

Vice Chairman Walker seconded the motion.

Chairman Mendenhall opened the floor for discussion.

With no discussion, the motion carried unanimously.

FISCAL YEAR 2018-19 BUDGET

Chairman Mendenhall turned the floor over to Interim County Manager Jake Oakley.

Interim County Manager Jake Oakley presented the Fiscal Year 2018-19 Budget Overview to the Stokes County Board of Commissioners.

Interim County Manager Oakley noted that today the presentation would be for expenditures and that he would be happy to answer any question during the power point presentation.

Overview of FY 2018-19 Budget

- Total FY 2018-19 budget \$36,896,740, which is a decrease from FY 2017-18 of \$49,045,101 or (24.77%). School current expense has been transferred to sub-fund of General fund. Therefore, comparing FY 2017-18 without school current expense the decrease is (3.10%)
- Budget uses \$2,752,174 fund balance, which will reduce the fund balance to \$12,245,830 or 27.40% per 2016-17 audit.
- Revenues has been budgeted conservatively.
- Salary and equipment requests have been reviewed for needs not wants.
- Department's budgets were reviewed and budgeted on needs and prior year expenditures.

Common Expenditures across All Departments

- **Personnel Services**
 - Longevity increases
 - Increase in employer retirement contribution

- Increase in medical insurance premiums
- Dental insurance premiums remained the same
- Unemployment Insurance 1% up to \$235
- Term life insurance premiums decreased
- 4% COLA for full time and part time

Materials, Supplies & Expense

- Fuel cost is based on 2017-18 expenditures
- Across the board reductions were not made since requests were based on actual use
- Telephone costs increased due to RiverStreet, but rental of equipment removed from Public Building's budget

Administration

Budget increased \$35,625/16.96%

Adm Assist/Personnel Officer/Clerk to Board position was split into Adm Assist/Clerk to Board and Human Resources Officer during FY 2017-18

Previous County Manager did not take health and dental

Reclassification Adm Assist/Clerk to Board

Training for new staff

Animal Control

Budget decrease (\$8,531)/(2.59%)

Animal Control now under the Sheriff but maintains a separate budget

Chief Animal Control Officer is a sworn officer

\$50K added to Contractual Services for needs that may be contained in program review report

Commissioner Booth commented:

- How many animal control officers do we have?

Finance Director Julia Edwards responded:

- There are 4 total including the Chief Animal Control Officer.

Arts Council

Budget decreased (\$13,074)/(11.68%)

Director of Arts position no longer receives the adjusted salary for assisting the Interim Economic Development Director

Arts Council now operating in new facility

Grant received to finish the Arts Place project

Grand opening will occur upon completion of the project.

Contingencies

Budget decrease (\$20,000)/(6.25%)

Contingency budget lines remained the same

Emergency contingency funded at \$125,000

Leaves fuel cost contingency funded at \$25,000

\$100,000 for employee payoff of unused vacation, comp time and/or holiday leave

Personnel contingency cost funded at \$50,000

Might be used for the Physician Extender II and LPN if positions are filled.

Commissioner Booth commented:

- Has the \$100,000.00 been covering that?
- I have noticed budget amendments pulling money from other places.
- We asked that employees take time off to keep comp time from building up.

Finance Director Julia Edwards responded:

- It has covered some years and some years it does not.
- It has not covered it this year due to more retirees and having more payouts.
- The comp time is staying pretty good in most departments.
- Employees use comp time first for time off in accordance with the policy.

Cooperative Extension

Budget increased \$352/.20%

All position are filled

MAC lease renewal for computers increased for 5 computers

4% COLA for County portion of salaries

Commissioner Lankford commented:

- When the last position was hired, I never knew anything about that.
- We are paying 50%, so we should know who and when they are being hired.
- I like to know when we hire someone.

Finance Director Julia Edwards commented:

- Brian Hartman was the most recent hired.
- We get a letter from the state.
- We can start passing that along.
- The salary was put in the budget last year.

Commissioner Jones commented:

- Carl Mitchell came before us some time ago about these positions.

Commissioner Booth commented:

- We are paying 50% so it should come before us.

Interim County Manager Oakley commented:

- I will be sure and get with Mr. Mitchell on that and keep you informed.

Debt Service

Budget decreased (\$414,730)/(8.67%)

Summary of Debt Service detailed on the next slide

GO bonds paid off FY 2017-18 funded by School Sales Tax

USDA loan first payment for the Forsyth Tech Community College

Interim loan for the Jail expansion expense in Capital Project Fund. USDA loan is waiting for completion of project.

Three installment purchase for equipment and EMS station paid off and the new installment purchase for equipment added.

Overview of FY2018-19 County Debt Commitment

Debt Description	Purpose of Debt	Years Left	Amount (P plus I)
USDA	Community College	39	\$220,681
PODS	Purchase for Early College	5	\$86,731
Land Purchase	Poplar Springs Elementary	10	\$95,012
School Construction	Nancy Reynolds and Comm. College	11	\$815,010
QSCB	Poplar Springs and Southeastern	9	\$1,781,829
QZAB	Southeastern	9	\$295,714
School Addition	Lawsonville Elementary	10	\$188,430
<u>Total School Debt</u>			\$3,483,407
Capital Lease	EMS & Sheriff & Garage Truck	Last yr.	\$219,212
Capital Lease	EMS and Sheriff	1	\$137,175
Capital Lease	EMS & Sheriff & Computer	Last yr.	\$110,874
Capital Lease	EMS & Sheriff & Other Equipment	2	\$315,950
Capital Lease	Autumn Square Property	4	\$62,299
Capital Lease	Tax Office Software	5	\$42,000
<u>Total Cap. Lease Debt</u>			\$887,510
<u>Total Debt Service for FY 2018-19</u>	Does not included Jail Expansion interest payment		\$4,370,917
Total Debt Service for Stokes County	Principle and Interest, but does not included interest for Jail Expansion loan		\$48,037,859

Commissioner Booth commented:

- This is why you have a reserve.
- Our debt is as much as our budget this year.

Commissioner Jones commented:

- Do we have the flexibility to go ahead and knock some of the loans out that do not have as much time left on them?
- As long as there would be no penalties and we could save the interest.

Commissioner Booth commented:

- The interest is not that much.
- Most of our interest rates are under 3%.

Finance Director Julia Edwards commented:

- With Autumn Square, we could not pay that early due to it has already been set up with that gentleman at his request over this time period.

Commissioner Booth continued:

- What is the fund balance in the 4 cent fund?
- We cannot continue to pay more out than comes in.
- Did the \$400,000.00 go back in that fund from the roof?

Finance Director Julia Edwards responded:

- The estimated balance is 3,713,000.00.
- It is continuing to grow.
- The \$400,000.00 went back in the fund.

Vice Chairman Walker commented:

- With our bottom line on debt, are we anywhere close to what we are allowed out on loans at one time?
- I certainly don't want to have our budget revolve around debt.

Finance Director Julia Edwards responded:

- You can borrow up to 8% of your assessed value and we are nowhere near that.
- We are at about 20% of what we can do.
- I don't want to overdo but I wonder how we compare to similar counties.

Commissioner Lankford commented:

- Most counties are running around 30 to 35%.

Commissioner Booth responded:

- Just because we can borrow more does not mean that we should.

District Resource Center

Budget increased \$5,579/3.30%
Equipment purchased with DRC Fees.

Economic Development

Budget increased \$10,774/1.32%
Economic Development Director hired
Final year of the appropriation for RiverStreet of \$600,000

Economic Development Director has a County vehicle, which was unknown at the time the budget was being finalized. Auto supplies and maintenance and repairs to auto needs to be funded in the final budget.

Vice Chairman Walker commented:

- The school not going with RiverStreet really costs the county with this contract.
- It is so important for this project to continue to reach all of the unserved and underserved areas of our community.

Commissioner Booth commented:

- When does the school go out for contract for their service?
- Hopefully they can go with RiverStreet this time.

Commissioner Jones commented:

- They were concerned with their E-Rate.
- I don't think that will be an issue this time.

Elections

Budget decreased (\$35,065)/(14.76%)
Decrease is due to less elections than last year

Commissioner Booth commented:

- Where do we stand with the voting machines?
- We were being pressured on that last year.

Finance Director Julia Edwards responded:

- They did not put it in their budget this year.

Chairman Mendenhall commented:

- I spoke with Kyle Hall to try and see where they are at with some of those things.
- I have not heard back from him yet.
- I will try again and get an idea on how the voting machine appropriation is looking.

Emergency Communications

Budget increased \$16,582/1.99%

Commissioner Booth commented:

- I would like to see the 4% COLA for employees change to a grade increase.
- It is more of a benefit to the employees.

Commissioner Jones commented:

- I am in favor of this because it helps to close the pay gap.

Commissioner Lankford commented:

- I agree with this but I still want to eliminate the 5 lowest pay grades and move those employees up.

Finance Director Julia Edwards commented:

- When you do a pay increase it is added to the salary schedule.
- The elimination of the first 5 grades would affect 5 employees.
- They would also get the COLA.

Chairman Mendenhall commented:

- It sounds like we are all mostly leaning towards a grade increase rather than a percentage increase.
- Would like to know the rationale behind a 4% increase rather than a grade increase.

Vice Chairman Walker commented:

- I would like to clarify my position.
- I am still in an information gathering phase.

Finance Director Julia Edwards commented:

- With a grade increase we have to change each employee.
- With a percentage they system will figure for each employee when the rate is entered.
- It ends up being the same amount.
- It is the Board's decision on which way they want to go.

Interim County Manager Oakley responded:

- We went with the 4% being that was the higher amount discussed to show how that would affect the budget.
- It can always be adjusted.
- What about the libraries and cooperative extension?

Commissioner Booth commented:

- I think we give them 2%.
- That is what the state is giving and part of their salary comes from the state.
- I think in the future the grade increase is the best for increases.

Emergency Management

Budget increased \$81,335/70.55%

Reclassification of Emergency Medical Services Director/Emergency Management Generator at Pinnacle EMS station (Financed)

Truck funding from Capital Reserve Fund and transfer current truck to Training Officer

Finance Director Julia Edwards commented:

- The reclassification of the Director has been removed from the final budget.

Chairman Mendenhall commented:

- Are all of the reclassifications included in the final budget other than this one that has been removed?

Finance Director Julia Edwards commented:

- Yes they are included in the final budget amount.

Interim County Manager Jake Oakley commented:

- The big increase is the generator.
- We only put one of those in the budget.
- There is still a truck in the budget.
- If you continue to go with the big 4 wheel drive ambulances Walnut Cove will need to be remodeled to fit these.
- The large ambulances will not fit at LifeBrite or Walnut Cove.

Commissioner Booth commented:

- I believe we got ourselves into a situation changing over to these large ambulances.
- They are more expensive to operate.
- Our garage has had to install a new lift to be able to work on them.

Commissioner Jones commented;

- Who would have thought about them not fitting into our stations?

Vice Chairman Walker commented:

- Going forward from now on when anything comes to us from EMS I am going to have a lot of questions.
- We don't need to approve things and not know what is going to cause down the road.

Commissioner Jones commented:

- It is a snowball effect.

Commissioner Booth continued:

- The remount sounds like the same price as a new ambulance costs.
- I was under the impression this was a remount for the larger ambulances.
- We were sold on 4 wheel drives.
- I am curious what other counties our size are using.

Commissioner Jones commented:

- I don't begrudge anything to do with EMS.
- They are our first line of defense and we have excellent staff.
- We do need at least one 4 wheel drive in our county with the terrain we have.

- I am thinking as we begin we have to remount these we start selling and buy smaller ones that will fit into our buildings.
- I would be curious how much remodeling needs to be done to accommodate these larger ambulances.

Commissioner Booth commented:

- How many generators do we have?
- \$50,000.00 is a lot for a generator.

Interim County Manager responded:

- We only have 2 stations that do not have them.
- That is Walnut Cove and Pinnacle.

Commissioner Jones commented:

- I suppose that is the difference in commercial and residential on the price.

Commissioner Lankford commented:

- I am sure the price includes service and hard wiring the unit.

Emergency Medical Services

Budget decreased (\$278,900)/(7.93%)

Purchase of one remount (Financed)

Purchase of two (2) LifePak (Financed)

Laptops with Docking Station three (3)

Monitor VI pagers twelve (12) w/amplified charger

Commissioner Booth commented:

- I thought we just spent 2 million dollars going to the Viper radios and pagers.
- We were told it was federally mandated.
- We would be charged if we did not go to these.
- I have found out now that is not true and other counties did not do it.
- We also bought the Stryker stretchers with hydraulic lift.

Commissioner Jones commented:

- Would be interested to know if our workers comp has gone down due to back injuries with these new stretchers.
- Would like to track that.

Interim County Manager Oakley responded:

- I do not believe we have had a back related EMS workers comp in the last 6 months since I have been Interim.

Commissioner Lankford asked to be excused from the meeting at 2:30.

Chairman Mendenhall with full consensus of the Board excuses Commissioner Lankford.

Commissioner Lankford exited the meeting.

Environmental Health

Budget increased \$20,245/7.46%
Software maintenance
Increase cost of water testing supplies

Finance

Budget increased \$18,371/4.31%
Reclassification of Finance Director, Assist. Finance
Director, Finance Accounting Tech III and Finance Accounting Tech IV
Audit contract increased

Fire Marshal

Budget increased \$11,382/4.85%
Reclassification of Assistant Fire Marshal to Deputy Fire Marshal
Reclassification of Fire Marshal
Dewalt tool Kit w/Blades
Computer

Interim County Manager Oakley commented:

- This department did not get the 3 grade increase a couple of years ago with the other public safety departments.

Finance Director Julia Edwards commented:

- It was started that public safety would get the 3 grade increase.

Vice Chairman Walker commented:

- I don't think they were included in this, we were doing that to help with turnover in the EMS department.

Finance Director Julia Edwards commented:

- All other public safety departments got the increase except the Fire Marshal's office.

Chairman Mendenhall commented:

- When this was brought to you before, was it presented to you as public safety or as the Sheriff's Department and EMS?

Commissioner Booth responded:

- I only remember the Sheriff's Department, and EMS.
- I do not remember E-911.

Commissioner Jones commented:

- I believe we were between Fire Marshals at the time this took place.

Forsyth Tech

Budget increased \$6,266/3.24%

Major activity this year will be construction of the new Trades Building

Commissioner Booth commented:

- Is this increase with the 4% increase?
- That can be taken back to 2%, we don't pay their salary.

Finance Director Julia Edwards responded:

- Our custodian's salary and about 5% of Mark's salary is there.
- There are 2 full time custodians there.

GIS/Mapping

Budget increased \$14,487/7.10%

Three (3) computers

Governing Body

Budget increased \$100,910/10.07%

Increased number of retired employees on insurance

Increased insurance due to Workers' Comp experience and salary increases due to COLA, additional staff or increases in part time

Chairman Mendenhall noted the upcoming meetings, as well as the Public Hearing and the Joint meeting with the Board of Education.

Interim County Manager Oakley commented:

- I want to get an idea of how you feel about the new tax rates in the proposed budget?
- Do you like being able to see it divided this way?
- I am coming to a point that I need to start setting this up with the tax office.

Commissioner Jones commented:

- I like it.
- It makes it more transparent.
- If you raise taxes you can raise on the side that needs the increase.

Commissioner Booth commented:

- I still have questions.
- I want to know how many other counties are doing this.

Vice Chairman Walker commented:

- The tax rate cannot be changed once the ordinance is passed.

Adjournment

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

Commissioner Booth moved to adjourn the meeting.

Commissioner Jones seconded and the motion carried unanimously.

Shannon Shaver

Clerk to the Board

Ronnie Mendenhall

Chairman