



STOKES COUNTY

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Budget Message

Fiscal Year 2015/16

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

FROM: Richard ~~D.~~ Morris, County Manager *RDM*

DATE: May 26, 2015

SUBJECT: **Fiscal Year 2015/16 Recommended Budget**

Introduction

In accordance with the North Carolina Local Government Budget and Fiscal Control Act (G.S. 159-8), I hereby present and submit for your review and adoption a proposed balanced budget for Fiscal Year (FY) 2015/16. A mandatory Public Hearing for the recommended FY 2015/16 Budget has been scheduled for 7:00 PM in Courtroom "A" of the Stokes County Government Center on Tuesday, June 9, 2015.

Budget Theme

The budget theme for Stokes County's FY 2015/16 recommended budget is "**Facing Realities Head On**". Since the 2008 economic crash, Stokes County Government has worked hard to maintain the same high level of local government services, plus support education and local healthcare access, while keeping the portion of the Ad Valorem tax rate that feeds the County's General Fund at 60 cents for the past ten years with no increase. Fire tax has also remained stable and the only recent Ad Valorem tax increase of 4 cents was approved specifically to fund school and community college construction / renovation projects. This budget recommendation continues to provide the current level of local government services and support to education, but to do so will require a 6 cent Ad Valorem increase to support the County's General Fund and a 1.5 cent increase to the Fire Tax to support the fire departments that serve the county. That being said, as the economy continues to struggle, the theme of "**Facing Realities Head On**" is intended to direct the budget focus to how the county will continue to meet its high level of services to its citizens until adequate new revenue sources can be developed through economic growth, changes in sales tax distribution or other sources that might become available, such as expansion of the county jail as an expanded source of increased revenue. The theme of "**Facing Realities Head On**" should be no surprise to those who have read the

previous three budget messages, which clearly described the county's dilemma of vanishing revenue and revenue sources plus unavoidable budget increases which are required to keep the county functioning to meet statutory requirements. It is very clear that the budget challenges will continue this coming fiscal year and next and this budget should be viewed in the context of both FY 2015/16 and FY 2016/17 at a minimum. This makes the assumption that new revenue sources will materialize in the FY 2017/18 timeframe, such as Walmart, jail expansion, an updated county revaluation and possibly a significant increase in sales tax through redistribution or increased economic prosperity. Even though the economy remains weak, the demands on many of the County's departments continue to increase with some of our departments now reaching critical mass on staff availability to meet their minimum requirements. I will address the staffing issue extensively later in this budget message. As we move forward with this budget, I would again emphasize that difficult challenges will have to be addressed "**Head On**" to continue local government services at a level that most people expect and often take for granted will be there. This budget message is intended to focus everyone's thinking on the next two fiscal years as we try to survive until additional revenue sources hopefully materialize. The County continues to see unfunded mandates, often through subtle and not-so-subtle reductions in state and federal funding, such as reductions in Health Department and Department of Social Services (DSS) reimbursements. While revenue sources are disappearing and uncertain, expenses to operate the county are continuing to increase every year. The ultimate challenge is to balance the needs and expectations of the citizens against the cost of addressing those needs financially. Affordability must continue to weigh heavily in evaluating everything the county does, no matter how great the idea or how important the service being rendered. All recommendations included in this budget proposal were evaluated based on their impact to the FY 2015/16 Budget, and also with a forward focus on how they will impact the following year's budget. This proposed budget requires the appropriation of \$1 Million dollars of General Fund Balance, which is balanced with the recommended 6 cent (96% collection rate) Ad Valorem tax increase to address the increased expense side of the proposed budget, while maintaining at least a 20% General Fund Balance. It also leaves some available General Fund Balance to appropriate for the FY 2016/17 Budget if current estimates materialize as expected. This is a conservative, low risk budget recommendation that addresses structural and other budget increases while continuing to adjust to the loss / reduction of previous revenue sources such as "Hold Harmless" revenue and sales taxes due to the bad economy, plus Ad Valorem tax revenue reduction due to revaluation.

Executive Summary

The total recommended Stokes County Budget for FY 2015/16 is \$44,827,006. This is a 2.27% (\$994,362) increase over last year's approved budget. Without the recommended increase in base salaries, that will be discussed later, the increase would only be 1.02%. This recommendation requires a 6 cent Ad Valorem tax increase plus the use of \$1 Million from the General Fund to balance the budget. The preparation of these budgets is escalating in difficulty each year as the gap between revenue and expenses continues to grow. Insufficient revenue is being generated by the County's traditional revenue

sources to keep up with the structural and other growth components of the annual budget. The fact that revenue sources are not producing sufficient revenue does not change the fact that a certain level of resources are required for the County to deliver the services it is required to provide. The two primary categories of these resources are equipment and salaries. Sufficient equipment and supplies must be provided to match the level of services being offered. Competitive salaries are required to hire and retain employees who are in many cases performing complex and sometimes dangerous jobs for the public. The competitive salary component of the resourcing function has now emerged as a critical issue that must be addressed now, even during the next two difficult budget years. The county is struggling to fill critical positions, especially in the 24/7 emergency services area. Personnel turnover and the associated costs remain very high and filling schedules in the EMS and Sheriff's Departments are becoming near impossible. This translates into high risk and increased liability for the county. Staffing issues will be addressed in more detail as a separate paragraph in this budget message. The 2.27% increase in this year's recommended budget, over last year's adopted budget, was driven by five major contributors which are listed below:

- Increased base salary recommendation for Sheriff's Department, EMS and Emergency Communications (E-911)
- Increase in part-time salary rates and use of overtime pay for public safety personnel
- Structural increases built into the budget for personnel such as longevity increases and increases in medical coverage and county retirement contribution
- Increase level of local funding to support Title XIX Medicaid programs, similar to the local contribution level that was made prior to splitting out Title XIX Medicaid from the General Fund; after the split, spending focused on reducing the Title XIX Medicaid Fund Balance to a normal level to prevent the large fund balance possibly being pulled back by the State; Title XIX reimbursements are also decreasing and on hold this year, but still expected to come in
- The cost of equipment and supplies required to perform the county mission of providing services to the public

Other factors that influenced the FY 2015/16 proposed budget, most of which are beyond the control of the county, are listed below:

Under Revenue

- Economy still experiencing weak recovery
- Sales tax continues to increase, but remains down from earlier years
- Interest income from idle funds remains low due to the Federal Government keeping interest rates at or near zero
- Evaporation of revenue sources and long period of minimal Ad Valorem tax increases
- Continued decrease of state and federal funding

Under Expenses

- Replacement of vehicles to meet rotation schedule and replace vehicles that are no longer serviceable / supportable
- Fuel and energy costs remain high
- Increased volume of calls in both EMS and the Sheriff's Department, plus jail over capacity
- Costs of training and re-training personnel due to high turnover
- Increase in health insurance cost
- Replacement of the outdated computers which are at end of life and no longer supportable

Other Major Influencers

- No more "Hold Harmless" to replenish "General Fund"
- Revaluation reduction in Ad Valorem property tax revenue
- Possible impact from new debt for construction of community college building

In summary, I would ask that as the BOCC reviews and analyzes my recommended budget that you keep the following important considerations in mind:

- The most critical emerging issue in Stokes County Government is the non-competitive level of base salaries. This issue is now reaching the "boiling point" in the emergency services departments where no acceptable applications are being received for many full and part-time open positions. Competitive pay would clearly attract qualified applicants and retain the current employees.
- With the 6 cent Ad Valorem tax increase, I expect the General Fund Balance to remain at or above 20% for the FY 2015/16 projected budget; however, at this time I could not guarantee that same projection for FY 2016/17. The percentage in FY 2016/17 will depend on the performance of other revenue sources between now and then plus the decision that is made on the Ad Valorem tax rate and level of services to be provided at that time. This budget uses \$1 Million of Fund Balance to balance the budget, which leaves a projection of at least \$1 Million dollars of available Fund Balance to work with in FY 2016/17. As we approach the end of this fiscal year, we think the expenditure of appropriated General Fund Balance for FY 2014/15 may be less than expected which could be a big plus for the FY 2016/17 Budget.
- The shortage of revenues continues to keep the County from meeting its normal rotation schedule for replacement of vehicles, which increases the risk of vehicle related issues such as breakdowns and increases in maintenance and repair expense.
- The Fire Commission requested a fire tax increase in their budget request as projected last year. With many of the fire departments, the long standing

volunteer model for fire department operations is not meeting the minimum requirements for fire protection without some presence of paid fireman. The Office of State Fire Marshal inspected fire departments in Stokes County and City of King this month with three departments being placed on probation.

Budget Requests from County Departments

The department heads were conservative in their FY 2015/16 budget requests. They continue to operate on very tight budgets, as evidenced by the decreasing amount of dollars the County was able to recoup during quarterly financial execution reviews of the FY 2014/15 Budget. With the structural increases and personnel / equipment recommendations in my budget proposal, the growth was relatively low at only 2.27%, which is still less than needed to sustain the previously established rotation of ambulances, patrol vehicles and other departmental material and capital needs. Though this budget period is unusually challenging, equipment is still required or the services cannot be provided. In my view, a budget strategy of just cutting all equipment or making large across-the-board cuts during a tough budget year is short-sighted, unrealistic and ignores the realities of conducting the county's day to day operations. The areas of "Equipment" and "Personnel" are specifically addressed below:

Equipment

Requests were submitted for a variety of equipment to include computers. All computer requests were reviewed by the Information Technology (IT) Department and only computers at the end of life were approved, unless they were funded by other than county dollars. The list of equipment items recommended for approval is shown below:

- Laptop computer for District Resource Center
- Laptop computers for Elections Department one-stop voting
- New vehicle for Emergency Management (all non-county funds)
- One new ambulance for the EMS Department
- One new vehicle for Fire Marshal
- Two computer tablets for Fire Marshal
- Replacement suction unit for Fire Marshal
- Reconditioned AED for Fire Marshal
- Server switches for Information Technology Dept.
- Projector for Information Technology Dept.
- Replace NAS drive and renew domain for Natural Resources Dept.
- Computer for Register of Deeds (non-county funds)
- New vehicles for the Sheriff's Dept. (5 patrol cars)
- Investigative software for Sheriff's Dept.
- Evidence drying cabinet for Sheriff's Dept.
- Bullet proof vests for the Sheriff's Dept.
- New vehicles for DSS (2 cars, 1 van)

- New garbage truck for Solid Waste Dept.
- New or used pickup truck for Solid Waste Dept.
- New compactor with installation for Solid Waste (grant match only)
- Chevrolet and Ford scan tools for Vehicle Maintenance Dept.
- Vehicle lift for Vehicle Maintenance Dept.
- Ceiling tiles for the Government Center upper level from capital reserve
- Installation of one transfer switch at London Elementary for emergency shelter

Note: A jail control panel and jail gate will need to be added if the jail expansion does not occur.

The recommended computers and some E-911 equipment are funded by a combination of county, state & federal, and E-911 funds, which are identified specifically in the detailed budget documentation. One used pickup truck was approved for the Solid Waste Department, which will only be purchased if an adequate vehicle can be identified for the available funds. The purchase of vehicles for the Sheriff's Department and DSS are to meet minimum requirements to maintain adequate vehicles to perform the job. We are now in a position that no pass down vehicles are available to fill other department needs and with DSS we are having to pay expensive mileage reimbursement for DSS personnel to drive their privately owned vehicles. The purchase of new computers is included to replace computers that are outdated. Almost everything the County does depends on computers and the network and we have no choice but to replace these very out-of-date computers so our employees can perform their duties. The total amount recommended for equipment in this budget is \$868,220 with \$641,000 of that amount to be financed. The financing will cover vehicles with the exception of the Emergency Management vehicle that will be paid for using Emergency Management Performance Grant (EMPG) funds. Other funding sources for equipment are Register of Deeds technology funds and state & federal funds. Grants and Capital Reserve are also being used to fund equipment. \$89,852 will be required for equipment in the FY 2015/16 Budget Proposal from the General Fund as compared to \$66,434 in the FY 2014/15 Budget.

Personnel

Reclassification Requests / New Positions / On-Call – Various personnel requests were received from the Animal Control Department, Sheriff's Department, Public Buildings Department, Finance Department, and DSS. An expansion of those receiving on-call pay was requested by various departments and is recommended for approval. This approval is recommended based on the fact that there is an unequal standard of on-call pay for non-exempt employees in county policy where some are reimbursed for on-call and others are not. My recommended budget fixes this inequity by paying on-call pay to all departments that are required to have non-exempt on-call personnel designated.

I am recommending two personnel reclassifications for approval in this budget. These recommended reclassifications are to ensure the classification reflects the actual duties being performed in the position. No reinstatements of previously unfunded positions were approved. Reclassifications recommended for approval are listed below:

- Reclassify Deputy Animal Control Officer to Animal Control Officer II
 - Animal Control calls plus animal shelter responsibilities are overwhelming the staff and impacting responsiveness to the public
 - This reclassification would provide a fourth animal control officer with equal responsibilities as his fellow officers, which would more evenly balance the staff's duties, including on-call requirements, and allow the department head more flexibility on tasks that are performed to include answering calls, shelter cleaning / maintenance and euthanasia responsibilities

- Reclassify Fire Marshal to Fire Marshal / Paramedic
 - This reclassification will reflect the actual duties being performed by the current Fire Marshal, where he backs up EMS with paramedic duties on a non-interference basis with his primary duties as Fire Marshal
 - Also, paramedic backup is critically needed by EMS service at this time due to personnel staffing challenges

- Recommendation adds five new government positions to Dept. of Social Services to eliminate five contract positions
 - Request was for seven full-time positions to eliminate more expensive contract workers and increase job tasking flexibility of workers
 - Recommendation adds two Income Maintenance Caseworker IIs, one Income Maintenance Supervisor I and two social worker IIIs for foster care
 - Addition of these positions saves the County \$43,917 local dollars annually because contracted positions cost more than the government positions. These positions will also allow the drawdown of additional state & federal funding
 - Leaves three contract positions for adult services to perform work of two social workers that were requested but not recommended.
 - Adds flexibility to the functions that can be performed by these positions that are not available under the contracting scenario, such as working nights and weekends.

- Recommendation denies the addition of two Sheriff's Deputy positions and one Finance position

The total amount of funds required for the recommended reclassifications, on-call and position additions is \$259,240 of which \$125,500 comes from federal or state funds. The funding impact of approving my personnel recommendations would be a net increase of approximately \$132,658 county dollars annually.

Personnel Turnover /Availability/Retention

The subject of personnel turnover and its negative impact on county government operations has been discussed extensively during budget discussions over the past three years. The County has been able to operate effectively, even with high turnover, primarily due to a core of dedicated individuals who stayed with the county for various reasons over a long period of time. Those core individuals, who are also in many cases our most experienced workers, are shrinking in numbers due to retirements and other reasons. They are not being replaced by people with the same viewpoint on remaining with the county. The county continues to experience unacceptable personnel turnover rates that result in high training costs and increased organizational liability, risk and instability. Departures from the county are almost exclusively for higher pay. This problem has now evolved to the next level, which is the non-availability of suitable qualified personnel to fill critical positions, especially in the career fields where 24/7 coverage is required. At the last BOCC meeting, the Sheriff's Department was given approval for special pay provisions to use current full time personnel to fill additional shifts beyond their regular shifts at time and one half pay. This is just a band aid approach to the larger personnel issue the County is facing.

It goes without saying that the most critical asset the county has is its people. They provide the services, many of which are complex requiring extensive training, education and experience. Non-availability of personnel has surfaced in a big way recently with the EMS Department and the Sheriff's Department. Stokes County is not attracting suitable applicants to fill its critical EMS and law enforcement openings. When you couple this with the high turnover, which also continues, it places these departments in crisis mode. The most senior level personnel, including the EMS Director and the Sheriff, are having to work multiple shifts at all hours of the night and day to fill vacancies caused by personnel shortages. This situation results in sleep deprivation and high fatigue levels which greatly increase the County's liability. This problem is compounded by the fact that both of these departments are experiencing significant increases in call volume and overall workload. The 24.25 hour schedule that our EMS Department uses is designed to allow for periods of sleep during the shift and we are experiencing more and more instances where the EMS personnel are so busy they don't get enough sleep.

The large majority of personnel turnover, and now personnel shortage issues clearly have one root cause. The root cause is completely non-competitive base salaries. If the base salaries of the public safety departments' personnel are not increased by an amount between \$3,000 and \$5,000 annually, I expect these departments to experience mission failure in the very near future. My definition of mission failure is EMS units shut down and areas of the county not covered by the required law enforcement personnel. The county's non-competitive base salaries are causing department instability across the county as other counties set competitive salaries and Stokes County does not. We are increasingly not able to hire or retain a satisfactory number of suitable full-time and part-time employees to meet minimum requirements. To address this urgent situation my budget recommendation includes a three grade increase in base pay for full time sworn law enforcement officers, jailers, credentialed EMS personnel and telecommunicators

(E-911). The cost of this proposal is \$548,700. The approach that has been used to recently address this issue in the Health Department for professional positions will not work in the 24/7 arena because units will have to be taken out of service during the lengthy negotiations process with the BOCC once qualified applicants are identified. The turnover rate for the current budget year is 21.6%, which speaks for itself. One hundred and three (103) full/part time county employees have departed or are in the process of departing Stokes County this fiscal year with 30+ days remaining before the year ends. Decisive action is needed on salaries to address the immediate issues with emergency services, but also to address the same issue in the other county departments since an objective outside salary analysis has not been conducted since 2001. In summary and for reasons stated above, I do not accept the premise that Stokes County can continue to operate successfully with the current turnover rates and base salaries that best case attract non-qualified untrained individuals who require costly training and extensive lead time before they can be fully engaged in their work assignments.

Part-Time Salary Rates

With the county's 24/7 services, part-time employees play a key role in meeting staffing requirements as part-time employees are used to fill gaps and also fill full-time positions when openings occur. It is becoming almost impossible to hire qualified part-time employees to fill critical positions in the County's 24/7 departments. Again, the problem in attracting part-time employees is that competing counties pay significantly higher part-time rates. Lack of available part time personnel also places the County in a difficult position with increased risk of mistakes by overworked full-time personnel. The increase of \$2.00 per hour to part-time rates that was approved last year has made minimal impact on part-time recruiting because the rate increases were still too far below the competition. To address this situation, my budget proposal recommends another \$2.00 per hour increase to current part-time wages for the following 24/7 positions:

- Deputy Sheriff - Increase to \$13.32 per hour and \$14.66 after 200 hours
- EMT Basic- Increase to \$11.75 per hour
- EMT Intermediate - Increase to \$13.79 per hour
- EMT Paramedic - Increase to \$14.77 per hour
- Jailor - Increase to \$13.32 per hour and \$14.66 after 200 hours
- Telecommunicator - Increase to \$11.61 per hour and \$13.79 per hour after 200 hours

EMS Recommendation

After much analysis of the EMS workload increases and personnel shortages, my recommendation is that all convalescent transport be contracted out to a private service for a minimum of the next two fiscal years. The Stokes County EMS Department is no longer capable of providing both advanced life support (ALS) and convalescent calls with the number of personnel and front-line units the County has in service. Surrounding

counties have been running an increasing number of Stokes County's ALS calls, which directly impacts revenue received by the County. The County's five front-line units are routinely fully committed running ALS calls. The contracting for convalescent calls will also reduce county revenue that is being collected for these transports. The county is currently billing approximately \$500,000 annually for these services and actually collecting about \$200,000 of that amount. I would also recommend that during the next two years an internal study be completed to determine what structural changes need to be made to the EMS Department to address the issues of increased workload, work schedules, convalescent transport, personnel staffing and complexity of medical services provided. Changes are definitely needed if we are to keep the performance of the EMS Service at its current level.

Economic Development Department

The Interim Director of Economic Development and I have developed the proposed budget for the one-year period where the economic development function is being reassessed by the BOCC. Among other changes, it brings some of the website and advertising functions internal to the county where they were contracted out before. This budget supports the continuation of many economic development activities that are currently in process and supports the expansion of economic development opportunities during the one-year reassessment period.

Employee Cost of Living Adjustment (COLA)

I am not recommending a cost of living adjustment or bonus this year for county employees due to the difficult budget challenges the County faces. I feel the lack of a COLA or bonus strengthens the need for the BOCC to approve the personnel and equipment requests that I have recommended so employees will at a minimum have the resources they need to perform their duties during FY 2015/16, which is a difficult budget period that includes high caseloads and overall workload that is trending up in many departments.

Board of Education (BOE) Requests

As stated throughout this budget message, the County budget is especially challenging during the next two years, which also impacts what can be done for the School System. Recent new school construction and renovation has added new debt though a significant amount of school debt is due to be paid off in FY 2017/18 (West Stokes & Piney Grove). The Lawsonville Elementary Project, which was the last project funded by the BOCC on the current school construction / renovation list, is now completed with no new school construction on tab at this time, with the exception of the Forsyth Tech Community College Project, which is totally separate from the Stokes County BOE construction projects. The budget challenge will now shift to the repair, modification and

maintenance of the existing schools where additional funding will become available starting in the FY 2017/18 timeframe as alluded to above. This additional funding can only be used on BOE school capital projects or for school debt should additional debt be incurred.

Current Expense

Though the ADM level has decreased significantly during the past few years, the Current Expense budget request from the BOE for county funding contains an approximate 9.92% increase over last year's approved budget. This translates to an approximate \$1,013,058 increase over last year's BOE request. Last year's BOE budget appropriated \$1,027,343 of their Current Expense Fund Balance toward their Current Expense budget and in this year's request the BOE does not have remaining Fund Balance to appropriate. My recommendation is to provide the BOE \$10,211,763 for Current Expense, which is the same amount approved in last year's budget. This recommendation also includes \$105,297 to the BOE for Current Expense to pay for operations & maintenance expenses for the Poplar Springs Elementary School. The \$105,297 will come from the New School / Forsyth Tech Construction / Renovation Fund (previous 4 cent tax increase) and will not impact the County's General Fund. The BOE will use \$482,709 of their Current Expense Fund Balance to balance their budget. This depletes the BOE Current Expense Fund Balance amount that was available at the end of FY 2013/14 per their audit.

Capital Outlay Expense

The BOE Capital Outlay request for this budget was \$1,462,500. This would require \$457,500 from the County's General Fund to meet this request. My recommendation is to provide the BOE \$1,700,000, and include the authorization for the BOE to spend up to \$1 Million from their Current Expense Fund Balance on capital projects if any fund balance becomes available. As in previous years, my recommendation is to continue prioritizing the BOE capital funding toward the retirement of debt from earlier school construction, which will require \$1 Million in the proposed FY 2015/16 Budget. This annual \$1 Million debt payment for General Obligation Bonds (West Stokes and Piney Grove Schools) will continue for two more years before this amount can be appropriated to school capital projects. In FY 2016/17 the debt payment will be reduced to \$1,273,572 which should free up in the County's General Fund an additional \$65,400 of additional funding which could be used for school Current Expense or Capital Outlay, but is not required to be used for that purpose. In FY 2017/18, the remaining debt payment will be \$828,772, which will free up \$171,228 of school capital outlay funds, which must go to the BOE plus \$273,572 of County General Fund dollars which could also be used for school Current Expense or Capital Outlay. In FY 2018/19, the entire \$1 Million will become available, all of which must go to school capital needs or school debt per general statute. For FY 2015/16, the remaining capital funds after debt payment in the amount of

\$700,000 will be appropriated for capital outlay in the areas of safety, school security and roof repair / replacement. The \$700,000 appropriation is a \$100,000 increase over last year's recommended appropriation for this purpose.

Special Appropriation

A special appropriation in the amount of \$60,000 is made to the BOE from county economic development funds to recognize the BOE support of and potential participation in the expansion of broadband connectivity in the county. This funding is added to the BOE budget request above and beyond the funding amounts agreed to by the BOCC and BOE for Current Expense and Capital funding.

Status of Revenue

The key message I presented during the recent budget guidance sessions was that the county has a revenue problem not an expense problem. A review of recent statistics from the Local Government Commission (LGC) shows that counties similar to Stokes have an average budget expense level at the \$51 Million to \$55 Million range. Hold Harmless funding is now history. A potential increase from the next revaluation increase is a couple of years out and a sales tax rebound is uncertain unless something like the proposed sales tax redistribution legislation currently before the General Assembly is approved. The County's General Fund Balance is available as a limited resource to help balance the budget in FY 2015/16 and FY 2016/17. After that the General Fund will diminish as a dependable source of additional revenue if it is to be kept at the level needed to address emergencies and obtain future debt when the decision is made to do so. At some point, one would expect sales tax and Ad Valorem tax to rebound to help offset the increased costs of providing services, which will continue to increase each year unless drastic cuts are made to the services being provided and in most cases drastic cuts are not an option because the services are required by general statutes. This leaves the County with only one option, that being increased Ad Valorem taxes which are a necessary evil. As noted earlier, the time for an increased Ad Valorem tax rate has arrived this year. Our latest projections show that another Ad Valorem tax increase in FY 2016/17 Budget may not be required. This will depend to some degree on decisions that are made by the BOCC on this budget proposal. We have projected that approximately \$1,752,762 of appropriated General Fund Balance from FY 2014/15 will be available to replenish the General Fund Balance on June 30, 2015. No unexpended funds were recouped from the last quarterly financial execution review that could be returned to the General Fund Balance. The dollar amount going back into the General Fund Balance at the end of the year has become negligible due to lean budgeting where the departments are spending all of the amounts they have budgeted to meet their mission requirements.

Health and Dental Insurance Costs

The shift three years ago to a Health Reimbursement Account (HRA) / Split Deductible continues to look like a good decision based on experience to date. The County will continue with a Health Reimbursement Account (HRA) / Split Deductible this year to cover county employees. The County will also continue to pay 100% of the premium cost for employees. The terms and conditions of the insurance plan will have some minor changes because the County will be switching to an insurance broker this year who will provide coverage through Blue Cross Blue Shield and not through the current insurance carrier using the League of Municipalities Insurance Pool. The changes in coverage will further incentivize employees to use generic drugs and to not use hospital emergency rooms. Prescription costs will also be slightly more expensive for most employees. These changes were required to maintain an acceptable increase in premium cost that the County could afford. Even with these changes the County will be expending an increased amount of funds from the HRA account to subsidize prescription costs. On the positive side, the new policy will automatically include \$25,000 of term life insurance for each active full-time employee covered by the health insurance policy at no individual cost to the employee. An option will also be available for the employee to purchase additional term life insurance if they desire to do so. The change of insurance carriers held the increase in insurance premiums to 4.5 % where the quote from the League of Municipalities was a 21% increase. The cost for the employee co-pays in the areas of emergency services, urgent care and prescriptions will increase. The current health insurance provider will also be introducing a wellness program that will help to keep premiums lower and prevent health problems for employees. Wellness programs are becoming the norm for all insurance programs to reduce medical costs. Under the new insurance carrier dental premiums will remain the same as last year.

Enterprise Funds

The County has three enterprise funds which are described below.

- **“Stokes Reynolds Memorial Hospital Fund”** – This budget recommendation appropriates \$75,000 for Pioneer Health Services (PHS). It also includes the \$10,000 annual payment to the County to fund future capital based expenditures that result from the receipt of \$500,000 in lease payments from PHS and the return to PHS of \$490,000 for “emergency services” leaving \$10,000 annually for the fund. All budget items related to PHS are in accordance with the terms and conditions of the County’s lease with PHS. The County is also using this fund to manage all “accounts receivable” and “accounts payable” remaining from the County’s prior operation of the hospital, after the transfer back from Baptist Hospital, and before PHS took control. In FY2015/16 the payment to PHS was scheduled to be reduced from \$200,000 to \$100,000 per the lease agreement; however, the lease was modified where \$25,000 will also be withheld by the County to pay one-half of the purchase price for the sale of Stokes County Home

Health to PHS. The payments will continue to scale down until five years from now no funds will be provided to PHS for “emergency services”.

- “Regional Sewer Fund” – This fund remains financially sound with no rate increases.
- “Danbury Water Fund” – This fund is now financially sound due to changes made in the FY 2013/14 Budget to redistribute institutional rates between this fund and the Regional Sewer Fund, which fixed the deficit in the water fund and left the sewer fund with a sufficient balance. As a reminder, the rates for the Danbury Water & Sewer Funds are at only half of the amount that is normally required to qualify for most state funded infrastructure grants.

New Grant Program for County Parks

This proposed budget continues the grant program for improving county owned parks. The grant application process is in place and projects have been submitted or will be submitted by Pinnacle, East Walnut Cove, Lions and Germanton Parks. This program allows interested individuals or organizations to apply for up to \$2,000 per park annually to make improvements to the park facilities. In order to receive the funding the applicants provide a match, which can be in the form of cash or in-kind contributions. The total amount placed in this fund for FY 2015/16 will be \$8,000. In addition to the grant program, I am recommending that \$2,000 per park be allocated to county owned parks for the operations and maintenance of the parks with the exception of Moratock Park which is already maintained by the county staff. This recommendation is driven by the lack of volunteers to maintain the parks and the possibility that these parks could be returned to the County for operations. A policy / process will be put in place that meets all internal control requirements to disburse funds for the operation of the eligible parks.

Walnut Cove Library

In 2005 & 2006, Stokes County entered into arrangements with the Town of Walnut Cove to jointly fund the renovation and upgrade of the Walnut Cove Library building and facilities. The arrangements called for the County to make ten payments of \$40,000 annually and by July 1, 2014 to pay an additional \$50,000 to close out the County’s obligation. The final payment of \$50,000 was to be offset by one-half of any funds raised by the library during the loan period. The other half would go to offset the identical \$50,000 payment owed by the Town of Walnut Cove under the agreements. On July 1, 2014, the Stokes County portion of this loan obligation was completed. As a result of funds raised by the library, Stokes County’s final payment was \$33,000 in lieu of the original \$50,000 requirement, with the amount owed being confirmed by the Interim Town Manager of Walnut Cove. The remainder of the obligation for the renovation and upgrade of the library is the responsibility of the Town of Walnut Cove to address as the Town Council sees fit.

Water / Sewer Project Gap Funding

Stokes County is near completion of the project to install a new sewer line from the packaging plant located in the Town of Danbury to the new community college site in the Meadows Community. The project also includes connection to the water system at the Meadows site that already supports the Early College facilities. The majority of the funding for this project was provided by multiple grant agencies, with the largest amount coming from The Golden LEAF Foundation. Because of uncertainty as to the final total of available grant funding, the BOCC signed a Funding Gap Letter that stated that the County would fill any shortfalls from the granting agencies. If a funding gap occurs, the primary sources of funding to fill the gap will be excess funds from the County's Regional Sewer Fund plus additional funding that is available in the Community College Capital Projects line item. At this point in time, the project has not encountered any significant construction issues and there is a high probability that no gap funding will be required from the County.

General Fund Balance

Under my proposed budget, \$1 Million will be required from the County's General Fund along with the recommended 6 cent Ad Valorem tax increase to balance the budget. This is \$1,823,913 less than the amount appropriated from the General Fund Balance in the FY 2014/15 Budget. The County is down to the last \$2 Million estimated to be available from the General Fund for use this year and next to balance the budget without a significant downturn below 20% in the General Fund Balance. My recommended approach uses half of the previously projected available amount this year and saves the other half for FY 2016/17. An estimate of approximately \$1,752,762 will be returned to the County's General Fund balance on June 30, 2015 from the unexpended funds and any revenue overages remaining from the FY 2014/15 Budget. This amount is higher than earlier projections that were expected. As stated earlier in this message, I would recommend that the BOCC strive to keep the County's General Fund balance in close proximity to 20% to maintain the county's strong financial rating with the national rating agencies. With the use of \$1 Million from the County's General Fund Balance to balance the proposed FY 2015/16 Budget, it is projected that the County's General Fund Balance will remain above 20% for FY 2015/16, but is at risk of dipping below 20% in FY 2016/17 if other revenue sources are not identified or available to produce required revenues.

Title XIX Medicaid Fund

As the BOCC is aware, the Title XIX Medicaid funds were broken out from the General Fund to provide more visibility of these funds and their uses. At the time, the Title XIX Medicaid funds were broken out, a large Fund Balance had accumulated, while at the same time, local county dollars were being used to fund the same programs being funded by Title XIX Medicaid funds. The breakout of Title XIX Medicaid provided clear

visibility of the large Fund Balance that had accumulated. With the increased transparency of this fund, an immediate concern was that the State would possibly pull back the majority of these funds that had not been spent and had accumulated into the large Fund Balance. To prevent this possible occurrence, the County decided to use a portion of the Title XIX Medicaid Fund Balance to expand the administrative office space with a building addition / renovation at the Health Department, which was an authorized use for the Title XIX Medicaid funds. Even with the building addition, the remaining Fund Balance allowed the County to fund Title XIX Medicaid programs for two years with lower levels of local dollars as the Title XIX Medicaid Fund Balance continued to be reduced to a normal level. In the FY 2014/15 Budget, the Title XIX Medicaid Fund Balance was spent which required an increased level of local funds to support the Title XIX programs. The proposed FY 2015/16 Budget also requires significant local funding to support Title XIX programs. This year's projected Medicaid settlement amount is \$120,000 as compared to \$150,752 for FY 2014/15. Title XIX funding needs to stay on the watch list for local funding to ensure these shared programs are needed, and that they generate sufficient revenue to justify the program costs and the use of the local funding share.

Interest Earnings /Rates

Interest Earnings – Interest earnings on idle funds invested by the County remain negligible due to continued low market rates. Interest rates are projected to remain low through the next fiscal year.

- The Federal Government does not intend to raise rates until unemployment rates improve.

Inflation – Officially inflation remains low; however, commodities such as food, fuel and healthcare continue to increase.

Sales Tax Receipts

Sales tax receipts for the “General Fund” are up by \$240,703 over last year, as of March 31, 2015, which is a 9.1% increase. Article 40 and 42 sales tax receipts, where a proportion goes to the School System, are up by \$95,930 over last year for the same time period, which is also a 9.1% increase. Even though sales tax receipts are fairly consistent from last year, they remain significantly lower than the levels received prior to 2008. Stokes County desperately needs the proposed sales tax redistribution legislation currently being discussed in the North Carolina Legislature to be passed in its current form if we are to remain financially sound without additional Ad Valorem tax increases in the future.

Ad Valorem Taxes

Ad Valorem taxes are the main source (54.23%) of revenue for the county budget. Based on the last Stokes County audit, the FY 2013/14 actual collection rate was 96.97%. This proposed budget uses a more conservative collection rate of 96%. Should the BOCC desire to do so, the collection rate could be raised as high as 96.97%, though I do not recommend going above 96%. A new variable is now two years old where tobacco buy-out payments expired, which means approximately \$6.2 million annually is no longer coming to Stokes County. There is no indication that this change has negatively impacted Ad Valorem tax collection rates at this point in time. Approximately 50.09% of the Ad Valorem tax revenue goes to fund the County's School System.

Legal Services

This proposed budget includes a \$1,000 per month increase in retainer fee for the County Attorney, due to the increasing level of effort required to provide legal support to the County. Examples of increase effort are the time consuming review of closed session minutes and the performance related to increased real estate transactions. If the Jail is expanded that will also require additional legal work. Currently, the County contracts with two attorneys, one of which is dedicated to providing specific legal services to the Department of Social Services (DSS), and the County Attorney who provides both general legal services to the County and some specific legal services to DSS. The total legal budget for the county is \$80,000 which also includes an allocation for litigation and outside legal services that would not fall under the scope of the County Attorney's contract. Additional funding in the amount of \$95,000 is also included in the DSS Budget for the DSS attorney, of which \$35,133 is county funds.

Fire Marshal Recommendation

It is my recommendation that the Fire Marshal Office be moved back out of the Sheriff's Department organization and put back as an independent department under the county manager. The transition period where the Fire Marshal Office was under the Sheriff's Department worked well and solidified the relationship between the two departments and the processes the two departments needed to use to support each other. Both department heads would now prefer that the departments operate independently. It should be noted that the Sheriff took on the additional responsibility of the Fire Marshal office without additional compensation. As stated earlier, I have also recommended that the current Fire Marshal be reclassified to reflect the additional duties he is performing as a paramedic in addition to his Fire Marshal duties. I have also recommended a pick-up truck with camper shell for the Fire Marshal to replace the current SUV type vehicle he is currently assigned. EMS regulations require that fire-fighting equipment and EMS supplies be separated in the vehicle to prevent contamination of medical items. The four wheel drive SUV currently assigned to the Fire Marshal would likely be transferred to Natural

Resources to replace the four wheel drive vehicle assigned to them last year that quickly became unserviceable.

Animal Control Recommendation

A reclassification of the Deputy Animal Control Officer position is proposed to increase staff flexibility and relieve some stress from the other three animal control officers. This change will make all animal control duties interchangeable among the staff with the exception of additional duties required of the Department Head. The training line item has been increased slightly in my proposed budget to provide required training, such as euthanasia to the new animal control officer who was recently hired as the result of a retirement.

Fire Departments and Fire Tax

My budget recommendation raises the fire tax rate by 1.5 cents to 8 cents. This increase was recommended by the Fire Commission. The additional funding will be used to address personnel issues associated with responding to fire calls and also for additional radios that are needed to supplement the basic issue of new radios provided by Stokes County as part of its mandated communications upgrade. All of the fire departments have been upgraded with the VIPER Radio System, which was the final phase of the county's narrow banding communications upgrade. The county's fire departments just completed an inspection from the Office of the State Fire Marshal and, as stated earlier, three fire departments were placed on probation.

Miscellaneous Requests from Outside Agencies

Several outside agencies requested and were recommended for funding in the Stokes County FY 2015/16 Budget proposal. Agencies that received funding and the ones that were denied funding in the recommended budget are both listed below:

- **YVEDDI** – Request for weatherization funding was recommended due to the end of the CDBG Scattered Site Housing Rehab Program (\$9,000). Total for all YVEDDI programs was \$168,734.
- **Roanoke River Basin** – Request was denied for \$3,792.
- **N.C. Wildlife Resource Commission Beaver Management Assistance Program** – Request for \$4,000 was denied
- **N.C. Forestry Service** - Request for temporary smoke chaser funding was again recommended to provide additional support to fire departments at fire scenes (\$15,701). The request for a new vehicle for the Forestry Service was not recommended.
- **Stokes County Fire Association** - Provided \$20,688 a \$6,193 increase

- **Sparrow House** – Request for \$20,000 from the Sparrow House was not recommended for approval. The Sparrow House does not yet meet required standards for referrals by Stokes County’s Domestic Violence Office.
- **JCPC**- Recommended \$177,814 of which \$41,804 is county matching funds

Summary

In summary, my recommended budget attempts to place the County in the best possible financial position to provide the necessary services to the public during the next two budget years where additional revenue is needed to deal with increased expenses which have been held to the bare minimum required for the successful operation of this county government.

- **What this recommended budget does not do.....**
 - Does not furlough or lay off any full time county employees
 - Does not eliminate or reduce any existing services to our citizens
 - Does not reinstate any of the unfunded positions from the FY 2011/12 Budget
 - Does not provide a COLA or bonus for full and part-time employees
- **What this recommended budget does do.....**
 - Adds 6 cents to Ad Valorem tax rate for County’s General Fund and 1.5 cents to the County’s Fire Tax rate.
 - Appropriates County General Fund dollars to balance the budget
 - Makes adjustments in some basic pay levels to address staff retention and shortages
 - Keeps the projected County General Fund Balance in close proximity to 20% for the FY 2015/16 Fiscal Year
 - Funds a limited amount of capital outlay for essential equipment
 - Continues to pay 100% of employees’ health, vision and dental care premiums with minor changes in benefits and keeps Health Reimbursement Account structure in place
 - Increases part time salary rate by \$2.00 per hour for Public Safety personnel who are difficult to recruit
 - Equalizes the on-call pay policy for all departments

Conclusion / Recommendations

I think it is safe to say that no one, including me, is pleased with the budget situation we are facing for the next two years; however, I think this budget recommendation faces “**Head On**” the real needs of this county based on my, and our department heads, best collective assessment of where the county is at this time. I’m sure there will be those who balk on the increase in Ad Valorem tax rates to support the county’s General Fund and Fire Service, but I would counter that with the fact that the current and recent Boards of County Commissioners have provided a very high level of government services during the past ten years with no increase in Ad Valorem tax for the General Fund and only a small increase in Ad Valorem tax of 4 cents to support education through school construction / renovation and community college projects. Even though we will experience some expected “bumps in the road” for the next couple of years, I would also remind the naysayers that there are a lot of accomplishments from this and previous boards of commissioners and county staff members that make the case for an optimistic future for Stokes County. A few examples are:

- Major school construction and renovation projects completed for the BOE
- A new community college coming on line next year
- A new sewer system for the Meadows Community and community college
- A major initiative to expand broadband coverage to unserved and underserved customers throughout the County
- The transfer of Camp Sertoma properties to Hanging Rock State Park
- An exciting transformation of the Art Market property in Danbury, which is owned by the County
- The construction of a new medical / community center in Pine Hall thanks to the generosity of Mr. Ronald Petree and his sister Ann
- Expanded local medical services from Pioneer Hospital and other surrounding medical providers
- The development of a comprehensive land use plan to support expanded economic growth of the County

I think these examples are good illustrations that the citizens of Stokes County have received significant value for their tax dollars over the past ten years and that there is no reason that this pattern should not continue.

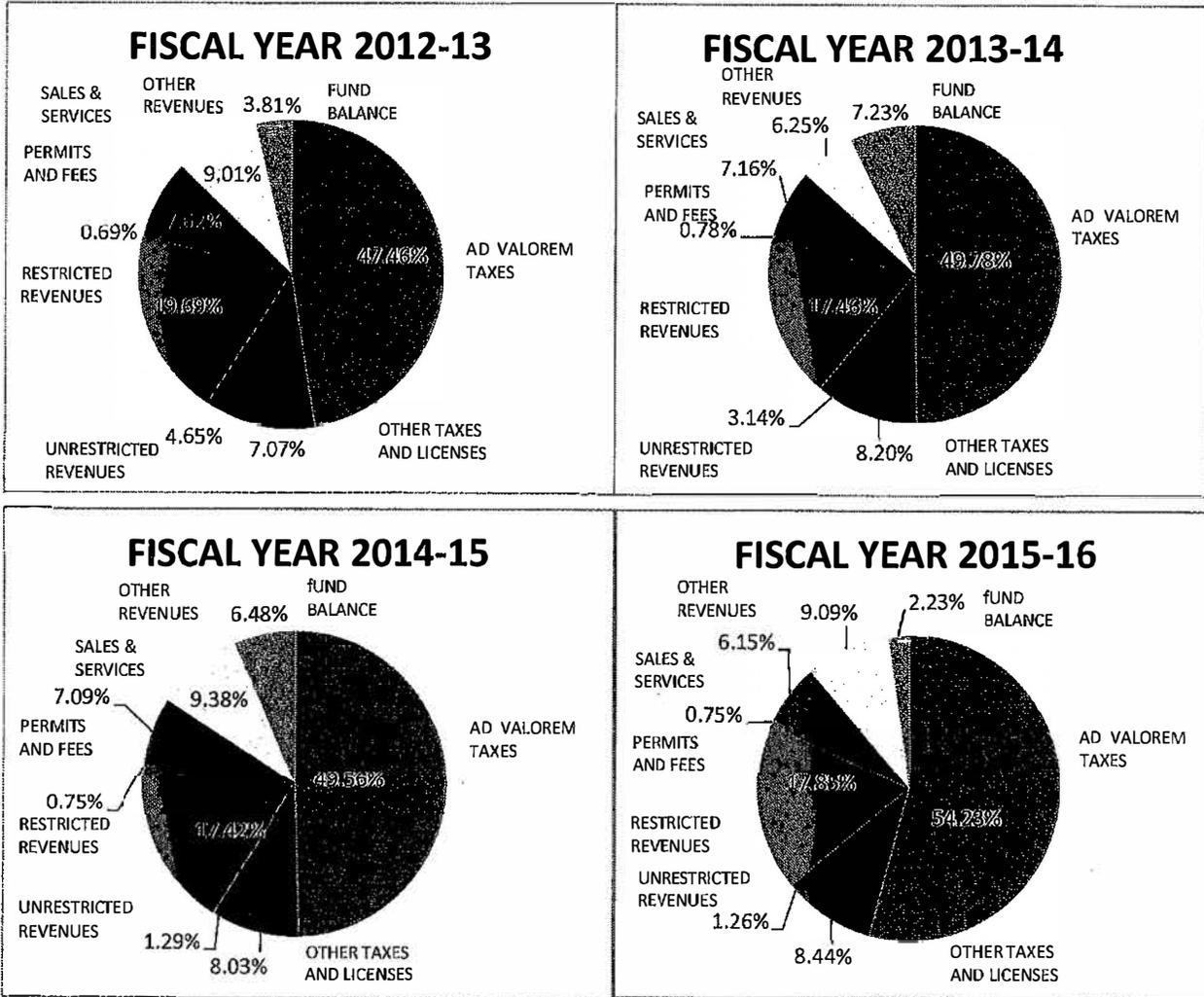
There are obviously parts of this recommendation that the BOCC and General Public would prefer not to hear, but shame on me if I report what everyone wants to hear instead of what they need to hear to address critical issues faced by Stokes County. In previous budgets, I have referred to Stokes County entering a “Perfect Storm” as we try to navigate difficult budget waters between now and FY 2017/18. I believe we are now in the first year of at least a two year “Perfect Storm”. The essence of our “Perfect Storm” is that we have run out of sufficient revenue to fund the county operations without Ad Valorem tax increases, which are not desired by anyone. There is a new component of this “Perfect Storm” that has now surfaced more rapidly than I had hoped and is driving the county’s risk and liability up significantly. That component is non-competitive base

salaries. I had hoped the county could wait until the FY 2017/18 timeframe to deal with this issue, but it is now clear that this issue will have to be addressed much sooner. The FY 2015/16 budget proposal will preserve a General Fund Balance at the desired level for another year but only by increasing taxes or eliminating services, and as I have stated earlier, further cuts in services are not really feasible given the statutory requirements and the expectations of the County's citizens. The budget challenges that are now in clear view for next year cannot be addressed by making small changes around the fringes. The removal of the \$2.5 to \$3.0 Million deficit bubble that has moved from year-to-year will require the recommended Ad Valorem tax increases and use of remaining available General Fund Balance in FY 2015/16 and FY 2016/17 to balance these two budgets. The obvious challenge will be generating sufficient revenues to keep services at acceptable levels, without reducing the County's General Fund Balance to an unacceptable level. It's my opinion that my recommended budget for this year addresses all major budget issues faced by the County to maintain services for FY 2015/16 while preserving some of the available General Fund Balance for the FY 2016/17 County Budget.

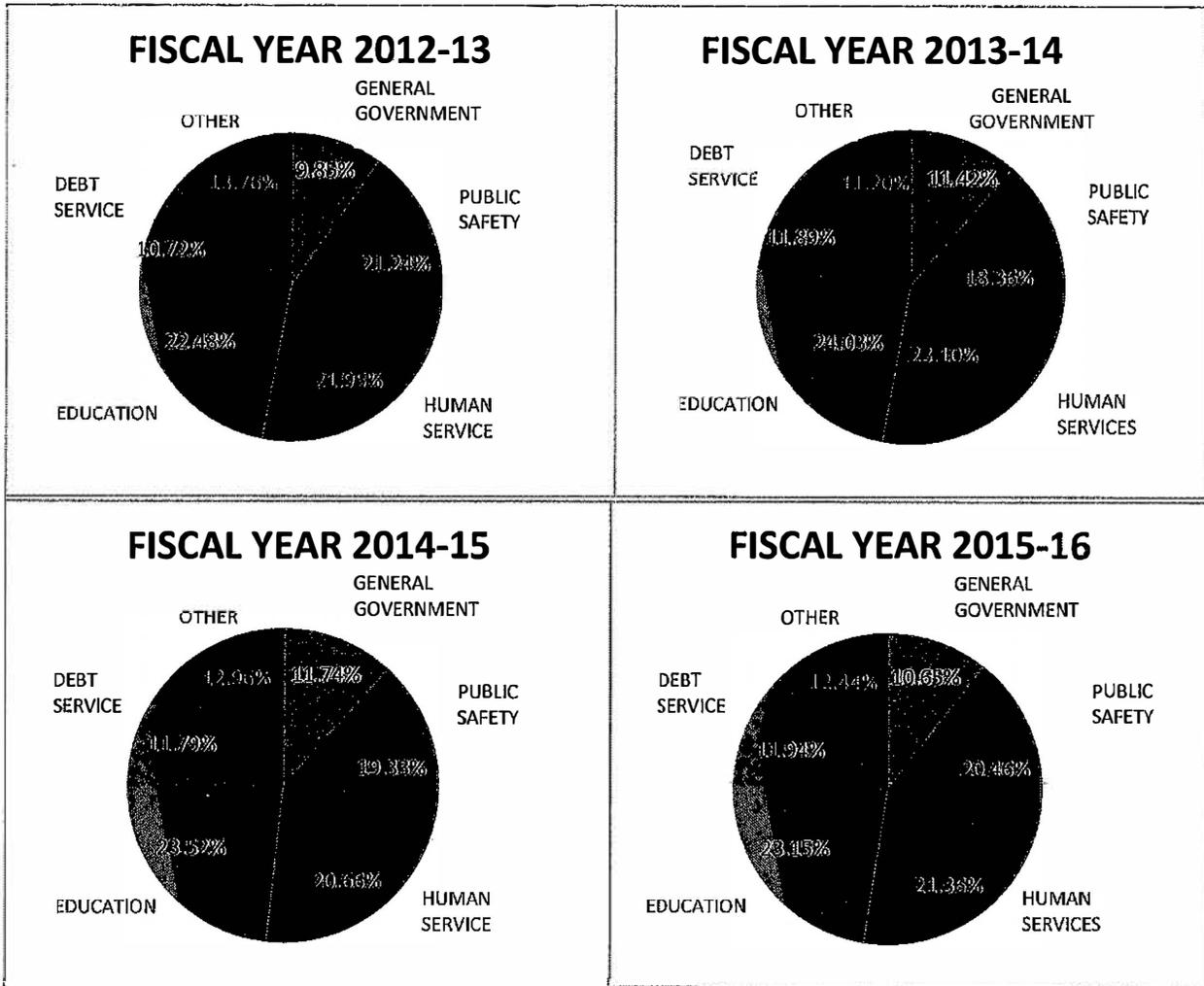
It is my formal recommendation that the BOCC adopt my recommended budget of \$44,827,006 for the FY 2015/16 Fiscal Year.

This budget message includes three attachments. **Attachment #1** is a graphic comparison of revenues and expenses in the current and recommended budget. **Attachment #2** is a list of the capital equipment requested by each department head and which items were approved for the budget proposal. **Attachment #3** is a list of personnel requests from the department heads and the requests that were approved for the budget proposal.

COMPARION OF FISCAL YEARS



COMPARION OF FISCAL YEARS



GENERAL GOVERNMENT

- Administration
- Elections
- Finance
- Governing Body
- Information Sys.
- Legal
- Mapping/GIS
- Public Buildings
- Purchasing
- Register of Deeds
- Superior Court
- Tax Administration
- Vehicle Maint.

PUBLIC SAFETY

- Animal Control
- Day Reporting Center
- Emer. Commun.
- Emer. Mgt.
- EMS
- Fire Marshal
- Jail
- Medical Examiner
- Sheriff's Dept.

HUMAN SERVICES

- Aid to Blind
- Child Daycare
- Environmental Health
- Family Health Center
- Home Health
- KING CLINIC
- Medicaid
- Mental Health
- Public Assistance
- Senior Services
- Social Services
- Veteran Svcs.

OTHER

- Solid Waste Coll
- Coop. Ext.
- Econ. Deve.
- Natural Resources
- Planning & Insp.
- Arts Council
- Libraries
- Parks
- Recreation
- Special Approp.
- Transfers
- Contingency

EDUCATION

DEBT SERVICE

Department	Description	Request	Recommended	Funding
District Resource Center	Computer (Tony)	\$ 2,800.00	\$ -	General Fund
	Security Camera/Monitor System	\$ 2,800.00		General Fund
	TV Monitor for Classroom	\$ 1,000.00		General Fund
	Laptop Computer with docking station	\$ 2,500.00	\$ 2,800.00	General Fund
		\$ 9,100.00	\$ 2,800.00	
Elections	6 Laptop computer for one stop voting	\$ 3,000.00	\$ 3,000.00	General Fund
Emergency Communications	Mobile AVL Mapping Site License	\$ 27,205.00		General Fund
	5 additional Talk Groups to the existing radio consoles	\$ 109,000.00		General Fund
	Response Plan Module for CAD	\$ 13,469.00		General Fund
		\$ 149,674.00	\$ -	
Emergency Management	Vehicle	\$ 50,000.00	\$ 47,000.00	EMPG/Capital Reserve
	3 Transfer switches for Emergency Shelters	\$ 32,610.00	\$ 5,450.00	General Fund
	Storage Building 60 x 80	\$ 200,000.00		General Fund
		\$ 282,610.00	\$ 52,450.00	
Emergency Medical Services	Ambulance	\$ 170,000.00	\$ -	Finance
	Ambulance	\$ 170,000.00	\$ 181,000.00	Finance
	MRX ECG monitor defibrillator	\$ 28,000.00		General Fund
	Heating & Air If no projected upgrade to EMS base	\$ 6,000.00		General Fund
	5 stretchers	\$ 212,500.00		General Fund
	50 PPE-Tyves	\$ 1,000.00		General Fund
	25 PPE PAPR Units for EMS Responders	\$ 4,500.00		General Fund
		\$ 592,000.00	\$ 181,000.00	
Finance	Folder/Inserter Machine	\$ 8,500.00	\$ -	General Fund
Fire Marshal	Vehicle	\$ 38,000.00	\$ 40,000.00	Finance
	Air Pack	\$ 7,000.00		General Fund
	(2) Laptops with tablets	\$ 3,000.00	\$ 3,000.00	General Fund
	Replacement Suction Unit	\$ 750.00	\$ 750.00	General Fund
	Reconditioned AED	\$ 500.00	\$ 500.00	General Fund
		\$ 49,250.00	\$ 44,250.00	
Forsyth Tech	Athletic Field for PE classes	\$ 20,000.00	\$ -	General Fund
Health Departments	Scanning System	\$ 180,000.00	\$ -	General Fund
	Carport or building for EM Trailer	\$ 7,530.00	\$ -	General Fund
		\$ 187,530.00	\$ -	
Information Systems	Replace (2) Switches	\$ 6,000.00	\$ 6,000.00	General Fund
	Projector	\$ 2,500.00	\$ 2,500.00	General Fund
		\$ 8,500.00	\$ 8,500.00	
Jail	Computer (2)	\$ 5,500.00		General Fund
	Jail Control Panel (If expansion not approved)	\$ 125,000.00		Capital Reserve
	Jail Gate (If expansion not approved)	\$ 16,000.00		Capital Reserve
		\$ 146,500.00	\$ -	
Natural Resources	Replace NAS Drive & Renew Domain	\$ 1,000.00	\$ 1,000.00	General Fund
	Computer	\$ 2,000.00	\$ -	General Fund
		\$ 3,000.00	\$ 1,000.00	
Public Buildings	HAVAC Frequency Drive Install-DSS	\$ 9,000.00	\$ -	Capital Reserve
	Roof Health Department	\$ 80,000.00	\$ -	Capital Reserve
	HVAC Health Department	\$ 32,000.00	\$ -	Capital Reserve
	Ceiling Tiles Government Center Upper Level	\$ 5,000.00	\$ 5,000.00	Capital Reserve
	Carpet/Tile Government Center Upper Level	\$ 20,500.00	\$ -	General Fund
	Carpet Community Service Building	\$ 8,000.00	\$ -	General Fund
		\$ 154,500.00	\$ 5,000.00	
Register of Deeds	Computer	\$ 2,000.00	\$ 2,000.00	Technology Funds

Department	Description	Request	Recommended	Funding
Sheriff's Department	(9) Vehicles Requested (5) Vehicle Budget	\$ 252,000.00	\$ 140,000.00	Finance
	(3) Toughbook Computers	\$ 9,600.00		General Fund
	Investigate Software	\$ 15,000.00	\$ 15,000.00	General Fund
	Evidence Drying Cabinet	\$ 4,900.00	\$ 4,900.00	General Fund
	Equipment for Investigations	\$ 1,650.00		General Fund
	(5) Body Armor Vest Replacement	\$ 2,825.00	\$ 2,825.00	Grant
		\$ 285,975.00	\$ 162,725.00	
Social Services	Van Federal \$14,667 State \$1,088 County \$9,245	\$ 25,000.00	\$ 25,000.00	Federal/State/County
	(2) Cars Federal \$23,466 State \$1,741 County \$14,793	\$ 40,000.00	\$ 40,000.00	Federal/State/County
	(15) Computers Federal \$17,600 State \$1,305 Co \$11,095	\$ 30,000.00		Federal/State/County
		\$ 95,000.00	\$ 65,000.00	
Solid Waste	Garbage Truck	\$ 265,000.00	\$ 265,000.00	Finance
	New Compactor & Container Grant \$29,166/Match \$5,034	\$ 34,200.00	\$ 34,200.00	Grant
	Installation & Signage for Compactor Grant \$10,415/Match \$1,985	\$ 12,400.00	\$ 12,400.00	Grant
	New/Used Truck	\$ -	\$ 15,000.00	Finance
	(8) Replacement Dumpsters	\$ 8,000.00		General Fund
		\$ 319,600.00	\$ 326,600.00	
Tax Administration	(4) Computers	\$ 8,000.00		General Fund
	(2) Scanners	\$ 2,000.00		General Fund
		\$ 10,000.00	\$ -	
Vehicle Maintenance	Truck	\$ 20,000.00	\$ -	Finance
	Chevrolet Scan Tool	\$ 4,300.00	\$ 4,300.00	General Fund
	Ford Scan Tool	\$ 3,600.00	\$ 3,600.00	General Fund
	Vehicle lift & installation	\$ 5,995.00	\$ 5,995.00	General Fund
		\$ 33,895.00	\$ 13,895.00	
		Total Requested \$ 2,360,634.00	\$ 868,220.00	Total Recommended
		Grant \$ (39,581.00)	\$ (39,581.00)	Grant
		ROD Technology Funds \$ (2,000.00)	\$ (2,000.00)	ROD Technology Funds
		BPV Grant \$ (2,825.00)	\$ (2,825.00)	BPV Grant
		Capital Reserve Fund \$ -	\$ (5,000.00)	Capital Reserve Fund
		EMPG FUNDING EM \$ -	\$ (47,000.00)	EMPG FUNDING EM
		Federal/State \$ (59,867.00)	\$ (40,962.00)	Federal/State
		Finance \$ (965,000.00)	\$ (641,000.00)	Finance
		\$ 1,291,361.00	\$ 89,852.00	General Fund
Danbury Water	40 x 60 Maintenance Building	\$ 42,000.00		
	5000 of 6" Water Line for Shepherd Mill to Mountain Road	\$ 190,000.00		
		\$ 232,000.00	\$ -	Danbury Water Fund
Sewer Fund	Trimble GEO TX Tornado Antenna, Terra Sync Software	\$ 13,000.00	\$ 13,000.00	Sewer Funds

Department	Description	Request	Recommended	Funding
<u>Animal Control</u>				
Reclass Deputy Animal Control Officer to Animal Control Officer II	61 03B	\$ 22,072.86		
		\$ 23,171.69		
		\$ 1,098.83		
	FICA	\$ 68.13		
	Medicare	\$ 15.93		
	Retirement	\$ 77.69		
	401K	\$ 10.99		
	Total Animal Control	\$ 1,271.57	\$ 1,271.57	GENERAL FUND
	Increases Personnel Services	\$ 191.00		
<u>Finance</u>				
Finance Accounting Tech I	59 02A	\$ 20,984.47		
	FICA	\$ 1,301.04		
	Medicare	\$ 304.27		
	Retirement	\$ 1,483.60		
	401K	\$ 209.84		
	Insurance	\$ 4,959.00		
	Dental	\$ 330.00		
	Unemploy	\$ 217.00		
	Total Finance	\$ 29,789.22	\$ -	GENERAL FUND
<u>Fire Marshal</u>				
Reclass Fire Marshal to Fire Marshal/Pamedic	76 06A	\$ 44,365.88		
3574.44 @10 and 3610.24 @ 3	78 05A	\$ 46,575.12		
		\$ 2,209.24		
		\$ 136.97		
		\$ 32.03		
		\$ 156.19		
		\$ 22.09		
	Total Fire Marshal	\$ 2,556.52	\$ 2,556.52	
<u>Sheriff's Department</u>				
Deputy Sheiff II	66 01B	\$ 27,216.83		
	FICA	\$ 1,687.44		
	Medicare	\$ 394.64		
	Retirement	\$ 2,016.77		
	401K	\$ 1,360.84		
	Insurance	\$ 4,959.00		
	Dental	\$ 330.00		
	Unemploy	\$ 217.00		
Total		\$ 38,182.52	\$ -	GENERAL FUND
Deputy Sheiff II	66 01B	\$ 27,216.83		
	FICA	\$ 1,687.44		
	Medicare	\$ 394.64		
	Retirement	\$ 2,016.77		
	401K	\$ 1,360.84		
	Insurance	\$ 4,959.00		
	Dental	\$ 330.00		
	Unemploy	\$ 217.00		
Total		\$ 38,182.52	\$ -	GENERAL FUND
	Total Sheriff's Department	\$ 76,365.04	\$ -	
<u>Social Services</u>				
Income Maintenance Caseworker II	63 01B	\$ 24,195.10		
	FICA	\$ 1,500.10		
	Medicare	\$ 350.83	FEDERAL	\$ 25,128.43
	Retirement	\$ 1,710.59	STATE	\$ -
	401K	\$ 241.95	COUNTY	\$ 8,376.14
	Insurance	\$ 4,959.00		\$ 33,504.57
	Dental	\$ 330.00		
	Unemploy	\$ 217.00		
Total		\$ 33,504.57	\$ 33,504.57	

Department	Description	Request	Recommended	Funding	
Social Services (con't)					
Income Maintenance Caseworker II	63 01B	\$ 24,195.10			
	FICA	\$ 1,500.10			
	Medicare	\$ 350.83	FEDERAL	\$ 25,128.43	
	Retirement	\$ 1,710.59	STATE	\$ -	
	401K	\$ 241.95	COUNTY	\$ 8,376.14	
	Insurance	\$ 4,959.00		\$ 33,504.57	
	Dental	\$ 330.00			
	Unemploy	\$ 217.00			
	Total		\$ 33,504.57	\$ 33,504.57	
	IMC Supervisor II	67 01B	\$ 28,304.82		
FICA		\$ 1,754.90			
Medicare		\$ 410.42	FEDERAL	\$ 22,445.73	
Retirement		\$ 2,001.15	STATE	\$ 1,664.90	
401K		\$ 283.05	COUNTY	\$ 14,149.71	
Insurance		\$ 4,959.00		\$ 38,260.34	
Dental		\$ 330.00			
Unemploy		\$ 217.00			
Total			\$ 38,260.34	\$ 38,260.34	
Social Worker II Adult Services		67 01B	\$ 28,304.82		
	FICA	\$ 1,754.90			
	Medicare	\$ 410.42	FEDERAL	\$ 22,445.73	
	Retirement	\$ 2,001.15	STATE	\$ 1,664.90	
	401K	\$ 283.05	COUNTY	\$ 14,149.71	
	Insurance	\$ 4,959.00		\$ 38,260.34	
	Dental	\$ 330.00			
	Unemploy	\$ 217.00			
	Total		\$ 38,260.34	\$ -	
	Social Worker III Adult Services	69 01B	\$ 30,615.34		
FICA		\$ 1,754.90			
Medicare		\$ 410.42	FEDERAL	\$ 23,801.22	
Retirement		\$ 2,001.15	STATE	\$ 1,765.44	
401K		\$ 283.05	COUNTY	\$ 15,004.20	
Insurance		\$ 4,959.00		\$ 40,570.86	
Dental		\$ 330.00			
Unemploy		\$ 217.00			
Total			\$ 40,570.86	\$ -	
Social Worker III Foster Care		69 01B	\$ 30,615.34		
	FICA	\$ 1,754.90			
	Medicare	\$ 410.42	FEDERAL	\$ 23,801.22	
	Retirement	\$ 2,001.15	STATE	\$ 1,765.44	
	401K	\$ 283.05	COUNTY	\$ 15,004.20	
	Insurance	\$ 4,959.00		\$ 40,570.86	
	Dental	\$ 330.00			
	Unemploy	\$ 217.00			
	Total		\$ 40,570.86	\$ 40,570.86	
	Social Worker III Foster Care	69 01B	\$ 30,615.34		
FICA		\$ 1,754.90			
Medicare		\$ 410.42	FEDERAL	\$ 23,801.22	
Retirement		\$ 2,001.15	STATE	\$ 1,765.44	
401K		\$ 283.05	COUNTY	\$ 15,004.20	
Insurance		\$ 4,959.00		\$ 40,570.86	
Dental		\$ 330.00			
Unemploy		\$ 217.00			
Total			\$ 40,570.86	\$ 40,570.86	
Total Social Services		\$ 265,242.40	\$ 186,411.20	\$ 90,064.30 County	
Total Budget increase		\$ 375,224.75	\$ 190,239.29	Total Recommended	
FEDERAL		\$ (166,551.98)	\$ (120,305.03)	FEDERAL	
STATE		\$ (8,626.12)	\$ (5,195.78)	STATE	
Animal Control difference in new employee's to retired employee's salary		\$ (1,080.57)	\$ (1,080.57)	Animal Control difference in new employee's to retired employee's salary	
Total General Fund		\$ 198,966.08	\$ 63,657.91	General Fund	

<u>Department</u>	<u>Description</u>	<u>Request</u>	<u>Recommended</u>	<u>Funding</u>
<u>On Call Pay</u>				
Public Buildings	On Call Pay	\$ 10,400.00	\$ 13,800.00	
Fire Marshal	On Call Pay	\$ -	\$ 13,800.00	
Vehicle Maintenance	On Call Pay	\$ -	\$ 13,800.00	
Animal Control	On Call Pay	\$ -	\$ 13,800.00	
Information System	On Call Pay	\$ -	\$ 13,800.00	
	Total General Fund	\$ 10,400.00	\$ 69,000.00	General Fund \$13,800 includes Fringes
<u>Salary Adjustment</u>				
Sheriff's Department			\$ 212,815.52	
Emergency Medical Services			\$ 169,174.33	
Emergency Management			\$ 7,420.93	
Emergency Communications			\$ 59,670.91	
Jail			\$ 99,616.78	
	Total General Fund		\$ 548,698.47	General Fund Includes Fringes
	Total Reclass, New Employees, On Call and Salary Adjustment		\$ 807,937.76	
			\$ (126,581.38)	Less revenues and savings
	Total General Fund		\$ 681,356.38	