

STATE OF NORTH CAROLINA)
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COUNTY OF STOKES)
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OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
MARCH 28, 2017

The Board of Commissioners of the County of Stokes, State of North Carolina, met for Goals/Budget Work Session in the Third Floor Conference Room of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Tuesday, March 28, 2017, at 10:00 am with the following members present:

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

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

Chairman Jimmy Walker called the Goals/Budget Work Session to order.

INVOCATION

Chairman Walker asked Commissioner Booth to deliver the invocation.

Commissioner Booth delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman Walker invited the citizens in attendance to join the Board in the Pledge of Allegiance.

GENERAL GOVERNMENT – GOVERNING BODY – APPROVAL OF AGENDA

Chairman Walker entertained a motion to approve or amend the March 28, 2017 Agenda.

Commissioner Jones moved to approve the March 28th Agenda as presented.

Commissioner Mendenhall seconded and the motion carried unanimously.

Open Discussion

Chairman Walker opened the floor for discussion regarding Goals.

Clerk to the Board Darlene Bullins requested to distribute the following information which had been requested by the Board of County Commissioners:

- Excerpts from approved Board of County Commissioners minutes dated 03-14-2011, 03-28-2011, 05-27-2011, 06-14-2011, 06-22-2011, and 03-28-2012 which discussed previous hiring freezes
- Surrounding counties' information which provided Board of County Commissioners compensation

The Board briefly discussed compensation being paid to other Board of County Commissioners.

The Board briefly reviewed the minutes regarding the hiring freeze information.

Commissioner Booth confirmed with Clerk Bullins that the first hiring freeze was during Interim Manager Morris' first budget year – Fiscal Year 2011-12.

Chairman Walker confirmed with Clerk Bullins that Interim Manager Morris presented the hiring suspension policy at the 03-14-2011 meeting that would freeze all unfilled and vacated positions unless the position is determined by the interim manager to be mission essential and then it would be brought to the Board for approval to fill.

Clerk Bullins noted:

- The hiring suspension policy was to be lifted as soon as the Fiscal Year 2011-2012 budget was adopted
- The frozen positions would then be filled unless that position was determined to be not valid during the budget process
- If an employee was in a position that was not going to be funded for the FY 2011-12 budget, that employee, if qualified, would be given an opportunity to apply for a vacant position

Commissioner Booth confirmed with Manager Morris that during Fiscal Year 2011-12, there was also a reduction in force.

Clerk Bullins continued:

- Second hiring freeze was presented to the Board during the 03-28-2012 Goals Session
- It was a 90-day freeze beginning April 1, 2012 and would end the day the Fiscal Year 2012-13 Budget was officially adopted

Chairman Walker commented:

- As I interpret this information, there is no hiring freeze in place
- Confirmed with Manager Morris that there has not been a hiring freeze in place since the adoption of the Fiscal Year 2012-13 Budget

Commissioner Booth commented:

- Confirmed with Finance Director Edwards that the majority of the unfunded positions in Fiscal Year 2011-12 have not been funded since that time

Clerk Bullins responded:

- One example: three (3) paramedic positions were unfunded that year and shift paramedic supervisors were placed back on the ambulances; since that time, shift paramedics were placed back in their positions as shift supervisors (not riding the ambulances) and those three (3) unfunded paramedic positions were funded
- Would need to double check to make sure there were not any other situations like that

Commissioner Booth noted:

- Confirmed with Finance Director Edwards that there are still unfunded positions in several departments such as Sheriff, Planning, EMS, etc.
- Confirmed with County Manager Morris that other positions have been added since Fiscal Year 2011-12
- Believe we probably currently have as many employees as there were before the reduction

Vice Chairman Lankford responded:

- Feel there is probably more employees than there were before the reduction in Fiscal Year 2011-12
- Would like to know if there are more employees now than before the reduction
- If we keep on growing government, don't know how we are going to make it
- We just continue to grow government

Chairman Walker responded:

- Believe you could also say an opposite statement, if we don't adjust to fit the circumstances, we are not going to make it

Commissioner Jones responded:

- Definitely agree with Chairman Walker

Vice Chairman Lankford responded:

- Don't know about Chairman Walker's comment, because we have not tried it

Chairman Walker responded:

- Believe we have tried it
- Have tried to make some adjustments

Vice Chairman Lankford responded:

- We have made some adjustments, but have not solved any problems

Chairman Walker responded:

- We are trying -- foster care numbers are out the top
- We made an adjustment to try to help
- The reason the foster care numbers are increasing is due to the opioid epidemic
- We are continuous trying to do what we can regarding the opioid epidemic

Commissioner Jones responded:

- Government contracts and expands all the time
- You have to do what is needed at the time
- You have to have flexibility
- If you are too rigid, you don't address what is really needed

Commissioner Booth commented:

- There is currently a National hiring freeze

Chairman Walker commented:

- Confirmed with Manager Morris, who had worked in Washington, that there are probably lots of jobs in Washington that are not needed

Chairman Walker questioned if there was any further discussion needed regarding the hiring freeze.

Vice Chairman Lankford commented:

- Yes, for some unknown reason, I must have been asleep that day we voted to take the hiring freeze off
- Believe we need to have a hiring freeze on so that we don't continue to grow government because we are afraid to problem solve issues, instead just put on more employees
- We are not problem solving, we are just adding more employees

Chairman Walker commented:

- Would like for Vice Chairman Lankford, if he would, to share some of the details about not problem solving – just adding new employees

Vice Chairman Lankford responded:

- I am referring to every area in our county
- Would like to know where the Chairman stands on this issue

Chairman Walker responded:

- Would be glad to share my thoughts
- Would first like to say (I am sure you would say the same thing)
 - Trying to do the best I can with what we have to work with to serve the needs and wants of the people in the county – that has always been my position
- Believe we have a lot of things working in this county very well
- We have a lot of things in Stokes County that other counties would be quite envious of
- Most counties with similar population have a lot more employees than we have
- Blessed in Stokes County with good, hard-working employees – very conscientious employees who take their job very seriously
- Don't know of any problems that staff deals with on an ongoing basis right now other than Animal Control which I think could be better and we are working on that
- I think recreation could be better – that is contracted out currently
- Believe the collective effort between commissioners and staff achieved a remarkable accomplishment keeping our fund balance where it is and our tax rate as low as it is – quite an achievement
- All an all, there are problems being solved everyday – spend a day with the manager and you will see some of the problems he deals with on a daily basis
- Could things be better – absolutely
- There are areas that could be improved on and there will always be areas that could be improved on
- Have had something thrown in our face recently – the drug crisis
- Are being asked very often about what the county is going to do about the drug crisis
- That is a problem that will never completely be solved
- When I was elected to the city council in 1990, there was a drug issue, when I finished as mayor in 2000, there was still a drug issue
- Been a commissioner for 12 years, there has always been a drug issue
- The thing different now is that the drugs out there now are so much more lethal than they used to be
- People can get hooked on them by just trying a little
- To answer your question, we have solved a multitude of problems which you have been a part of
- Look at the new schools, renovations to schools, community college, a trades facility in the making, just to mention a few

Vice Chairman Lankford responded:

- I know what we have done
- What I am saying is that we take the easy way out putting on a new position instead of trying to solve the problem- that is all I am saying
- Did not mean capital improvements – I was specifically just talking about adding new positions – growing government
- I know all we have done

Chairman Walker responded:

- Agree with Vice Chairman Lankford that just throwing funding or a new position is not always the answer
- Need to always look at what is in the best interest to the greatest extent possible of all involved
- If it is another position or more funding needed, I am not going to just say no, but if it does appear to be the right thing to do by increasing funding or a new position, I will do what I feel is right, not just go along with everyone else
- I agree that it is not always the answer, it needs to be looked at and considered with common sense, and good judgement

Commissioner Booth commented:

- Agree with the fact that the drug problem is a problem in Stokes County and all over the nation
- Hope I came out clear last night stating the need to start at the bottom
- Have to keep the drugs out of the country and out of county
- If we don't keep them out, you are not going to solve anything
- Saw on the news last night what college kids are doing at spring break
- Parents paying for their children to do these things – drinking with funnels
- People are there with drugs, taking advantage of students
- One student remarked that she did not know what she had done the past three (3) days
- How many will come from spring break addicted to drugs?

Chairman Walker commented:

- Did some role playing dealing with drugs at a social services training session – very eye opening how quickly you can find yourself with no money to buy clothes and food
- Agree that we need to stop what is coming in
- Understand a lot of drugs come into Stokes from Forsyth County
- Have learned that the King Police Department and Stokes County Sheriff's Department are working with Forsyth County to stop that supply coming into Stokes County
- Sheriff's Department was in the paper a couple of week ago – arrested nine (9)

Commissioner Jones commented:

- This drug epidemic is part of a bigger problem – a national problem

- People who want to use drugs are going to get drugs
- There are so many layers to the problem – loving themselves, feeling accepted, making good choices, picking good friends, something to do during free time, getting an education, etc.
- It is not any one thing

Commissioner Booth commented:

- If the drugs were not here, it would mean a big difference
- Have to cut the drugs off
- Need the judicial system to change – not let these dealers back on the street

Commissioner Jones responded:

- Need to know why they want to do drugs in the first place
- Think there might be some cultural issues

Chairman Walker commented:

- Probably not the same reason for everyone
- Agree with Commissioner Booth, cutting off the supply would be a big advantage
- Have to be realistic and accept you can never completely cut off the supply
- There is always something new coming in
- Seems to be several components to this issue:
 - Education and prevention
 - Enforcement
 - Treatment

Commissioner Jones responded:

- Agree with Commissioner Booth – need to get with the legislature regarding the judicial system

Commissioner Mendenhall commented:

- Have listened to everyone today and everyone has some good ideas
- Sometimes theoretical hypothesis is not reality
- Agree with Commissioner Booth regarding keeping drugs out of the county and the judicial system needing to change some things
- Right now, we do not have the power to tell that judge to change the sentencing
- Believe President Trump is trying to stop drugs from entering the country
- Lot of things are happening in this world – saw what Commissioner Booth saw last night
- Know there have been students from Stokes County going to Daytona or other places and participating in those actions
- Have experienced those actions first hand, when I walked in as principal at North Stokes, I was told that two of my students had gotten locked up at Myrtle Beach
- Do believe in problem solving
- Know the answer to every problem is not adding new positions
- Have not had the experience like most of you have as a commissioner

- Would need more discussion before implementing a hiring freeze
- Hope what we are doing regarding the opioid epidemic is going to help
- We just have to keep on top of the issue
- I know we have our own issues in Stokes County, but I am so tired of those Washington issues – can't even get a healthcare proposal through a Republican control Congress
- Wondering what will happen with the tax reform

Commissioner Booth commented:

- Feel there is a moral problem across the country

Commissioner Mendenhall commented:

- Agree with Commissioner Booth regarding the moral problem

Chairman Walker commented:

- We are losing in this country the ability to work together
- It is my way or no way
- Have some of the same issues Raleigh
- Spend more time battling instead of trying to work together
- As a community, as a state, as a country and beyond, there is a price to be paid – look at healthcare

Commissioner Jones commented:

- Being eighteen, thirty years ago, is not the same
- Totally different kids now at eighteen – not independent

Chairman Walker commented:

- When parents get messed up on drugs, where do those kids go – grandparents
- If there are no family members – you know where they go – foster care
- When I grew up, families lived among each other – not the case now

Commissioner Booth responded:

- Parents and grandparents are totally different now versus twenty years ago – kids are being raised totally different now – there is a moral problem

Chairman Walker questioned if there is any other comments regarding the information provided by the Clerk.

Vice Chairman Lankford commented:

- One of my goals for the upcoming budget was to continue the hiring freeze
- I thought we have been working under the assumption that there was a hiring freeze
- Been talked about every year
- Would like to see a hiring freeze made official as a goal

Chairman Walker opened the floor for further discussion regarding Vice Chairman

Lankford's comment regarding a hiring freeze.

Commissioner Booth commented:

- As I understand, when a position becomes vacant, it is advertised internal first
- If not filled, has to come before this Board for approval to advertise external
- No new positions are added unless approved by the Board
- Confirmed with Manager Morris that if there is a hiring freeze, no positions that become vacant will be filled unless approved by the Board – that means both internal and external

Chairman Walker noted the need to explore what the Board actually wanted to do regarding a hiring freeze.

Chairman Walker commented:

- Understand there have been no new positions added unless approved by the Board of Commissioners
- Would like to toss this out to the Board – does anyone feel like we have unneeded employees now?
- Are we running fat with our employees?

Vice Chairman Lankford commented:

- Have requested that information from staff today
- Can't answer your question regarding too many employees until I get the requested information

Chairman Walker commented:

- Have spent eleven (11) years in industrial engineering at Reynolds
- Industrial engineering sets the standards for employees
- It was my job to determine how many employees were needed to perform a certain job or task
- Got a good feel of what it meant to properly staff a job
- When I left King, I felt there were three (3) workers where there should only be two (2) workers
- I came to the county and start looking around, I didn't get that feeling that there were too many employees, actually felt there may have been some positions that needed more than one person
- When you compare the staff of Stokes County to any other county, we are running lean

Chairman Walker commented:

- Would like to know what information the Board desires from staff
- Understand Vice Chairman Lankford has requested the number of staff before the reduction in Fiscal Year 2011-12 and now

Commissioner Jones commented:

- Would like to know how many departments have people doing more than one job

Commissioner Booth commented:

- Being a supervisor for more than 40 years, I had to make changes to get the job done
- During my job as supervisor, I have had to give a person with two machines a third machine to make things work
- Most of the time, it works out
- Know the county is a little different from private business
- It can be done with management and staff working together, I have seen it happen

Chairman Walker confirmed with Commissioner Booth that he never seen a situation where it would not.

Chairman Walker commented:

- Would like to know if any Board member feels there is a department that is overstaffed?

Commissioner Mendenhall commented:

- Could not answer that question without information – only been on the Board for approximately 3 months
- I am sure other members could possibly answer that question
- Would like to have information regarding similar counties

County Manager Morris commented:

- I can give some information from the Local Government Commission regarding budgets of like counties in population
- Counties with similar population to Stokes are running from \$52 - \$59 million on average
- Stokes County's budget is \$46 million
- That tells me that we are not over staffed

Commissioner Mendenhall responded:

- When I became superintendent, I was tasked to cut \$125,000 from Central Office – the first month on the job
- At that time, I had elementary school, middle school, and high school directors
- I brought the middle school director on board as assistant superintendent – I did not fill his middle school director position
- Elementary school director took over middle school
- Also had to cut some other positions, I had to do what it took to cut \$125,000 from the Central Office budget
- It was tough, but we made it
- Employees stepped up to the task to get the job done
- Employees stayed until the job was done without extra pay

Commissioner Booth responded:

- With factory workers, the employee had to perform more during their shift to get the job done- no overtime was allowed
- At the last meeting with Rockingham and Caswell Counties, Rockingham was told no tax increase, so each department was instructed to cut 2% from their budget
- Not sure about going back to the hiring freeze
- Understand with a hiring freeze, no positions are allowed to be filled
- You could have ten (10) vacancies with a hiring freeze and cause serious problems for the departments
- I thinking that the hiring freeze means no more positions added without approval from the Board
- I think we are saying no more positions added – growing government

Chairman Walker commented:

- We have had external postings on our Agendas for years
- Don't recall one ever being refused
- Spend time a lot of time reviewing these external postings on our Agendas
- Unless I am wrong – not one has ever been denied

Commissioner Booth commented:

- Think Vice Chairman Lankford is saying that we do not want any new positions added to the upcoming budget

Chairman Walker commented:

- Doesn't matter to me whether a social worker is filled internal or external if the position is budgeted and needed
- Is that the best use of the Board's time approving external posting?

Vice Chairman Lankford commented:

- It is to me

Commissioner Booth commented:

- It is to me

Chairman Walker commented:

- It is not to me
- Feel we have some work to do with this issue
- Would like to know what Board members think the best way to solve this issue

Commissioner Booth responded:

- Understand what Manager Morris is saying – have to have the employees to get the job done
- As far as a budget, feel you can have a hiring freeze when it comes to a budget
- Last year's recommended budget from the manager had 21 new positions

Vice Chairman Lankford commented:

- Main issue – no growing government
- Tired of a new position being brought to the Board instead of trying to problem solve the issue
- Personally do not think problem solving is being done – that is my opinion

Chairman Walker commented:

- I agree with you
- Would hope whenever there is a request for a new position, the manager and the department has done brainstorming to see if there is a solution other than a new position

Vice Chairman Lankford commented:

- I asked a department head at one particular meeting if there could be a committee formed to brainstorm an issue
- It was never done

Chairman Walker questioned Vice Chairman Lankford why he let that department head off the hook?

Vice Chairman Lankford responded:

- Because three (3) people voted to do something different, I guess

Chairman Walker questioned Vice Chairman Lankford if he made the Board aware that request had not been done?

Vice Chairman Lankford continued:

- Would like to discuss other goals
- Have gotten a lot of revenue and debt information from Finance Director Edwards
- Have asked for a total fiscal year payroll cost – I have not got that
- Confirmed with Clerk Bullins that the County does not have a cost for health/dental coverage for next fiscal year yet
- Confirmed with Clerk Bullins that staff has been informed that BCBS is asking for a 15% increase to renew and that it is now on the open market for bids

Chairman Walker noted that Caswell County, at a recent meeting, stated they had not had an increase in five years.

Clerk Bullins responded:

- Staff will be meeting with insurance broker next week
- One thing to remember that premium costs are based on the number of employees and claims experience
- Caswell County is much smaller than Stokes

Commissioner Booth commented:

- Wonder how Caswell is doing with worker's compensation claims
- Know from experience the main focus is getting that person back to work
- We always tried to get them back as soon as possible

Clerk Bullins responded:

- There has been a lot change in dealing with worker's compensation
- Most employees who are out, end up getting a lawyer
- Most of our claims come from EMS, Jail, and Sheriff's Dept.
- If you bring that person back on light duty with restrictions, you still have to pay a part timer to cover his shift, so you are paying two employees
- There are a lot of restrictions involving confidentially

Finance Director Edwards provided the following information regarding Vice Chairman

Lankford's question about gross payroll:

- Last fiscal year, gross wages were \$11,534,756 - does not include fringes

Vice Chairman Lankford noted he would like to know the cost of fringes.

Chairman Walker noted fringes usually ran about 30%.

Clerk Bullins noted fringes included the following

- Medicare Tax
- Social Security Tax
- 401(k) Contribution
- Health Insurance
- Dental Insurance
- Term Life Insurance
- Retirement Contribution
- Unemployment Insurance

Commissioner Booth commented:

- Feel we have all already stated our goals
- Believe there was a majority for no tax increase
- Most have agreed for a Cost of Living Adjustment (COLA)

Chairman Walker commented:

- Agree with a COLA – just want to see what the budget looks like before determining how much

Commissioner Booth continued:

- Understand there can't be a hiring freeze when you have current positions unfilled
- Believe Vice Chairman Lankford is talking about no growing government in this upcoming budget

- No new positions for the upcoming budget – not sure what other members think
- Is that a goal for this Board for the upcoming budget – no growing government – no new positions

Chairman Walker noted that Commissioner Booth would like to know how the other Board members feel regarding the no growing government – no new jobs?

Commissioner Booth responded:

- No new positions

Commissioner Jones responded:

- No tax increase if we can keep the fund balance at 24% - definitely no lower than 20%
- Agree with COLA
- Growing Government – don't like government in the first place, do not believe in being too rigid – do not want to definitely say no to new positions because of several crisis going on in the county – not going to be absolute about that
- Concerned about the potential 15% increase in health insurance premiums which is recurring
- Do not want to grow government, but do not believe in being too rigid – has to be case by case

Chairman Walker responded:

- Don't agree with adding jobs just to be adding jobs
- That happened at Reynolds at one time – knew people who came to work at 8:30 am and never seen again until they left work at 4:00 pm
- If we eliminate a job, would like to know about it and why
- Want to know when a new position is added
- Don't care about filling budgeted positions that become vacant – due to retirement, resignation, etc.
- Don't care to be notified when a job is filled from internal or external posting
- Feels the manager knows when to let the Board know what he needs and then it is the Board's decision as to what action is taken

Commissioner Mendenhall responded:

- Definitely no tax increase
- Agree with looking at a COLA
- Have been told that the manager's recommended budget included twenty-one (21) new positions last year

County Manager Morris responded:

- Half of those positions were for a new shift schedule for EMS
- Other new positions included maintenance/custodian for new buildings that have been added to the county

Commissioner Mendenhall continued:

- Confirmed with Manager Morris that departmental budgets have been already been submitted for his budget process and he is currently doing departmental review with each department head
- Confirmed with Manager Morris that budgets have been submitted by department heads requesting new positions
- Confirmed with Manager Morris that his recommended budget will be submitted to the Board of Commissioners on May 23rd

County Manager Morris responded:

- Budget Information will include all requested new positions from the department
- If a new position is recommended in the budget, there will be justification for that new position
- The bottom line is that this Board can reject any recommendation made by the manager

Commissioner Mendenhall continued:

- Being a new commissioner, wondering why an answer is needed today about new positions

Chairman Walker commented:

- Commissioner Booth requested how each Board member felt about growing government
- You do not have to answer today if you need more information

Commissioner Mendenhall continued:

- Do not want to sit here and say one thing and then do another during the budget process because of new information that was provided by the manager in his recommended budget
- Leaning toward no growing government at this time
- Would have to have strong justification to add new positions

Commissioner Booth commented:

- So far, I think four (4) of the five (5) commissioners have said no tax increase
- Believe all commissioners agree on a COLA
- Looking back at the recommended budget last year, it would have taken at least 2-3% tax increase to approve it
- COLA and new positions are recurring costs
- There was no tax increase last year
- There was no COLA last year
- Hear the manager saying that his recommended budget can always be changed, but when we don't approve the manager's request for new positions, reclassification, etc. how does that make this Board look
- There were numerous, negative comments about the Board on social media last year when new positions were taken out of the manager's recommended budget

Chairman Walker commented:

- My understanding for having these meetings is for the manager to have input on how to prepare the upcoming budget
- Hopefully, he is taking information from our goals sessions to determine what kind of budget will be presented to the Board

County Manager Morris responded:

- These meetings are very helpful
- I will take Board's information, understand where you are coming from, along with departmental requests to determine what is needed to operate all these departments

Commissioner Booth continued:

- When I was a department head with Soil & Water, we were given directions from other managers on what the Board of Commissioners wanted such as no tax increase
- I knew better to come with a lot of increases
- Like Rockingham County, that Board said no tax increase and that manager cut 2% from every budget
- When the manager requests ten (10) new employees and the Board turns all those requests down, how does that make us look?

Commissioner Mendenhall commented:

- What Commissioner Booth stated, did help me understand more about the budget process
- To me, it is a real simple thing
- When I worked for the Board of Education as the superintendent, I was not their boss
- I did not go tell those five (5) members what they were supposed to do
- The Board of Education would give me direction on how they wanted me to put the budget together, I did what I had to do to accomplish their direction
- If I brought a budget to the Board of Education and did not follow their directions, I would be going behind closed doors
- I would have been asked if the Board of Education was not clear regarding their expectations for the budget
- I was told that more than once and this is okay – I can take direction
- The Board of Education hired and fired the superintendent
- I knew when they gave me direction, it would be addressed if I did not follow their direction
- Confirmed with Commissioner Jones that she is keeping the possibility of a tax increase open until she sees the needs of the county
- Confirmed with Chairman Walker that four (4) members have definitely stated no tax increase
- To me, direction has been given to Manager Morris that four (4) members of this five (5) member board have stated no tax increase for the upcoming fiscal year
- Confirmed with Manager Morris that he understood that four (4) members of this five (5) member board have stated no tax increase

County Manager Morris responded:

- Clearly understand that if a majority (at least 3 members) directs me to do certain things regarding the budget, those directives will be followed

Commissioner Mendenhall continued:

- Understand all five (5) members agree with a COLA for employees
- Confirmed with Manager Morris that he understood that all five (5) members request a COLA in his recommended budget
- To me, those two (2) have to be carried out through the entire budget process
- No new positions should not even be considered by you, unless those two objectives can be met
- Questioned other Board members regarding the percentage the manager should have regarding the county's fund balance

Commissioner Jones responded:

- Would like 24%, but definitely no less than 20%

Vice Chairman Lankford responded:

- Would like to maintain at least 25% and will have further information about that during my time to speak

Chairman Walker responded:

- Would like go with 24%

Commissioner Booth responded:

- Can go with 24%
- Could go down to 20% if it takes it to balance the budget, but not just to add new positions

Commissioner Mendenhall continued:

- Believe Manager Morris understands what directives this Board has given him so far regarding the budget
- Don't understand if directives were given last year, why they were not followed
- Confirmed with Manager Morris that there was no definite directive given regarding no tax increase
- Confirmed with Manager Morris there is no questions regarding those directives

Commissioner Jones commented:

- Think Manager Morris clearly understands his directives
- Don't think we need to go any further

Chairman Walker commented:

- Feel this Board has been very clear on no tax increase and a COLA
- Confirmed with Finance Director Edwards that a 2% COLA would cost approximately \$326,000

- Confirmed with Manager Morris the deadline for the schools' budget to the county is May 15th

Chairman Walker questioned if there was any guidance that could be given regarding schools?

Commissioner Jones responded:

- Don't see how without seeing their request
- Class sizes could be a major player this year

Vice Chairman Lankford responded:

- Have previously discussed the schools' fund balance
- Confirmed with Board members that the Board unanimously agreed to keep the schools' fund balance at \$250,000

Chairman Walker opened discussion regarding the fire tax.

Commissioner Booth responded:

- Committed three years ago -- one-half cent for three years - not sure about consecutive years

Commissioner Mendenhall responded:

- Believe documented minutes reflect the next two years which would be consecutive years

Chairman Walker commented:

- This would be the third year
- Kind of put ourselves in a bind -- the motion says a one-half cent fire tax for three years, they could not need it -- we have committed ourselves

County Manager Morris noted that they may not need the one-half cent increase.

Commissioner Booth responded:

- Don't think that will happen

Commissioner Mendenhall responded:

- Would be a different story if they come to you and stated they don't need it
- Not hearing that from people

Chairman Walker confirmed with Board members that the consensus from this Board is that the fire departments are due the one-half cent fire tax this upcoming fiscal year.

Chairman Walker commented:

- Where are we with EMS going into this budget?
- How is staffing currently compared to where it needs to be?

County Manager Morris responded:

- On the borderline each week
- Not getting quality applicants
- Other counties are increasing wages and changing shift schedules
- Rockingham County is having a big increase for EMS and I think their new job classification will be implemented
- Forsyth and Surry Counties are increasing wages for deputies

Chairman Walker opened the floor for another round of discussion.

Vice Chairman Lankford commented:

- Have been talking for the past three (3) years about having to use fund balance to balance the budget
- Used \$2.2 million last year from the fund balance to balance the budget
- Thought it was the intent of the Board to try to decrease the amount of fund balance being used to balance the budget
- Thought that was a goal last year
- In order to do that, we need to get focused on that
- At some point in end, there may not be fund balance to balance the budget
- Would like to throw that on the table
- That is why I said 25% for our fund balance
- Think the state looks at counties our size having at least 28-29% fund balance
- Think we have 29% now
- Think that we need to keep that in the back of our minds

Chairman Walker confirmed with Vice Chairman Lankford that he had identified revenues that would be available this year that was not available last year.

Vice Chairman Lankford responded:

- Have identified \$2.5 million

Chairman Walker responded:

- That is a game changer as far as the budget
- That is roughly 5 points in our fund balance

Vice Chairman Lankford continued:

- If we are ever going to get ahead, we have got to get away from balancing the budget with funding from the fund balance

Commissioner Jones responded:

- I agree
- Would love to see it at 24%
- Never know when something might happen
- But on the other hand, if you run the county so lean and something happens catastrophic, you could still be in a bind
- Have got to have a healthy balance
- Can't be so rigid on one side to save on the other side – there is still that risk
- We have older population, drug epidemic, increasing foster care kids, terrain, no small economic growth, etc.
- Have to consider what it could cost us if we could get to the point where we are not functioning at the capacity that we need to be
- We need safe vehicles, adequate equipment, etc.
- Rather use fund balance to keep us stable

County Manager Morris commented:

- Was meeting with Animal Control and asked about the mileage on the vehicles that are on the road daily – one has 176,000; one has 270,000; and one has 350,000

Vice Chairman Lankford commented:

- Have always tried to keep 2 months' operating costs in the fund balance
- Will have to look at that when we get the recommended budget

Commissioner Booth commented:

- Think Commissioner Mendenhall had great points in his last statement which I agree with
- Think a million went into the fund balance from funding being released by the Federal Government regarding QZAB which should have already been released
- That changes things for this upcoming fiscal year
- Have got to keep in mind recurring costs, increase in health insurance premiums, adding a COLA which is recurring, etc.

Commissioner Mendenhall commented:

- Each member of this five (5) member board have their own viewpoints and perspectives
- Just wanted to make sure that the manager knew the expectation of this board
- It was big to me to make sure I understood what my directives were from my board
- Did not want to be negative
- I know you do not have an easy job – I know because I did it for five (5) years with our budget being \$62 million
- It was not easy when cuts had to be made
- Just wanted you know what this Board's expectations were before submitting your recommendation

County Manager Morris commented:

- Need to know what tax collection percentage the Board would like in the recommended budget
- Tax Administrator Oakley requested, if possible, to use 97.25% due to revaluation
- Per the audit, we can use 97.54% per audit

The Board unanimously agreed to have the manager used 97.25% per the Tax Administrator's recommendation in his recommended budget with an option to change if needed.

County Manager Morris stated that he assumed this Board wanted him to keep this budget legal and not violate any labor statutes- for instance: you have a department that has a worker that their job duties have been changed by the state to that of another employee in the same department, but that employee's job classification and pay have not changed. If audited by the labor board, the county could be fined and made to pay back up to four (4) years. This could be considered another unfunded mandate.

The Board unanimously agreed for the manager to follow all legal and labor statutes.

Commissioner Booth asked Manager Morris to bring this up at the upcoming legislative meeting.

Chairman Walker stated that he felt there was no reason to recess this meeting with this being our last scheduled meeting.

Vice Chairman Lankford commented:

- Just want to make sure the manager understands no growing government

Chairman Walker questioned Manager Morris his understanding of growing government as discussed in this meeting today?

County Manager Morris responded:

- Two (2) members do not want to grow government
- Three (3) members are undecided

Commissioner Booth commented:

- If you remember, that was the same scenario last year, and there should have been no growing government

Chairman Walker commented:

- Need to make this clear
- Commissioner Booth and Vice Chairman Lankford are the two (2) members that do not want to grow government regarding personnel

Commissioner Jones responded:

- Do not want to be too rigid
- Need to go case by case
- Don't think it is healthy to be that rigid

Chairman Walker responded:

- Generally, I am definitely not for adding positions that don't need to be added
- I would be comfortable looking at the manager's recommendation if a new position is truly needed
- Also want to know when a job is eliminated
- Have been open minded to look at a position if there is strong justification

Commissioner Mendenhall responded:

- Have already stated that I am leaning heavily not to add new positions but that is not a definite no
- Don't feel like I can give you a definite no or yes right now
- I am going to have to say at this point right now that I can't answer that with a definite yes or no

Chairman Walker commented:

- There are definitely two (2) who do not want to grow government and three that would like to see justification if the manager truly feels he needs to request a new position in his recommended budget
- There will be ample time during budget work session to discuss the justification if the manager does request a new position
- Confirmed with Manager Morris that he understood his directives from the Board

Commissioner Booth commented:

- This was the way it was left last year and we got 21 new positions and a two (2) cent tax increase and it left us hanging when we said no

Chairman Walker commented:

- There will be no tax increase in the budget as directed by this Board
- If the manager feels a position is truly needed, he will provide this Board with justification and then it will be left up to this Board to decide

Vice Chairman Lankford commented:

- I support what Commissioner Booth stated, I am tired of taking the blame for denying all these recommendations
- It does not make sense, we and the county manager are not together

Commissioner Mendenhall commented:

- Wanted to go back to what Vice Chairman Lankford and Commissioner Booth stated about twenty-one (21) new positions and a two (2) cent tax increase
- I want this on record
- We have given him a directive of no tax increase
- Manager Morris has made it clear that he understands no tax increase
- When his recommended budget comes back, there should not be any tax increase in his recommended budget except for the one-half cent fire tax
- I understood very clearly when my board told me to suck it up and find a way get something done
- I did not try to navigate around and put the blame on my board
- That is not the job of the superintendent nor the county manager
- Their job as superintendent and county manager is to take care of their board members
- That is his job
- When the Board of Education closed Francisco Elementary School and the vote was 2-2, I was superintendent and did not get a vote on that
- Our last board member that voted when the vote was tied 2-2, before their vote, looked at me and asked me my recommendation before she voted
- I was not going to leave my board member hanging out to dry
- I made the recommendation that I felt had to be made
- It was not a popular recommendation with a lot of people but my job was to take care of my five (5) board members
- At that time, I had nineteen (19) schools and over 1,000 employees
- Understand that Manager Morris has departments and hundreds of employees to look after
- His main job is to help take care of the five (5) member Board of County Commissioners and part of his job is to help keep us from looking bad
- I know Manager Morris is an experienced county manager
- With his experience and directives from this Board, his recommendation should not make this board look bad in the eyes of the county

Vice Chairman Lankford responded:

- I agree
- It shouldn't, but it has been done

Chairman Walker commented:

- Very good comments from Commissioner Mendenhall and appreciate him sharing those comments
- Understand that he needs to make sure employees know he goes to bat for them
- Just want to make sure that Manager Morris understand the majority of the Board wants to maintain a 24% fund balance

County Manager Morris responded:

- Can't agree to a 24% fund balance

- You are putting so many constraints that I can't do a budget

Chairman Walker questioned if the Board wants to have Manager Morris present a recommended budget with the following and see how it goes with the fund balance:

- COLA
- No tax increase
- No increase in personnel (think that is where the majority was)

Vice Chairman Lankford responded:

- That is a start

Commissioner Booth responded:

- Think that is what we have agreed upon

Commissioner Jones responded:

- Think the parameters given to him are going to dictate what our fund balance will be

Commissioner Mendenhall responded:

- Can go with that

County Manager Morris responded:

- Can't go with that
- Those directives will make it impossible

Chairman Walker commented:

- You do a recommended budget with the following:
 - COLA
 - No tax increase
 - No increase in personnel
- Then you tell us how much you have to take from the fund balance

County Manager Morris commented:

- My recommended budget will be done by the time I get to that point
- Don't have time to review with the Board every time I make a change to it

Chairman Walker commented:

- You will give us a recommended budget with no tax increase, no increase in personnel and include a COLA for employees

County Manager Morris commented:

- Before you said I could recommend a needed position with justification, now you have taken it off the table

Chairman Walker responded:

- No, you had three (3) undecided and two (2) definite no

Commissioner Booth responded:

- In the directives just given to the manager, it states no increase in personnel

Commissioner Mendenhall commented:

- To me, he brings us a budget with no tax increase
- People are looking at whether we are raising taxes
- Definitely saying no tax increase
- He will recommend a COLA
- To me, if he has one position that we can absolutely not do without, he can recommend that position with no tax increase and let the Board decide
- Know two (2) members are saying no
- I stated before I could not say a definite no or yes at this point
- I am certain on two (2) things – no tax increase and a COLA for employees

Commissioner Booth commented:

- Would like to ask Commissioner Mendenhall if one (1) or two (2) positions were added and the funding came from the fund balance, this is recurring, where will it come from next year
- Do you want to lower the fund balance to add new positions
- You have to have revenue to cover those new positions
- Next year, you could have to raise taxes to cover those positions that you added this year

Chairman Walker commented:

- Confirmed with Manager Morris that he understands the 24% fund balance
- The direction from this Board is no tax increase, no personnel increase unless strongly justifiable, and COLA
- His recommendation will provide this Board with what it will take from the fund balance
- Believe no one on the Board wants it to be below 20%

County Manager Morris noted that he understood those directives and could work with a 20% fund balance.

Commissioner Booth responded:

- That is not acceptable to me
- Thought I just explained the possibility of a tax increase next year if new positions were funded this year from the fund balance – that is not sustainable

Chairman Walker commented:

- It will be up to this Board to decide if he requests any new positions

- Believe Manager Morris knows the tone of this Board in trying to submit a recommended budget with as few new positions as possible
- Any new position will be justified to the upmost
- Confirmed with Vice Chairman Lankford and Commissioner Booth that they were not on board with the current directives – they both stated no new positions
- Confirmed with Commissioner Jones that she is on board with the directives
- Confirmed with Commissioner Mendenhall that he is on board but does not want any new positions unless absolutely justifiable
- Chairman Walker stated that he was on board with the directives to Manager Morris

Chairman Walker opened the floor for closing comments.

Commissioner Booth commented:

- I think we could say no new employees for this budget just like it was said last year and if something needed to be discussed during the budget year, it could be placed on the Agenda
- We are talking about balancing the budget, keeping our fund balance high, decreasing the amount being taken from the fund balance, etc.
- If he is allowed to recommend new positions and we take them out, who will be blamed?

Vice Chairman Lankford stated he had no further comments:

Adjournment

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

Vice Chairman Lankford moved to adjourn the Goals/Budget Work Session.

Commissioner Jones seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

Jimmy Walker
Chairman