

- Revenues will be coming in short this year due to no Hold Harmless from the State and the recent revaluation of property
- This has put a position on the Board to “do with less”
- Not happy about the current situation the County faces
- Would like more funding in order to do some very needed capital improvements
- Proposed budget includes a 2% COLA from the manager, hope that will not have to be eliminated
- Have several more budget work sessions
- Hope the Board can approve a budget that the citizens of this county will approve, that is who the Board represents
- This is not the county manager’s budget, not the Board of Commissioners’ budget, it is the citizens of Stokes County’s budget
- They are the tax payers, who help pay the bills
- Trying to do the very best we can with the tax payers’ dollars

Vice Chairman Booth commented:

- Very tough budget before the Board
- Recommended budget pulls money from the County’s Fund Balance
- From the old school, like to have a rainy day fund
- Will be looking over the recommended budget over the next few weeks and want to adopt a budget that will work for the citizens of Stokes County
- Want to provide the same services to the citizens of Stokes County currently being offered

Commissioner Walker commented:

- Several years ago, Commissioners put together a budget with the usual amount of effort and thought that was reasonable for the county
- Understand after the budget was put together, the Governor decided to take back Hold Harmless revenue
- Budgets in previous years had been prepared based on using those funds
- When the funds were taken back, it created a financial disaster for the County
- Think the Fund Balance dropped to less than 4%
- Local Government Commission requires an 8% Fund Balance
- County was in serious financial trouble
- Has taken a steadfast, determined effort on the part of the county employees and commissioners to get the Fund Balance back up
- The County has reached at one time over 25% which has taken several years and a lot of work
- This year, in a way, the County is facing a similar situation where there will probably be no Hold Harmless revenue
- This year, the County is projected not to receive the Hold Harmless revenue, unless our state representatives can reinstate the Hold Harmless revenue
- Without Hold Harmless revenue, this adds to the challenges faced by the County
- Knew at some point, these funds (approximately \$2 million) would not be there
- The County has tried to prepare for the time when there was no Hold Harmless

- Going to have a significant impact on the upcoming budget
- There are other things looming out there that may not impact this year's budget, but will certainly impact next year's budget
- Things we want to do may not be affordable in the near future
- Very challenging decision to make regarding whether or not to or when to raise taxes
- That is one question, at some point, that will have to be dealt with
- One way to put off raising taxes is to dip into the County's Fund Balance
- Probably one of the most challenging budgets that I have dealt with
- Going to take a sizable amount from the County's Fund Balance
- County has great employees and wonderful citizens

Commissioner Jones commented:

- Don't want to parrot too much with what has already been said
- Trying to cut the fat out
- Every year, we think it is a tough budget, but do believe, this is going to be a tough year
- Want to try to keep the COLA in the recommended budget
- Must decide what the County can and cannot afford
- Possibly will have to dip into the Fund Balance over the next few years
- Want to try to keep the County's Fund Balance around 20%
- May be painted into a corner regarding raising taxes
- Don't want to see a tax increase, but have to pay the bills
- Hope the Hold Harmless can be reinstated
- Will do the best we can for everyone

Commissioner Inman commented:

- Various thoughts have already been mentioned
- The budget is quite simple – you must have the same amount of revenues as the expenditures in concept
- Charged with the task to keep essential services
- Revaluation (average 5% decrease) resulted in a decrease of almost a half of a million dollars in revenue for the County
- Have to remember that everything continues to increase
- Will have to disagree with Commissioner Walker a little, this recommended budget is nothing like the budget in 2002
- In 2002, the County approved two interim budgets and then passed a budget that included approximately \$2 million in Hold Harmless revenue that did not come
- In addition to that, there was no money in the bank, had a 3.5% Fund Balance
- With the hard work and sacrifices of the county employees and the conservative approach that commissioners have taken by budgeting revenues conservatively and putting any excess back into the Fund Balance, the County's Fund Balance has grown to approximately 28% at one time
- The difference now is the County can appropriate dollars from its Fund Balance
- But, we don't want to deplete our Fund Balance

- This recommended budget from the manager, takes approximately \$3 million from the County's Fund Balance to balance the proposed budget
- Board has a challenge
- The County can't continue to live off a budget deficit, something has to change
- If the County continues to have to take large amounts from the Fund Balance, it will be depleted in about four years
- Be assured, we will get there

Chairman Lankford thanked those for coming out to the Public Hearing.

Adjournment

There being no further business to come before the Board, Chairman Lankford entertained a motion to adjourn the Public Hearing.

Commissioner Inman moved to adjourn the meeting. Vice Chairman Booth seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman