

Commissioner Lankford seconded.

Chairman Mendenhall opened the floor for discussion.

With no discussion, the motion carried unanimously.

FISCAL YEAR 2018-19 BUDGET

Chairman Mendenhall commented:

- We are really going to have to push hard the next couple of days.
- I know we could always recess into next week, but Commissioner Walker will not be here.
- That complicates things a little.
- We will push hard these two days.
- Commissioner Walker did request revisiting the Register of Deeds budget.

Chairman Mendenhall turned the floor over the Vice Chairman Walker.

Vice Chairman Walker commented:

- We kind of left that hanging a little.
- I don't believe we decided on whether or not to do the reclassifications.
- We talked about them and mentioned changing them.
- I have supported those from the beginning for various reasons.
- I really believe due to certain circumstances, those individuals have had to carry more of a work load.
- There is freed up salary ongoing.
- Unless we raise the new Register of Deeds salary there will be a gap in funds ongoing.
- I have supported some reclassification.
- Not sure if it is the one we are looking at.
- I just feel that something needs to be done.

Chairman Mendenhall opened the floor for any discussion/comments/questions.

Commissioner Lankford commented:

- I cannot support this reclassification.
- The reason being is I do not like double standards.
- I don't like doing something in a situation like this when we probably have it other places.

Commissioner Booth commented:

- I believe the statement I made the last time we discussed this was to do a grade increase.
- This gives every employee a reclassification.
- I can still change my mind.
- I believe if you do one reclassification you do them all.

Commissioner Jones commented:

- Given that we are planning to give the grade increase, which does give everyone a reclassification.
- However I can see the other side of this.
- I would just prefer to leave well enough alone.

Vice Chairman Walker commented:

- I agree with Commissioner Lankford on being fair.
- If a similar set of circumstances were to occur in another department, I would support this same thing.
- The fair thing to do is be consistent.
- If I were in certain folk's situation I would not be happy.
- We cannot fix everything but when we can we need to.
- That is where I am on this and that is where I will stay.

Commissioner Lankford responded:

- I agree on consistency.
- I would be the same way if this situation occurs again.

Chairman Mendenhall commented:

- It sounds like everyone has made their point.
- We have discussed the grade scale increase.
- Of course we have not voted yet.
- It will come together in the end.

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.

Chairman Mendenhall noted that the last Budget Work Session had left off at School Capital Outlay and that there had been a request for the County Manager to review the school budget and report back.

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

Interim County Manager Oakley commented:

- Ms. Edwards and I went back and looked at areas we had concentrated on.
- After reviewing again I only see about \$26,000.00 more that could be cut.

Chairman Mendenhall opened the floor for discussion/comments/questions.

Vice Chairman Walker commented:

- It is just getting harder to explain the school increases.
- 26,000.00 is not much of a difference.

Commissioner Lankford commented:

- The state gives a pool of money for personnel.
- The School Board has control of the allocations.
- The School Board does not want to make any changes.
- When you continue to lose ADM and ADM money, something has to change.
- They are going to have to make the hard decisions.

Vice Chairman Walker commented:

- I believe in keeping our word.
- When we promise the 4% supplement.
- I think this should be based on current salaries and not salaries 5 years ago.

Chairman Mendenhall commented:

- When we left yesterday we were at 3-2.
- Of course we have not voted yet.

School Current Expense

School current expense has been separated into a sub-fund of General fund showing a tax rate of 31 cents. This will make what the school is funding more transparent. See page 79.

School board requested \$13,374,796 including Poplar Spring operations cost, which is paid from Dedicated Fund of \$94,508. This is a \$2,405,998 increase or 22.13%

Budget recommendation for FY 2018-19 is \$12,145,559

\$94,508 is from the 4 Cent Fund

\$12,051,051 is from 31 cent tax rate and penalties and interest.

Budget total with school's revenue and using \$200,000 fund balance for matching Golden Leaf grant totals \$12,596,059.

As of the BOE 2017 audit their unassigned fund balance was \$396,738. The BOE amended the appropriation from fund balance in the amount of \$141,734 for Art teachers, which was agreed upon by both boards. After this amendment the school's unassigned fund balance is \$255,004.

Interim County Manager Oakley noted that Finance Director Julia Edwards would try and complete the overview today and for the Board to feel free to ask any questions throughout the presentation.

Finance Director Julia Edwards presented the following information to the Board.

School Capital Outlay and Capital Reserve Fund

Budget recommends funding \$1,880,000 of the requested \$2,016,811.
The BOE sales tax funds are restricted by state statute to go towards debt payment and/or capital.
These funds are separate from the Current Expense in General Fund.
Estimated fund balance at the end of 06/30/18 is \$25,125
Sales tax revenue for schools on a positive trend line.
Debt has been retired in FY 2017-18, which frees up funds for capital outlay
Capital expenditure requests for FY 2018/19 are detailed on page 83 of your budget.

Senior Services

Budget increased \$20,834/3.51%
Reclassification of Nutrition Site Mangers (3) due to removing grades 53-56 per Board.
(3) Computers to replace old computers at Walnut Cove Senior Center lab (Requested (6) FY 2017-18 received (3), this would complete the replacement)

Sheriff's Department

Budget increased \$121,850/3.35%
Clerical error in formula for retirement in fiscal year 2017-18
(4) SUV's
(2) Trucks
(2) Computers
(2) Laptops
Body Armor Vest
Spillman Software upgrade
Maint. & Repairs Equipment-Spillman upgrade and maintenance

Commissioner Lankford commented:

- I have looked at this carefully.
- I have spoken to the Sheriff.
- My preference is to stay with the cars.
- There is still 1 year left and we just bought 9 new cars.
- My recommendation is for 4 cars and no SUV's.

Chairman Mendenhall commented:

- I too have spoken with the Sheriff.
- He said he could go with the cars.

Interim County Manager Oakley commented:

- Does this mean we are going with 4 cars period?
- No SUV's or trucks.
- Just need clarification on what you want to do.
- It would be 6 cars if you went with the request for 4 SUV's and 2 trucks.
- He did state this is the last year for the cars.

Commissioner Lankford commented:

- My recommendation is for 4 cars total.
- It could also change with the cars.
- I am sure they will get some resistance from the counties on this.

Commissioner Booth commented:

- I am sure he would want 6 cars.
- Someone is going to come out with a comparable cruiser.

Vice Chairman Walker commented:

- If they are doing away with the cars, I don't see why we aren't just getting cars.
- I do not really like the idea of trucks.
- They are 4 wheel drives and cost more to operate.

Commissioner Jones commented:

- When I spoke with the Sheriff, he was good either way.
- The thought was not to invest in more cars that parts could not be used from later.
- I am good with the cars this year as well.

Commissioner Lankford commented:

- The only reason I am saying we could reduce it to 4 is we just got in cars.
- We need an inventory on the cars that we have.
- Then we can make a final decision on what we need.

Interim County Manager Oakley commented:

- The delay this year was with the manufacturer.
- These were the cars that were approved last year.

Vice Chairman Walker commented:

- In years past we have been on a rotation.
- We get the DSS cars at about 42% of the costs.
- They do come with usage requirements.

Commissioner Booth commented:

- In talking about rotation, the cars are supposed to getting passed down to other departments.
- I do not know if that has been happening.
- The cars from DSS are the same way.

Finance Director Julia Edwards commented:

- They have to have 100,000 miles on them before they can be passed down.

Social Services

Budget decreased (\$248,271)/ (5.13%)

Reclassification of (2) Social Worker II to Social Worker III (Adult Services)

Reclassification of Processing Assistant III to Accounting Tech I

Reclassification of (2) Processing Assistant III to Processing Assistant IV

Reclassification of Accounting Tech I to Accounting Tech II

Reclassification of (2) Community SS Assistant due to removing grades 53-56 per Board.

Purchase of (2) cars Federal & State funding share of \$22,477 and County funding of \$13,523 for these vehicles

Medicaid transportation paid by state

Vice Chairman Walker commented:

- Where is the big savings coming from?

Finance Director Julia Edwards responded:

- Medicaid transportation is now funded by the state.

Social Services-Other Budgets

Aid to Blind budget increased \$255/11.23%.

Day Care budget decreased (\$1,135,269)/ (95.22%), due to the state processing checks for day care and funds not expensed by County. These were all federal and state funds

Medical Assistance budget no increase. This budget may have to be amended if errors are found in the eligibility of clients.

Public Assistance budget increased \$269,346/10.54%, due to increased funding for special adoption assistance, foster services, and adoption assistance

Solid Waste

Budget decreased (\$10,737)/(.80%)

Grant received to put a recycle compactor at the Pine Hall Site. Grant \$15,000/County \$12,387

Purchase of green boxes

Special Appropriations

Budget increased \$16,015/3.16%

JCPC funds remain the same

YVEDDI increased \$9,759/5.06%-RGP Transportation State funds increased slightly and requested \$9,500 for the Connector route

Domestic Violence remained the same

Forestry Services increased \$19,011/26.89% due to truck purchase

King Senior Center decreased (\$107)/(1.57% due to the matching funds for Walnut Cove Senior Center for HCCBG funding.

Stokes County Fire & Rescue Association increased \$6,353/29.78%\$18,000 for water points-funds given for water points in FY 12-13. These funds have been used.

Winston Salem Urban Area Triad (MPO) no change

PTRC-RPO no change

Superior Court

Budget decreased (\$42,587)/(64.53%)

Jury Commissioners will not need to be funded till 2020-21 budget

Closing of judge office in King

Reduction in juvenile retention services

Tax Administration

Budget increased \$42,472/5.18%

Reclassification of Listing Appraiser, Personal Property Appraiser and Motor Vehicle Appraiser

Transfers

Budget decreased (\$104,243)/(4.16%)

Transfers from General Fund

\$350,00 for HVAC replacements/Other Projects to Capital Reserve

SRMH Fund \$74,999 per lease agreement with modification

Transfer of debt payoff from West Stokes and Piney Grove to

Schools/FTCC Construction/Operating Fund Balance for future projects or debt retirement;
recurring amount is \$1,139,775 per approved financial model

This transfer is from retired G.O. debt

Title XIX Medicaid in the amount of \$587,777

\$248,820 annual recurring amount to Mental Health MOE fund; this new fund accounts for and tracks the funding of MOE for mental health services. This is using the Mental Health MOE fund balance of \$160,000

Vehicle Maintenance

Budget increased \$10,381/5.22%

Tire Changer and Tire Balancer

Installation of LED High Bay Light Fixtures in Maint. & Repairs Buildings.

Veteran Service

Budget increased \$1,643/7.69%

Training

Dedicated Fund-Capital/Debt Service (4 Cent Fund)

Transfer to General Fund

Debt Service Payment of \$2,240,407 from the 4 Cent Fund

FTCC annual operating cost \$197,487

Transfer to School Current Expense Fund

– Poplar Springs Elementary School annual operating cost \$94,508

Unappropriated 4 Cent Fund Ad Valorem taxes collected will go into this fund balance. County is maximizing the use of lottery funds for the payment of school debt for fiscal year 2018-19

– Lottery fund balance is always used first

Estimated fund balance as of 06/30/18 is \$3,791,131.

Commissioner Lankford commented:

- Why are Poplar Springs operating costs in the 4 cent fund?

Finance Director Julia Edwards responded:

- It is the way the model was set up.
- Forsyth Tech and Poplar Springs were the two new schools and they were put in this way.
- The operating expenses were put into the model.

Dept Budget Highlights - Fire Districts (all)

8 cent tax rate for all Fire Funds

King Fire District Fund-\$450,956 increased \$15,956/3.67% no fund balance used-Fund Balance as of 06/30/17 \$57,319

Rural Hall Fire District Fund-\$86,573 decreased (\$22)/(.03%) no fund balance used-Fund Balance as of 06/30/17 \$6,413

Walnut Cove Fire District Fund-\$313,352 increased \$14,940/5.01%, fund balance of \$4,112 used-Fund Balance as of 06/30/17 \$12,266

Service District Fund-\$2,229,789 decreased (\$13,737)/(.61%), fund balance of \$75,900 used-Fund Balance as of 06/30/17 \$147,582

Capital Reserve Fund Transfers

Transferring into Capital Reserve

\$350,000 for HVAC replacement and other projects

\$10,000 from LifeBrite per lease agreement

Transferring out to General Fund

Public Buildings- \$45,000 for Emergency Management truck and \$15,055 for HVAC in IT department.

Other Funds

Regional Sewer Fund increase of \$602/.48%

Radio Readers (50% Sewer Fund/50% Water Fund)

Stokes Reynolds Hospital Fund-Hospital operating per contracted amount of \$75,000, with two more years remaining, \$10,000 transferred to the Capital Reserve fund for capital needs.

Danbury Water Fund decreased (\$7,732)/(5.80%)

Radio Readers (50% Sewer Fund/50% Water Fund)

In Summary, What should be the focus for the BOCC on this budget recommendation?
Review and make any desired changes to my recommendations on Personnel
Review and make any desired changes to my recommendations on Equipment Purchases
Evaluate the School System requests, and make a Board judgment on the areas I recommended and the ones I did not recommend
Ask additional questions the Board may have on the budget recommendation that may not have been addressed in the budget message or this power point presentation.

Finance Director Julia Edwards commented:

- That concludes the presentation.
- I have added 2,000.00 to Economic Development to cover vehicle supply costs.
- Reduced 6,670.00 in Emergency Management.
- Reduced 42,000.00 from the Tax Department, which is the software payment.
- It has been fixed with a budget amendment, but did not realize it was in both the tax office, and debt service.
- 200,000 for Title 19.
- Right now I have a credit for 246,670.00 off of the recommended budget, taking the budget down to 48,795,629.00.
- This reduces the amount being taken from fund balance down to 2,505,504.00.
- These are savings I have found.

Chairman Mendenhall commented:

- We have our last budget meeting on Friday at 3:00.
- Does everyone feel comfortable with looking over this and coming back together to try and complete the budget?

Commissioner Jones commented:

- If we approve the budget on Friday, can the ordinance be completed that same day?

Finance Director Julia Edwards responded:

- It will need to be prepared.
- You can add it to the meeting agenda for Monday, June 25th.

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 Lankford seconded and the motion carried unanimously.

Shannon Shaver
Clerk to the Board

Ronnie Mendenhall
Chairman