases to operate. This fund will also be impacted significantly by the requirement to install a radium removal system which will be mandated by NCDEQ in FY 2016/17.
- **“Danbury Water Fund”** – This fund is financially sound but will also be impacted by the requirement to install a radium removal system. It is recommended that the residential water rate for this fund be increased to keep the rates comparable with state guidelines and supplement the revenue for the fund. The recommended rates are contained in the detailed

budget documentation. This fund would also be impacted by circumstances that develop at the hospital because it is the fund's largest customer.

Grant Program for County Parks

This proposed budget suspends the grant program for improving county owned parks for a one-year moratorium while current approved projects are completed and the impact of these projects is evaluated by the BOCC. This program allowed interested individuals or organizations to apply for up to \$2,000 per park annually to make improvements to the park facilities. In addition to the one year suspension of the grant program, my recommendation continues to provide \$2,000 per park allocated to county owned parks for the operations and maintenance expenses of the parks with the exception of Moratock Park which is maintained by the county staff.

General Fund Balance

Under my proposed budget, \$2,297,018 M will be required from the County's General Fund along with the recommended 2 cent Ad Valorem tax increase to balance the budget. The tax increase is needed to address increased costs and especially for unexpected requirements such as the EMS proposal included in this budget recommendation. Property tax may need to increase further if hospital operations cost are factored in. This is \$55,175 more than the amount appropriated from the General Fund Balance in the FY 2015/16 Budget. The County has now exhausted the funds available from the General Fund for use in FY 2017/18 to balance the budget without a reduction below 20% in the General Fund Balance. My recommended approach uses the last part of the previously projected available amount this year and exhausts remaining General Fund dollars available from this source for use in balancing the FY2017/18 Budget. As stated earlier, it does not appear that any of the appropriated General Fund balance from FY 2015/16 will be available to replenish the General Fund balance on June 30, 2016. 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 \$2,297,018 from the County's General Fund Balance to balance the proposed FY 2016/17 Budget, it is projected that the County's General Fund Balance will remain above 20% for FY 2016/17, but is at risk of dipping below 20% in FY 2017/18 if other revenue sources do not materialize to fill the gap.

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. 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 2016/17 Budget also requires significant local funding to support Title XIX programs. This year's projected Medicaid settlement amount is \$233,000 as compared to \$150,752 for FY 2015/16. 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 is sending mixed signals on when they might raise interest rates further.

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 \$153,400 over last year, as of March 31, 2016, which is a 5.30% increase. Article 40 and 42 sales tax receipts, where a proportion goes to the School System, are up by \$54,089 over last year for the same time period, which is also a 4.7% increase. Even though base sales tax receipts are fairly consistent from last year, they remain significantly lower than the levels received prior to 2008. The new legislation that changed the sales tax formula will help Stokes County if it comes in as projected. These additional funds are desperately needed by the county to keep Ad Valorem taxes at a reasonable rate.

Ad Valorem Taxes

Ad Valorem taxes are the main source (50.66%) of revenue for the county budget. Based on the last Stokes County audit, the FY 2014/15 actual collection rate was 97.470%. This proposed budget uses a more conservative collection rate of 97%. Should the BOCC desire to do so, the collection rate could be raised as high as 97.47%, though I do not recommend going above 97%. Approximately 46.79% of the Ad Valorem tax revenue goes to fund the County’s School System’s Current Expense budget.

Legal Services

This proposed budget has no increase in retainer fee for the County Attorney. Currently, the County contracts with two attorneys, one of which is dedicated to providing specific legal services to the Department of Social Services (DSS), plus 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 Administration is \$100,000 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 \$26,173 is county funds.

Fire Departments and Fire Tax

My budget recommendation raises the fire tax rate by 1.0 cent, which is in line with the recommendation I made in the FY2015/16 budget recommendation. This increase was recommended by the Fire Commission. The additional funding will be used to address personnel

issues associated with responding to fire calls which has improved due to the addition of some paid firemen. It will also go to purchase additional radios needed as a result of the communications upgrade to VIPER plus other equipment needed for general fire-fighting operations.

Miscellaneous Requests from Outside Agencies

Several outside agencies requested and were recommended for funding in the Stokes County FY 2016/17 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 again recommended due to the end of the CDBG Scattered Site Housing Rehab Program (\$15,000). Total for all YVEDDI programs was \$169,755.
- **Roanoke River Basin** – Request was denied for \$4,879.
- **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 (\$13,900). The request for a new vehicle for the Forestry Service was not recommended.
- **Stokes County Fire Association** - Provided \$23,460 a \$6,193 increase
- **JCPC**- Recommended \$177,814 of which \$41,804 is county matching funds
- **Northwest Child Development Center** – Request was denied for \$8,840
- **King Senior Center** – Appropriated \$6,978 which is the same amount provided to Walnut Cove Senior Center
- **PTRC RPO** – Appropriated \$3,873 per request
- **Winston-MPO** – Appropriated \$8,091 per request
- **Adult Community Advisory Council** – Appropriated \$1,500 per request

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 approaching fiscal year. Unfortunately this budget contains growth in several areas but as the county's Budget Officer, it is my responsibility to submit a realistic budget that addresses the operating environment that actually exists, not the environment we wished was present. Additional revenue is needed to deal with increased expenses which have been held to the bare minimum required amounts for the successful operation of this county government.

- **What this recommended budget does not do.....**
 - Does not eliminate or reduce any existing services to our citizens
 - Does not fix the funding shortage resulting from the loss of Hold Harmless funding
 - Does not provide a COLA or bonus for full and part-time employees

- **What this recommended budget does do.....**
 - Adds 2 cents to the Ad Valorem tax rate for County's General Fund and 1.0 cent to the County's Fire Tax rate.
 - Appropriates County General Fund dollars to balance the budget.
 - Makes adjustments in shift hours / hourly pay levels to address staff retention and shortages in EMS.
 - Keeps the projected County General Fund Balance in close proximity to 20% for the FY 2016/17 Fiscal Year.
 - Funds a reasonable amount of capital outlay for essential equipment required for operations.
 - Continues to pay 100% of employees' health, vision, term life and dental care premiums and keeps Health Reimbursement Account structure in place.

Conclusion / Recommendations

It gets more difficult each year to maintain local government services as revenue levels and available fund balances trend in the wrong direction. No one likes property tax increases, but given the limitations of other revenue sources and the almost automatic increases in expenses, not many other reasonable options are available. The lack of stability and predictability on business functions, medical costs and personnel availability results in a "moving target" as we attempt to budget smartly and provide required services without overtaxing our tax payers. This budget recommendation is all about real needs of this county based on my and our department heads, best collective assessment of where the county is at this time. For those ideologues who never support tax increases to support the county's General Fund and Fire Service, I would counter with the fact that tax increases have been minimal during the past 10 years when compared to the accomplishments from this county government's elected officials and staff. Some of these accomplishments are:

- Have not eliminated any services.
- Major school construction and renovation projects funded by the county for the BOE.
- A new community college coming on line this year plus additional funding from the recent bond referendum for an additional new building at the Meadows Campus.
- A new sewer system in operation for the Meadows Community and community college.
- A major initiative to expand broadband coverage to unserved and underserved customers throughout the county.
- The additional funding from the bond referendum for Vade Mecum properties at Hanging Rock State Park.
- An exciting transformation of the Art Market property in Danbury which will be completed this calendar year.
- The completion of a new medical / community center in Pine Hall thanks to the generosity of Mr. Ronald Petree and his sister Ann, plus the potential for additional projects.

These projects are reasons to be very optimistic about the future of Stokes County from an economic development, educational and quality of life perspective.

In previous budget messages, I have referred to Stokes County entering a “Perfect Storm” as we continue to navigate difficult budget waters between now and FY 2017/18. I believe we are now in the second year of the “Perfect Storm” which hopefully will improve soon. Factors that might hasten the recovery from that “Perfect Storm” are things like Walmart’s positive impact, new sales tax and Revaluation revenue and the leveraging of new broadband capability. These are future events, but for now we must focus on my FY2016/17 budget theme of “**Ensuring Financial Sustainability in an Unpredictable World**”, a theme that is validated by current reality such as the recent surprise bankruptcy of our local hospital operator and the challenges of staffing EMS positions. 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 until future sources of increased revenue allow us to do otherwise. A large component of our “Perfect Storm” that has surfaced again this year with EMS, 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 clear that this issue is not going away, thus my recommendation this year for a comprehensive outside salary study in lieu of a bonus or COLA for employees. The FY 2016/17 budget proposal will preserve a General Fund Balance at the desired level for another year but only by increasing taxes again. Continuing to absorb the \$2.5 to \$3.0 M deficit bubble that has moved from year-to-year will require the recommended Ad Valorem tax increases and will use the remaining available General Fund Balance for this budget. The obvious current and future challenges will be generating sufficient revenues to keep services at acceptable levels, without reducing the County’s General Fund Balance to an unacceptable level. This is further complicated by the situation that has evolved with the county owned hospital and its operations. 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 2016/17 and keep the General Fund Balance at an acceptable level, but it does not provide a long term solution for stabilizing the county financially, as there are too many unknowns to make that projection.

It is my formal recommendation that the BOCC adopt my recommended budget of \$47,073,728 for the FY 2016/17 Fiscal Year.

This budget message includes four 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. **Attachment #4** is the formal recommendation of the Economic Development Planning and Assessment Committee.

CONSENT AGENDA

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

Consent Agenda:

Minutes

- Minutes of March 30, 2016 – Legislative Delegation
- Minutes of May 9, 2016 - Regular Meeting

Emergency Management - 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
General Fund				
Transfers				
100.9820.960	Transfer to Capital Res. Fund	<u>\$103,603.00</u>	<u>\$17,918.00</u>	<u>\$121,521.00</u>
	Totals	\$103,603.00	\$17,918.00	\$121,521.00
Capital Reserve Fund				
201.4330.001	Emergency Management	<u>\$1.00</u>	<u>\$17,918.00</u>	<u>\$17,919.00</u>
	Totals	\$1.00	\$17,918.00	\$17,919.00

This budget amendment is justified as follows:

To transfer EMGP Funding to Capital Reserve Fund for capital purchases for Emergency Management.

This will result in a **net increase** of **\$00.00** 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
General Fund				
100.3301.262	Emergency Management	<u>\$36,647.00</u>	<u>\$17,918.00</u>	<u>\$54,565.00</u>
	Totals	\$36,647.00	\$17,918.00	\$54,565.00
Capital Reserve Fund				
201.3981.000	Transfer from General Fund	<u>\$103,603.00</u>	<u>\$17,918.00</u>	<u>\$121,521.00</u>
	Totals	\$103,603.00	\$17,918.00	\$121,521.00

Tax Administration Report – April 2016

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

Real and Personal Property (April 2016) at the May 9th meeting for the Board's review

with consideration at the May 23rd meeting:

**Refunds More Than
\$100 - Real/Personal
Property**

Name	Bill No	Amount	Reason
Murrell Townsend	28583394	\$143.63	Vehicle Sold
Deborah Marshall	3509-2015	<u>\$123.81</u>	Had sold SWMH in 2013
Total		\$267.44	

External Posting – Social Services

County Manager Rick Morris presented the following request from DSS Director Stacey Elmes for the consideration and approval at tonight's meeting:

- Department currently has an internal posting for an Accounting Technician
- The internal posting will close on May 20th at 5:00 pm
- Director Elmes believes that the position will be filled internally from her clerical unit
- Would request the approval to post the vacant clerical position externally
- Clerical unit is small and filling this position as quickly as possible will keep them from being overloaded

Proposed Resolution – Surplus Property Sale

Clerk to the Board Darlene Bullins, at the direction of the Board at the May 9th meeting, placed the following proposed Resolution for the County's upcoming Surplus Property Sale on the Consent Agenda for approval:

RESOLUTION

STATE OF North Carolina

COUNTY OF STOKES

WHEREAS, GS 153A-176 authorizes the County to dispose of real or personal property in accordance with procedures prescribed in Chapter 160A, Article 12;

WHEREAS, the County of Stokes has accumulated an excessive amount of unusable vehicles and it is in the best interest of the County to dispose of these vehicles by public auction in accordance with GS 160A-270;

1986 Chevrolet Suburban	1G5GK26M3GF511067
1995 Chevrolet S10 Truck	1GCCS1444SK186949

1997 Chevrolet Blazer	1GNDT13W1V2235847
1999 Ford Expedition	1FMPU18L0XLA35794
1999 Ford Expedition	1FMPU8L2XLA24747
2000 Ford Crown Vic	2FAHP71W3YX183513
2000 Ford Crown Vic	2FAFP71W2YX157243
2000 Chevrolet Cavalier	1G1JC5248Y7411540
2001 Ford Crown Vic	2FAHP71W51X163821
2001 Honda Accord	JHMES165X1S007566
2005 Ford Crown Vic	2FAHP71W95X149452
2005 Ford Crown Vic	2FAHP71W25X160986
2005 Ford Crown Vic	2FAHP71W35X149446
2005 Ford Crown Vic	2FAHP71W95X149449
2005 Ford Crown Vic	2FAHP71W75X149448
2006 Ford Crown Vic	2FAFP71W86X157793
2011 Ford Crown Vic (totaled)	2FABP7BVXBX137737

WHEREAS, the County of Stokes has filed storage liens on the following vehicles and has received necessary paperwork from NC DMV to sell these vehicles at public auction;

1985 Chevrolet Truck	1GCEK14H7FF385326
1987 Yamaha Motorcycle	JYA2LH005HA000544
1988 Honda Civic	1HGED3544JA048220
1989 Toyota Truck	JT4RN81R1K5006495
1992 Chevrolet Blazer	1GNEK18KXNJ348943
1993 Nissan Altima	1N4BU31F0PC123071
1993 Buick Regal	2G4WB54T5P1434463
1994 Ford Explorer	1FMDU34X6RUC53632
1996 Pontiac Grand Prix	1G2WJ52M8TF247888
1999 Ford Van	2FMZA5146XBC27068
2000 Penske Trailer	NCX1203352
2006 Chevrolet Impala	2G1WB55KX69403115

WHEREAS, per NC DMV instructions the County of Stokes has filed judicial hearing petitions with the Stokes County Clerk of Court to sell the following vehicles at public auction;

1983 Toyota Truck	JT4RN34R4D0068164
1992 Nissan Sentra	1N4EB32A3NC806319
1992 Chevrolet Truck	1GCDC14HXNZ154653
1997 Ford Mustang	1FALP4042VF177243
1998 Chrysler Cirrus	1C3EJ56H5WN231246
1999 Ford Explorer	1FMZU34X3XZA76057

WHEREAS, it is in the County of Stokes best interest to sell the following vehicles without VIN numbers as “scrap metal” with no title paperwork being transferred to the buyer;

Ford Truck – burnt
Chevrolet Monte Carlo gray in color

Suzuki SU410 – gray in color
Yamaha Jet Ski with trailer
Metal Trailer red in color

NOW, THEREFORE BE IT RESOLVED that the Stokes County Board of Commissioners declare the above personal property as surplus and is to be sold at public auction.

AND, BE IT FURTHER RESOLVED that the Stokes County Board of Commissioners hereby approves June 25, 2016, at 10:00 a.m., at the Stokes County Governmental Complex in Danbury as the time and place of said public auction.

Adopted this the __ day of May __ 2016.

J. Leon Inman – Chairman

James D. Booth – Vice Chairman

Jimmy Walker - Commissioner

Ernest Lankford - Commissioner

Ronda Jones– Commissioner

Attest _____
Darlene Bullins – Clerk to the Board

Commissioner Walker moved to approve the Consent Agenda as presented.

Commissioner Jones seconded and the motion carried unanimously

GENERAL GOVERNMENT – GOVERNING BODY – INFORMATION AGENDA

Chairman Inman noted there were no items on tonight's Information Agenda.

GENERAL GOVERNMENT – GOVERNING BODY – DISCUSSION AGENDA

Proposed Resolution Approving a Contract and a Deed of Trust with Respect Thereto and Delivery Thereof and Providing for Certain Other Related Matters for the Community College Financing:

County Manager Rick Morris presented the following Resolution for the Board's review and consideration:

Proposed Resolution

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF STOKES, NORTH CAROLINA, APPROVING A CONTRACT AND A DEED OF TRUST WITH RESPECT THERETO AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Stokes, North Carolina (the "*County*") is a validly existing political subdivision of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "*State*");

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) purchase real and personal property, (2) enter into installment financing contracts in order to finance the purchase of real and personal property used, or to be used, for public purposes, and (3) finance the construction of fixtures or improvements on real property by contracts that create in the fixtures or improvements and in the real property on which such fixtures or improvements are located a security interest to secure repayment of moneys advanced or made available for such construction;

WHEREAS, the Board of Commissioners of the County of Stokes, North Carolina (the "*Board of Commissioners*"), has previously determined that it was in the best interest of the County to (a) enter into an Installment Financing Contract (the "*Interim Contract*") with PNC Bank, National Association (the "*Bank*") in order to obtain funds sufficient to construct a satellite campus of Forsyth Technical Community College in the County (the "*Project*") and (b) enter into a deed of trust and security agreement (the "*Interim Deed of Trust*") related to the County's fee simple interest in the real property on which Project will be located (the "*Site*");

WHEREAS, the County expects to discharge this Interim Contract upon completion of the construction of the Project, at which time the County will enter into an installment financing contract with either the United States Department of Agriculture, the County's financing corporation or a financial institution to be determined (the "*Long-Term Contract*," and together with the Interim Contract, the "*Contracts*") and execute and deliver a deed of trust, security agreement and fixture filing (the "*Long-Term Deed of Trust*," and together with the Interim Deed of Trust, the "*Deeds of Trust*") securing the County's obligations under the Long-Term Contract;

WHEREAS, the Board conducted a public hearing with respect to the Project at this meeting to receive public comments on the proposed financing, the Contracts and the Deeds of Trust and the County has filed an application with the LGC for approval of the LGC with respect to the County entering into the Contracts;

WHEREAS, there has been presented to the Board the forms of the Interim Contract and the Interim Deed of Trust (collectively, the "*Instruments*"), copies of which are attached hereto, which the County proposes to approve, enter into and deliver, as applicable, to effectuate the proposed financing at a variable rate of interest and for a maximum principal amount of \$6,100,000, all as further specified in the Instruments;

WHEREAS, it appears that each of the Instruments is in appropriate form and is an appropriate instrument for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF STOKES, NORTH CAROLINA, AS FOLLOWS:

Section 1. Ratification of Prior Actions. All actions of the County, the County Manager, the Finance Director of the County and the Clerk to the Board and their respective designees in

effectuating the proposed financing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. Approval, Authorization and Execution of Instruments. The County hereby approves the financing of the Project in accordance with the terms of the Interim Contract, which will be a valid, legal and binding obligation of the County in accordance with its terms. The County hereby approves the amount advanced by the Bank to the County pursuant to the Interim Contract in an aggregate principal amount not to exceed \$6,100,000, such amount to be repaid by the County to the Bank as provided in the Interim Contract, including from the proceeds of the Long-Term Contract, currently expected by June 30, 2017. The form, terms and content of the Instruments are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are authorized, empowered and directed to execute and deliver the Instruments for and on behalf of the County, including necessary counterparts, in substantially the forms attached hereto, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Instruments, the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Instruments as executed.

Section 3. Repealer. All motions, orders, resolutions, ordinances and parts thereof in conflict herewith are hereby repealed.

Section 4. Severability. If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 5. Effective Date. This Resolution is effective on the date of its adoption.

On motion of _____, seconded by
_____, the foregoing resolution entitled: **"RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF STOKES, NORTH CAROLINA, APPROVING A CONTRACT AND A DEED OF TRUST WITH RESPECT THERETO AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS"** was duly adopted by the following vote:

AYES:

NAYS:

STATE OF NORTH CAROLINA)	
)	SS:
COUNTY OF STOKES)	

I, DARLENE M. BULLINS, Clerk to the Board of Commissioners of the County of Stokes, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled: **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF STOKES, NORTH CAROLINA, APPROVING A CONTRACT AND A DEED OF TRUST WITH RESPECT THERETO AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS”** was adopted by the Board of Commissioners of the County of Stokes, North Carolina, at a meeting held on the 23rd day of May, 2016.

WITNESS my hand and the corporate seal of the County of Stokes, North Carolina, this the 23rd day of May, 2016.

(SEAL)

Darlene M. Bullins
Clerk to the Board of Commissioners
County of Stokes, North Carolina

County Manager Morris commented:

- This is a continuation from the last meeting
- Need to meet the requirements for financing of the community college
- Request the proposed Resolution be placed on tonight’s Action Agenda in order to meet the Local Government Commission’s deadline for their June Agenda
- Proposed Resolution approves the Installment Finance Contract with PNC Bank and the Deed of Trust, Security Agreement and Fixture Filing
- Finance Director Edwards needs to note an administrative correction on the Deed of Trust and Installation Financing Contract
- County Attorney Tyrone Browder has reviewed and approved the proposed Resolution

Finance Director Edwards provided the Board with the following information:

- County’s financial advisor, DEC Associates, requested bids for the financing of the community college
- There were two responses:
 - BB&T wanted to do an 18-month fixed rate at 1.63% that would convert into a 15-year term at the end of 18 months
 - The rate for the 15-year term is 2.98% through July 2016
 - After July 2016, the 15-year rate would float a similar base rate calculation to what we see in the PNC offer
 - There would be no prepayment ability in the 18 months, so if USDA did come with their commitment, the County could not take out the BB&T loan until December 2017 which did not fit the County’s needs
 - BB&T would not provide a short term variable rate due to be taken over shortly by UDSA
 - PNC’s offer provides the flexibility the County needs at low cost (rate currently sits at 1.03%) until the USDA commitment is in hand

- Noted a correction on page 2 of the Deed of Trust - \$6,125,000 needs to be \$6,100,000
- Noted a correction on page 8 of the Installment Financing Contract - \$6,125,000 needs to be \$6,100,000

Chairman Inman opened the floor for discussion.

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

Commissioner Lankford confirmed with Finance Director Edwards that the loan can be extended if the USDA loan does not materialize.

County Manager Morris noted this is a bridge between the USDA loan.

Vice Chairman Booth confirmed with Finance Director Edwards that the PNC loan can be extended for ten years.

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

Proposed Property & Liability, Automotive, and Worker's Compensation Insurance Bids

County Manager Rick Morris presented the following information regarding the proposed Property & Liability, Automotive, and Worker's Compensation Insurance Bids:

- Support Services Supervisor Danny Stovall received the following rates for Fiscal Year 2016-17 from North Carolina Association of County Commissioners:
 - Worker's Compensation = \$359,267.00
 - Liability, Property, Auto = \$210,479.00
 - Multi Pool Discounts = (\$10,255.00)
 - Total Premium for FY 2016-17 = \$559,491.00
- Rates for Fiscal Year 2015-16 were
 - Worker's Compensation = \$366,601.00
 - Liability, Property, Auto = \$210,976.00
 - Multi Pool Discounts = (\$12,250.00)
 - Total Premium for FY 2016-17 = \$565,327.00
- Total decrease = \$5,836.00
- Deductible Amount
 - No deductible
 - Auto Liability
 - General Liability

- \$1,000 Deductible
 - Property Loss Claims
 - Crime
 - Boiler Machinery
 - Auto Physical Damage
- \$5,000 Deductible
 - Law Enforcement
 - Public Officials
 - Employment Practices
 - Cyber Liability
- Request Action Agenda and approval at the June 13th meeting

Chairman Inman opened the floor for discussion.

The Board had no issues with the Agenda item

The Board agreed to place the item on the June 13th Action Agenda.

Chairman Inman, with full consensus of the Board, directed the Clerk to place the item on the June 13th Action Agenda.

Proposed Park Grant Project – Walnut Cove Lions Park

County Manager Rick Morris presented the following information regarding the proposed Park Grant Project for the Walnut Cove Lions Park:

- The Lions Club of Walnut Cove would like to apply for the \$2,000 Park Grant for vinyl flooring to complete the repair and upgrade of the Lions Park Community Building that was started with the park grant last fiscal year
- Cost of the entire project is approximately \$6,000
- Project cost for FY 2015-16
 - Vinyl flooring and professional installation estimated to be \$3,944.37
- Grant application meets all requirements of the park grant
- Would request to move the item to tonight's Action Agenda in order to get the project done by June 30, 2016

Chairman Inman opened the floor for discussion.

Commissioner Jones commented:

- With the suggested moratorium by Manager Morris for FY 2016-17, feel we should move to tonight's Action Agenda for approval

Commissioner Walker commented:

- Always support recreation in our county

- Very much in line in what I would like to see happening in our county
- Very good investment for our parks

Vice Chairman Booth commented:

- No issues with the proposed project

Chairman Inman commented:

- Agree with Commissioner Walker – very good investment for our county parks

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

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

Proposed Agreement – Law Enforcement Services – Town of Walnut Cove

County Manager Rick Morris presented the following proposed Agreement for Law Enforcement Services for the Town of Walnut Cove for the Board's review and consideration:

STATE OF NORTH CAROLINA

AGREEMENT

COUNTY OF STOKES

THIS AGREEMENT is entered into this the **1st** day of **July 2016**, by and among **THE TOWN OF WALNUT COVE**, hereinafter referred to as "**THE TOWN**" and **THE COUNTY OF STOKES**, hereinafter referred to as "**THE COUNTY**," on behalf of the **STOKES COUNTY SHERIFF'S OFFICE**, hereinafter referred to as "**SCSO**" as follows:

WITNESSETH:

WHEREAS, THE TOWN has a desire and a need to provide law enforcement officers within its corporate boundaries in order to keep the peace, to enforce the criminal laws of the State of North Carolina, to enforce the ordinances established by **THE COUNTY** and **THE TOWN** and to maintain order in their **TOWN**; and

WHEREAS, THE COUNTY is authorized to provide the services outlined herein pursuant to the provisions of N.C.G.S 160A-461, et.seq; and

WHEREAS, THE COUNTY acting through the **SCSO** is willing and agreeable to hire, to employ, to train, to assign and to supervise law enforcement officers from the Sheriff's Office to be assigned to **THE TOWN**;

NOW THEREFORE, THE PARTIES HERETO AGREE as follows:

I. THE TOWN AGREES:

May 23, 2016

- A. Beginning on July 1, 2016, the annual payment due from **THE TOWN** will be \$142,526.00 and will increase by an amount equal to the latest available and published Consumer Price Index each year thereafter. The adjustment amount, if any, shall be determined by mutual agreement on or before April 1st of the preceding year. The annual payments will be paid by **THE TOWN** in four equal payments, with the payments due on September 30th, December 30th, March 30th and June 30th of each Fiscal Year.
- B. To provide office space within the town limits of Walnut Cove for use by the **SCSO** during the period of this agreement. The **SCSO** shall use this office space solely in connection with law enforcement services and activities being performed within the town limits of Walnut Cove.

II. THE COUNTY AGREES:

- A. To provide dedicated law enforcement services within the town limits of Walnut Cove. Specifically, **THE COUNTY** agrees to have at least one officer assigned and providing law enforcement services to the Town of Walnut Cove at all times, twenty-four hours per day, seven days per week. **THE COUNTY**, acting through the **SCSO**, will have at least one officer present within the town limits at all times, twenty-four hours per day, seven days per week, except in the case of an emergency requiring the officer to leave **THE TOWN'S** limits, whether or not such emergency is related to **THE TOWN**. Furthermore, the parties to this agreement recognize and agree that there may be temporary instances where the Sheriff of Stokes County, in his discretion, determines that the officer assigned to **THE TOWN** needs to be outside of the town limits, for law enforcement services related to **THE TOWN**, for example where the officer is needed to transport an arrestee to the magistrate and/or jail. During any such instances, other officers of the **SCSO** will be available to provide law enforcement services to **THE TOWN**, although those officers may not be located within the town limits. The **SCSO** agrees to use best efforts to keep such instances to a minimum and, furthermore, to minimize the time of any such instance. If it is determined, by the **SCSO**, that the assigned officer will be outside of the town limits for an extended period of time, then the **SCSO** will assign another officer to be present within the town limits. Furthermore, **THE COUNTY**, acting through the **SCSO**, will provide adequate law enforcement services to ensure safety and security for various special events in **THE TOWN**, including but not limited to **THE TOWN'S** annual Halloween Celebration, **THE TOWN'S** annual Christmas parade, **THE TOWN'S** annual July 3rd fireworks and concert event, and other events as requested by **THE TOWN'S** Mayor, Town Manager and/or Board of Commissioners.
- B. That the **SCSO** will provide all law enforcement services in **THE TOWN**, including but not limited to patrol work, investigative services and local ordinance enforcement. This agreement does not, in any manner, limit the services which would otherwise be provided within the town limits of **THE TOWN** by the **SCSO**,

if there were not an agreement. This agreement, and the payments made pursuant to this agreement, are solely for the purpose of contracting for services in addition to those already required of the **SCSO**.

- C. The **SCSO** will take the necessary steps and actions to ensure that at least one officer is educated, trained, and qualified to investigate traffic accidents. The **SCSO** will make officers who are so trained available to investigate traffic accidents which occur within the limits of **THE TOWN**. The **SCSO** may, in its discretion, contact the North Carolina State Highway Patrol and request the assistance of the North Carolina State Highway Patrol in investigating and otherwise handling any traffic accident, as the **SCSO** deems necessary and appropriate.
- D. To provide the necessary Police Professional Liability Insurance to protect Stokes County and the Stokes County Sheriff's Office

III. **THE PARTIES AGREE:**

That the law enforcement officers assigned to **THE TOWN** pursuant to this Agreement remain employees of the Stokes County Sheriff's Office at all times during the term of this Agreement. Under the general concept of community-based policing, these officers will be responsible for performing law enforcement duties within **THE TOWN** to include, but not be limited to: patrolling within **THE TOWN**; answering calls for service within **THE TOWN**; conducting general security checks within **THE TOWN** and otherwise interacting with residents and visitors within **THE TOWN**. The **TOWN** agrees to obtain prior written approval from the Sheriff or his designee before assigning an officer provided under this Agreement to perform other or additional duties.

Notwithstanding the above, the parties understand and agree that the Stokes County Sheriff's primary responsibility at all times is law enforcement and safety within all of Stokes County and that circumstances may arise wherein the Sheriff determines it is necessary to reassign one or more officers from **THE TOWN** for a given period of time in order to meet that primary responsibility. In the event that any officer is reassigned from **THE TOWN** for a given period of time, the **SCSO** will assign another officer to **THE TOWN** for that given period of time, in order to fulfill the obligations set forth above in paragraph II(A).

IV. **METHOD OF PAYMENT**

- A. The annual payments will be paid by **THE TOWN** in four equal payments, with the payments due on September 30th, December 30th, March 30th and June 30th of each fiscal year. Payment may be made by either hand delivering or mailing the payment to **THE COUNTY**.
- B. **THE TOWN** shall be considered in default on the payments if any payment is more than thirty (30) days past due and **THE COUNTY** has made a written request to **THE TOWN** for payment. In the event that **THE TOWN** is in default on any

payment, the SCSO will immediately be relieved of the obligations of this agreement set forth above in paragraph II(A). However, all other law enforcement services required of the **SCSO** to **THE TOWN** and/or within the town limits of **THE TOWN** shall continue, as set forth above in paragraph II(B).

V. TERM OF AGREEMENT

- A. This agreement shall be effective for three years: **Fiscal Years 2016-2017, 2017-2018 and 2018-2019.**
- B. The Agreement may be extended for additional and successive terms upon agreement of the parties and the execution of the appropriate amendment to the agreement.

VI. AMENDMENT TO THE AGREEMENT

The Agreement may be amended or modified only by agreement of both parties in writing.

VII. TERMINATION OF THE AGREEMENT

The Agreement may be terminated by any party upon giving Notice of Termination in writing to the other parties to the Agreement. Notice shall be in writing and provided as follows: to the Town Manager of Walnut Cove at P.O. Box 130, Walnut Cove, North Carolina 27052; to the County Manager, c/o The County Of Stokes, P.O. Box 20, Danbury, North Carolina 27016. The Notice must be given by the party desiring to terminate this agreement six months prior to the termination date. In the event of termination of this agreement by either party, any payments due from **THE TOWN** to **THE COUNTY** shall be prorated and due immediately upon the effective termination date. Furthermore, in the event of termination of this agreement by either party, any remaining useable property transferred from **THE TOWN** to **THE COUNTY** and/or the **SCSO** during the term of the agreement will be immediately returned to **THE TOWN**. If necessary, the parties to this agreement agree to then take all necessary steps to transfer title to any of the remaining original equipment to **THE TOWN**.

IN WITNESS WHEREOF the hereto parties have executed this Agreement the date and year first written above.

COUNTY OF STOKES

By: _____
County Manager

Date: _____

STOKES COUNTY SHERIFF'S DEPARTMENT

By: _____
Sheriff

Date: _____

TOWN OF WALNUT COVE

By: _____
Town Manager

Date: _____

County Manager Morris commented:

- First renewal with the Town of Walnut Cove to provide law enforcement offices within the corporate boundaries of the town
- The increase is determined by the latest available and published Consumer Price Index each year
- Town of Walnut Cove Board of Commissioners has already approved the proposed agreement

Chairman Inman opened the floor for discussion.

Commissioner Lankford commented:

- Expressed concerns regarding the amount has only increased approximately \$2,526 since the first contract three years ago
- County had a three-step salary increase for the Sheriff's Department last year
- Insurance premium increase of 15% for the upcoming fiscal year
- Don't think the Consumer Price Index is keeping up with the increase in wages
- Have some questions on this item

Vice Chairman Booth commented:

- Glad we have the contract
- Feel it is working good for the Town of Walnut Cove
- Want to make sure we are breaking even with the contract
- Also have questions regarding the Consumer Price Index increase
- Believe the salary increases last year were close to 10% with 2% the two prior years which equates to 14% in salary increases
- Insurance this year has a 15% increase
- Consumer Price Index was probably a good idea when it was started but do not believe it is keeping up what it is actually costing the county with our recent increases
- Believe the contract should be tied somehow to our increases
- Agree with Commissioner Lankford, there are some more questions that need to be answered

Commissioner Walker commented:

- Always put value on what a person or organization/agency says what it is going to do and doing what it said it was going to do
- Have received nothing but good feedback since the first contract was approved
- Appears the Sheriff is providing quality law enforcement on a cost effective basis
- Appears the folks in the Town of Walnut Cove are very pleased with the quality of law enforcement that they are receiving

- Listen with interest to Commissioner Lankford and Vice Chairman Booth's observations
- Would be interested in what the initial agreement said regarding the Consumer Price Index
- If the initial agreement includes the language regarding the Consumer Price Index, feel this Board should honor that language
- Believe the Board should honor the prior arrangement

Commissioner Jones commented:

- Believe we need to look at the initial agreement regarding the Consumer Price Index
- Do want to make sure the County is breaking even with the arrangement
- Do wonder about the Consumer Price Index, but at the same time, we need to honor our initial agreement
- Believe if there was an issue with the costs, Sheriff Marshall would have let this Board or the manager know

Chairman Inman commented:

- Spoke to Sheriff Marshall this afternoon regarding the agreement
- Sheriff Marshall assured me that this agreement was not losing money
- Based on questions, would suggest this be placed on the June 13th Discussion Agenda and request Sheriff Marshall to be at that meeting to answer any questions
- Agree the County can't lose money on the agreement
- Confirmed with Manager Morris there was no urgency with the agreement

The Board agreed to place the item on the June 13th Discussion Agenda and request Sheriff Marshall to be at the June 13th meeting for further discussion.

Chairman Inman, with full consensus of the Board, directed the Clerk to place the item on the June 13th Discussion Agenda and request Sheriff Marshall to be in attendance for that meeting.

Proposed Resolution – Support of House Bill 2 (HB)

Chairman Inman noted Vice Chairman Booth requested the following proposed Resolution in Support of House Bill 2 (HB2) be placed on the Agenda for the Board's review and consideration:

RESOLUTION OF SUPPORT FOR HOUSE BILL 2 (HB2)

WHEREAS, the Charlotte City Council voted on February 22, 2016 to amend their Non-Discrimination Ordinance to add protections for gender identity and gender expression and allow individuals to choose the restroom and locker rooms that matches their preferred gender identity; and

WHEREAS, on March 23, 2016, Governor Pat McCrory signed HB2, the Public Facilities Privacy Act, that sets a statewide policy prohibiting people from using public restrooms and locker rooms that do not correspond to their biological sex stated on their legally recorded birth certificate; and

WHEREAS, the Stokes County Board of Commissioners believes HB 2 provides a uniform set of statutes for all levels of government in North Carolina to have clarity in regards to public facilities, private businesses, local government, schools and local jails in accordance with the constitution of North Carolina; and

WHEREAS, the Stokes County Board of County Commissioners believes our citizens should have the expectation of privacy, in particular women and young girls in the use of restrooms and school showers; and

WHEREAS, Stokes County is grateful and in full support of Governor Pat McCrory and the North Carolina Legislature and their steadfast leadership concerning this issue and standing strongly against the intolerance of political correctness; and

WHEREAS, the Stokes County Board of Commissioners believe this resolution is very representative of the beliefs and views of the overwhelming majority of our citizenry.

NOW, THEREFORE, BE IT RESOLVED that the Stokes County Board of Commissioners support the action taken by Governor Pat McCrory in signing HB 2 as well as the legal action taken against the United States Department of Justice in this regard.

Adopted this the __ day of May, 2016.

Chairman J. Leon Inman

Vice Chairman James D. Booth

Commissioner Jimmy Walker

Commissioner Ernest Lankford

Commissioner Ronda Jones

Attest:

Darlene Bullins, Clerk to the Board

Vice Chairman Booth read the proposed Resolution to those in attendance.

Chairman Inman opened the floor for discussion.

Commissioner Jones commented:

- Cannot, with a clear conscience, support a bill that was run through two houses (Senate and House of Representatives) in less than 10(259 out of the 380 calls) hours in the wee hours of the night
- Due diligence was not done
- Discoveries and consequences were not considered
- Now we are in lawsuits that will cost the taxpayers millions of dollars
- Has been a negative impact to our economy
- Rallying behind this, even if we agree with this, enables them to continue to do things like this on a dime
- Not fair to the citizenry
- If we did this to our people, they would be up here in arms
- They would not accept this and would suspect our own state legislators to do it properly
- We get the people's input and consider it in everything we do
- Don't know of one issue that we have ever done and decided on in less than ten hours
- This is huge
- This should have been thought out more before it was done
- Has nothing to do with the content; it is about the process
- Can't support something that was pushed through that quickly

Commissioner Walker commented:

- No questions
- Have no problem with following our normal procedure – Action for the next Agenda

Vice Chairman Booth commented:

- Support the proposed Resolution

Commissioner Lankford commented:

- Support the proposed Resolution
- General Assembly nor Governor McCrory did not start this dialogue
- This was a follow-up from the Charlotte City Council who passed a bill for Charlotte
- General Assembly felt this law needed to be passed
- I am sure it was longer than ten hours in the thought process and passing the bill
- Feel it is a logical and common sense bill that was passed and signed into law
- Have no problem with the proposed Resolution

Chairman Inman, with full consent of the Board, directed the Clerk to place the item on

June 13th Action Agenda.

GENERAL GOVERNMENT – GOVERNING BODY – ACTION AGENDA

Designation of Lead Agency – Home/Community Care Block Grant – County Funding Plan

Chairman Inman entertained a motion regarding the following Designation of Lead Agency for the Home/Community Care Block Grant – County Funding Plan for Fiscal Year 2016-17 which was presented at the May 9th meeting.

Vice Chairman Booth moved to designate the Piedmont Triad Regional Council – Area Agency on Aging as the Lead Agency for the Home/Community Care Block Grant for Fiscal Year 2016-17. Commissioner Lankford seconded and the motion carried unanimously.

Appointments – Stokes County Aging Planning Committee

Clerk Darlene Bullins presented the following information regarding the appointments to the Stokes County Aging Planning Committee:

- The Aging Planning Committee recommends Amy Wilhelm who does not reside in Stokes County (resident of Yadkin County)
- Chairman Erma Perkins requests the Board of Commissioners waive the residency for Ms. Wilhelm, who works in a long-term care facility in Stokes County
- Ms. Wilhelm has worked for the senior population for approximately 8+ years
- Ms. Wilhelm is very personal and compassionate when working with the senior population
- Committee has two (2) vacancies remaining
- Can poll nominations at tonight's meeting

Chairman Inman opened floor for nominations.

Commissioner Walker nominated Amy Wilhelm for appointment to the Stokes County Aging Planning Committee.

Chairman Inman entertained a motion regarding the residency requirements.

Commissioner Walker moved to waive the residency requirement for Amy Wilhelm for appointment to the Stokes County Aging Planning Committee. Commissioner Jones seconded and the motion carried unanimously.

Chairman Inman entertained a motion to close the nominations.

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

Chairman Inman polled the Board:

- Commissioner Lankford: Amy Wilhelm
- Chairman Inman: Amy Wilhelm
- Vice Chairman Booth: Amy Wilhelm
- Commissioner Walker: Amy Wilhelm
- Commissioner Jones: Amy Wilhelm

Chairman Inman noted that the Board unanimously appointed Amy Wilhelm to serve on the Stokes County Aging Planning Committee:

Proposed Resolution Approving a Contract and a Deed of Trust with Respect Thereto and Delivery Thereof and Providing for Certain Other Related Matters for the Community College Financing

Chairman Inman entertain a motion regarding the proposed Resolution submitted at tonight's meeting for the community college financing.

Commissioner Jones moved to approve the Resolution Approving a Contract and A Deed of Trust with Respect Thereto and Delivery Thereof and Providing for Certain Other Related Matters for the community college financing. Vice Chairman Booth seconded and the motion carried unanimously.

Proposed Park Grant Project – Walnut Cove Lions Park

Chairman Inman entertained a motion regarding the Park Grant Project for Walnut Cove Lions Park submitted at tonight's meeting.

Commissioner Lankford moved to approve the Park Grant Project for Walnut Cove Lions Park. Vice Chairman Booth seconded and the motion carried unanimously.

CLOSED SESSION

Chairman Inman 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 Lankford 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)

Vice Chairman Booth seconded and the motion carried unanimously.

The Board re-entered the opened session of the May 23rd meeting.

Adjournment

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

Vice Chairman Booth moved to adjourn the meeting. Commissioner Lankford seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman