

Commissioner Mendenhall seconded the motion.

Chairman Nickelston opened the floor for and discussion/questions/comments.

With no discussion the May 31st Agenda was approved as presented.

Chairman Nickelston noted that there was a request for a time extension for speakers at the public hearing. With full consensus of the Board the time limit for speakers was extended to 10 minutes.

PUBLIC HEARING

Chairman Nickelston noted that the Board of Commissioners will hear Public Comments, but will not respond to Public Comments and that each speaker will be allowed ten (10) minutes.

Chairman Nickelston opened the floor for public comments at 7:05 pm.

The following spoke during Public Comments:

Ann Nichols
1145 Sandy Lane
Sandy Ridge, NC

RE: Stokes County Libraries

I have been an employee for the NWRL System for 25 years. I worked at Danbury Library for my first two years before going to King. It has been an experience and I love what I do. I tell my staff at the library that we are a team. We work as a team to provide services for the public. Today I was able to help a gentleman who wanted to learn a new language access free software offered to all library patrons to help him learn Spanish. It was fun showing someone something new and this is never ending at the library. We are always busy at the library. I know that you received a copy of a pay plan analysis completed by Springsted. One of the things that surprised all of us at the libraries here in Stokes County was that compared to two similar systems in North Carolina that we were earning 28.5% less than the minimum. I am not referring to Forsyth County as I know we cannot compete with Forsyth County. I know that all of you have a lot to deal with and that you have to make some tough decisions. I do not envy that and I appreciate all that you do. I consider you part of our library team too. Without each and every one of you we would not have funding to go forth and provide the services that we do. I don't know if you realize it but at King Library we have a job lab. We help people find jobs and work with some companies directly to help fill positions. We work with Meadowbrook School in helping the kids write effective resumes and we hold mock interviews. Yesterday two of those kids got a job. Not all kids can afford to go to college and some need jobs. We helped them learn to go into an interview and what will be expected of them at work. We really enjoyed this and so did the kids. Last year I lost two employees. One of the employees stated that she could not continue to afford to work at the library. She stated that high school kids working at Walmart made more than she

did at the library. I felt horrible about this and she was a wonderful employee. I would like to be able to offer a salary to an employee to help us be competitive and enable me to bring an employee in with the skill set that I need at the library. Many of you started off in a library and you read to your children and grandchildren. The library is changing with the times and incorporating technology. We need people in the library that can help the public adapt and learn as these things change. I have talked with many senior citizens and helped them to learn to use their computers and other devices. We love our jobs and are thankful for everything you do for us. Stokes County has been very good to our libraries. I wish you blessings on what you have to go through. Thanks for listening to me and please come by the library as I would love to see each and every one of you.

Andy Stevens
157 Old Garner Drive
King, NC

RE: FY 19-20

Good evening Mr. Chairman, Mr. Vice-Chair, Commissioners, Staff, and Public at Large. My name is Andy Stevens and I live in Stokes County just outside King.

Let me begin by thanking the Board and Staff for the effort so far put forth in addressing this most important responsibility. I recognize that many needs are competing for limited resources and that your diligence and efforts are undertaken in good faith and with open minds.

My comments and concerns:

I note with disappointment that in your budget process to date not one word has been spoken about improving the lot of our County Employees and abandoned animals housed in an outdated, inadequate Animal Control Facility that still shares space at our County Waste Transfer Facility. I note that some see more importance with fancy new bins for disposing of our garbage than for caring for neglected and abandoned pets.

With that said, our County Operating Expenditures should match available County Revenues. After all, the Budget ultimately agreed to must balance and be sustainable. Kicking the tax increase can down the road if one is truly necessary does none of us any good.

We currently have a combined tax rate in this County of 82 cents. It is supplemented with Sales tax revenues and fees. Our County Manager has done his homework and projected this combined pot of funding amounts to roughly \$49.1 million dollars.

I would ask that this Board produce a Budget constrained in spending to match the recurring funding available. As it now stands, the projected Budget, including all requested and proposed spending costs far more. Before last night's formal request of the School Board, the County Manager indicated the magnitude of this deficit to be an approximate ten cent increase to ad

valorum tax receipts. Adding the requested additional fully funded spending of the School Board would result in a shortfall of thirteen cents or more. In other words, a combined new tax assessment of 95 cents for the year ahead.

Do you know that our County Tax payment compliance rate at the current level of taxation is not very good? I've asked the Tax Department for some detail and I've learned that the tax compliance of our three municipalities, Danbury, Walnut Cove, and King are significantly better than the County compliance rate as a whole. What does this tell us? Does it tell us that our Stokes County residents residing outside municipal boundaries are tax cheats or tax evaders? One could cynically make that case. However, I believe it tells us in stark terms that our current rate is greater than many in our County can afford to pay. Raising taxes an additional 16% will force many, many more to lose their homes and land. This is totally unacceptable.

How can we avoid this? Well, number one would be to insist on compliance with paying our assessed taxes in full. Easier said than done. What else? Well, fully collecting fees from other income sources. Do we do a good job at that? No, we do not. In yesterday's School Budget presentation we learned the School board is foregoing \$151 thousand in other sources of income and planning to piggyback that expense on the tax bills of already burdened County taxpayers. Why for example, are we going to provide free public schooling for residents of Forsyth, Surry, or Rockingham County residents? I was aghast when I learned of such a plan. Did we not hear last night that these Counties spend less per pupil than we do now? Why should we foreclose on the properties of Stokes County taxpayers to pay for the education of students residing outside of our County? The County Board has an obligation to firmly say "No" to such a scheme. It should insist the School Board collect all revenues it can and focus solely on educating Stokes County students.

What about our other sources of income? This Board, if additional funds are required should match fees for service to costs. Do we collect sufficient revenues to cover our costs? Raising fees instead of taxes gives each individual a choice – to pay it or forego the service. Please look hard at fees and the costs associated with the services provided and close the gaps that exist between the two. Raise fees for services before our tax rates.

What about Sales Taxes? Sales taxes, like fees, give buyers a choice. They can spend the money and pay the tax or forgo the purchase instead. They can opt for a good or service at lesser cost as well. Sales taxes have the benefit of generating additional revenue from nonresidents of the County. All of our growing numbers of noncounty visitors can contribute. This Board should propose and justify raising sales taxes long before raising Property Taxes. Place a referendum on the Ballot and convince voters to agree.

On the other hand, if voters do not agree, then it behooves this Board to understand they desire this Board to spend within its means. After all, for some "Taxation is Theft" is more than just a phrase.

One question I did not hear our Board ask of the School Board last night concerns the future size of our school population. Year to year to year the Average Daily Attendance of Stokes County Schools has and continues to decline. Yes, the same will be true for next year. You see, I asked

the Superintendent that very specific question and he acknowledged lower numbers for next year. We are reaching the point where we will soon have two classroom seats and two schools for every student. We cannot afford such a luxury any longer. Thirteen Schools is a reasonable number; nineteen schools is not. The benefits of consolidation are many. For example, difficulties meeting class size limits can be minimized when there are more students of the same grade at the same place. For safety and security, less SRO's would be required. Surplus properties can be repurposed or sold. Its time to push the School board into making these hard decisions. I recommend fixing the School Operating Expense at last year's number to incentivize them towards proceeding down this path. Capital expenditures should be limited to maximizing the life and utility of the thirteen schools determined to be strategically placed to support the future needs of County students.

Our County population itself is stagnant and perhaps declining as well. Yet, County Department Managers initially asked for as many as 42 new positions to fill. How can this be justified when we are not taking care of the County employees we now have? I do believe we have an obligation to those currently employed. Teachers and many of the jobs associated with the School System are funded by the State. The State has been generous over the past several years with year to year increases in pay. The proposed Budget for the State this biennium contains additional pay raises for school system employees. Yet this Board double funded this year's Teacher supplement while County employees received little, if any consideration. You must make a good faith effort to improve the lot of these hard-working County employees this year. Holding the line on School Operating Expenses and forgoing new County hires to favor our current County employees and improve their compensation ought to be your highest priority.

How else can you pay for this? Dissolve the 4 cent School Fund and flow it back into the General County fund. A future thirteen school system will require less dollars to maintain and run than a nineteen school system. The adjusted needs can be addressed for the long term once the School Board completes its work on the transition to the leaner, more efficient structure. Next year, you'll have the results of your Salary Study as well, and resources can be matched to needs for personnel and facilities with precision.

Finally, I'd like to weigh in with my suggestions for the County Fund Balance. The County Fund Balance has been amassed over many years as a result of the prudent, prescient decisions of previous Boards of Commissioners. They themselves as stewards of the fund were diligent about its necessary and intended purpose and nurtured it to grow to where it is today. Granted, the previous Board wanted to use a portion of the Fund as down payment for initial construction of a Wellness Center, but that decision was correctly tabled by this Board. Now, in contrast to past practice, this Board appears ready to draw down this Fund merely as a one-time credit card for recurring, annual expenses. If you proceed to use it in this fashion it will be a foolish, selfish, political face-saving decision.

Certainly, we all recognize if the fund is drawn down to the minimum level the Board considers adequate, it will not be sufficient in following years as expenses rise. For as the total annual Budget grows, so must the Fund, just to maintain its 25 percent level. Using it all now in a one-time shot will be perceived designed to hoodwink the voters that no tax increase was necessary. Even worse would be to take the money and then move the target;

progressively decreasing the value of the Fund Balance until the Local Government Commission would have to intervene.

I'd suggest using the Fund Balance as a temporary cushion for the transition from this year's budget to the next, where a leaner, more efficient, and less costly School Operations Budget and Capital Expense funding will exist. At that point in time the Property Tax Reevaluation will be before you and a new, revenue neutral tax rate can be calculated and applied. Any dipping into the Fund Balance for this year can also be paid back then. The Fund Balance is a rainy day fund for unplanned, unexpected, extraordinary circumstances and should remain untouched so as to be ready in case of need.

Thank you again for your indulgence. I'm looking forward to the shape and cost of the final budget you produce in the days ahead.

With no other individuals signed up for public comments Chairman Nickelston closed the Public Hearing at 7:24 pm.

Adjournment

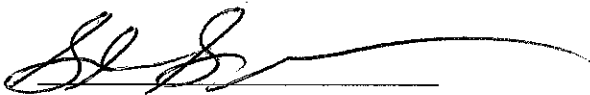
There being no further business to come before the Board, Chairman Nickeslton entertained a motion to adjourn the meeting.

Commissioner Mendenhall moved to adjourn the meeting.

Commissioner Morris seconded.

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

With no discussion the motion carried unanimously and the meeting was adjourned at 7:25 pm.



Shannon Shaver
Clerk to the Board



Andy Nickelston
Chairman