

# AGENDA



Andy Nickelston, Chairman  
Ronnie Mendenhall, Vice Chairman  
Rick Morris, Commissioner  
Jimmy Walker, Commissioner  
Jamie Yontz, Commissioner

## REGULAR MEETING OF THE BOARD OF COUNTY COMMISSIONERS

Monday, January 27, 2020

1014 MAIN STREET

DANBURY, NC 27016

6:00 PM

Call to Order

Invocation

Pledge of Allegiance

I. Approval of the Agenda

II. Comments - Managers/Commissioners

III. Public Comments

IV. Consent Agenda

- a. Minutes
- b. Budget Amendments
- c. Audit Contract 2020
- d. Tax Administration Monthly Report

V. Information Agenda

- a. American Legion
- b. Sales Tax Referendum Informational Brochure

VI. Discussion Agenda

- a. LifeBrite Hospital - Resolution
- b. Hospital Bylaws
- c. Arts Place Lease
- d. Budget Goals Meeting Dates
- e. Proposed Solar Farm Resolution

**f. Feasability Study for Wellness Center**

**VII. Action Agenda**

- a. Resolution Authorizing Sale of County Issued Service Side Arm**
- b. County Buildings and New Restructuring Request-Budget Amendment #70**
- c. Stokes County Board Fees**
- d. Appointments - Stokes Nursing Home Community Advisory Committee and Stokes Adult Care Home Community Advisory Committee**
- e. Stokes County Community Child Protection and Child Fatality Prevention Team Members -Appointments**
- f. Closed Session Policy and Procedures**
- g. JCPC Expansion Funds Allocations -Budget Amendment #67**

**VIII. Adjournment**

\*Anyone with a disability(is) who needs an accommodation to participate in this meeting is requested to inform us 48 hours prior to the scheduled time of the affected group meeting

\*Attachments may be delivered before or at the time of the meeting

\*Times may vary due to times preset for agenda items



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: IV.a.**

**Minutes**

Contact: Shannon Shaver

Summary:  
Minutes for approval:

January 13, 2020- Regular Meeting Minutes

**ATTACHMENTS:**

Description	Upload Date	Type
January 13, 2020 Regular Meeting Minutes	1/22/2020	Cover Memo

**STATE OF NORTH  
CAROLINA  
  
COUNTY OF STOKES**

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**OFFICE OF THE  
COMMISSIONERS  
STOKES COUNTY  
GOVERNMENT  
DANBURY, NORTH  
CAROLINA  
MONDAY JANUARY 13, 2020**

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Regular Session in the Stokes County Court House in Court Room A located in Danbury, North Carolina on Monday January 13, 2020 at 6:00 pm with the following members present:

Board of Commissioners Present: Chairman Andy Nickelston, Vice Chairman Ronnie Mendenhall, Commissioner Rick Morris, Commissioner Jimmy Walker, and Commissioner Jamie Yontz

County Administration Present: County Manager Jake Oakley, Assistant County Manager/Clerk to the Board Shannon Shaver, Finance Director Julia Edwards, and Attorney Adam Hall

### **CALL TO ORDER**

Chairman Nickelston called the Regular Meeting of the Board of Commissioners to order.

### **INVOCATION**

Commissioner Walker delivered the Invocation.

### **PLEDGE OF ALLEGIANCE**

Chairman Nickelston lead the Board in the Pledge of Allegiance and invited those in attendance to join.

### **APPROVAL OF AGENDA**

Commissioner Yontz moved to to approve the agenda as presented.

Vice-Chairman Mendenhall seconded the motion. The motion Passed.

### **COMMENTS - Managers/Commissioners**

Commissioner Morris welcomed those in attendance and expressed his thanks that everyone came out to support the Second Amendment and noted that he thought this was the largest Commissioners Meeting he had ever been to. He reminded everyone that he would be holding his office hours Tuesday the 14th from 4-7 in the Administrative Building in the 3rd Floor Conference Room. He also noted that he would be blogging this meeting as he does all meetings and would like to include any public comments from tonight and that if anyone wants their comments included they should email them to him. He noted that he was looking forward to hearing from everyone.

Vice Chairman Walker welcomed those in attendance and noted that he believes Stokes County is



already a strong Second Amendment County and that he is glad this Board is sending a message to other counties. He noted that he strongly supports the Second Amendment along with other rights that are being threatened. He noted that he hopes everyone finds their time well spent and that he is glad to see so much citizen participation as it is so important for people to be involved in their government and show up when you need to.

Commissioner Yontz welcomed those in attendance and noted that it was great to see such a large group of Constitutionals here tonight and that he would be brief to yield his time to all of those wishing to speak. He noted that when he took this office he took an oath to stand behind the Constitution, not just the Second Amendment, but all amendments, and that he was looking forward to reaffirming tonight.

Commissioner Mendenhall welcomed those in attendance and noted that he was thrilled to see the tremendous turnout. He stated that he was elected in 2016, the same year Trump was elected, and that he took an oath as well to uphold the Constitution. He noted that he would speak more later but for now wanted to yield his time to those wishing to speak.

Chairman Nickelston welcomed those in attendance and noted that this was a humbling experience and that he appreciates each and every person who took the time to come out and show that we do have a voice.

County Manager Oakley welcomed those in attendance and noted that it was an honor to see everyone here to support the Second Amendment and that we stand strong together. He offered his condolences to the Sheriff's Department and the family of Bubby Blankenship who passed away over the weekend and noted that his prayers would be with them all. He reminded the Board of the upcoming League of Government meeting coming up on Thursday at the Walnut Cove Library at 6:30.

## **PUBLIC COMMENTS**

Chairman Nickelston opened the floor for public comments at 6:12 pm and noted that the Board would allow 30 minutes for Public Comments and due to the number of individuals signed up requested that everyone please try to limit their comments to allow time for everyone to speak.

The following spoke during public comments:

**Sheriff Mike Marshall**

**RE: Second Amendment Resolution**

I am here to express my support for the Second Amendment and the Resolution the Board is looking at adopting tonight. I am also glad to hear that the Board is in favor. This is something important to all of us and we have to keep people from infringing on our rights. With all that is going on in Washington it is important that we do this. I am in full support of the Resolution.

**Amos Elvis**

**RE: Second Amendment Resolution**

I appreciate from the bottom of my heart being allowed to come and speak before you tonight about our Second Amendment. Thank you to all of the ladies and gentleman that came out tonight

to stand up for your Second Amendment Rights. I want to thank you so much for putting this Constitutional Second Amendment Rights Resolution on your discussion agenda tonight, and I am looking forward to this being moved to the action agenda tonight. To clarify this is not a Sanctuary County Resolution. I have with me a petition with over 200 signatures in favor of this. I want to thank all of the citizens of Stokes County for standing up for their Second Amendment Rights.

**Sonya Cox**

**RE: Second Amendment Resolution**

Some are saying that Civil War is coming to the state of Virginia, the truth is, it's already there, a war of sorts, was declared when Governor Northam introduced his unconstitutional gun bills and backed up other legislators as they introduced more restrictive and needless gun control bills. Although no actual shots have been fired, war has been declared and Virginia stands ready to defend this barrage on its second amendment rights. It's time for the counties of North Carolina to send a message that this will not be tolerated here.

As the main stream media tries to turn our attention away from the dastardly deed's being perpetuated upon the citizens of Virginia, whether it be by a false narrative of impeachment or whatever the daily dose of fake news is, it is imperative that we as a county and as a state stay focused, stay woke and stay vigilant . For we know how high the price of freedom is. We are cognizant of the fact that far too many have paid the ultimate price for our freedom so it is for them today that we stand. What was relevant and right in 1791 when the bill of rights was ratified by Congress is still appropriate and applicable today.

We must maintain the right and ability to overthrow a tyrannical government if necessary, the right to protect ourselves, our property, and our loved ones. Even common-sense things like the right to have practice firing ranges and hunting dogs, those are the types of things that the government is trying to infringe upon in Virginia.

This Constitutional Rights Protection resolution to be introduced tonight, in my opinion, is the first step that we use a county can take in order to protect our rights. This resolution sends a clear message to our legislators and to our Congress that We the People of Stokes County will not stand idly by and watch our rights be eroded and our Republic fall, while extreme gun control advocates use a false narrative of saving lives and reducing crime as a means to restrict our rights as law-abiding gun owners.

I implore each of you to contact your state legislators today and clearly and loudly let your voices be heard. To voice our collective rebuke of any such red flag law or magazine capacity limit which would be a slippery slope to end the rights of law abiding citizens in North Carolina to bear arms, and to vote against any and all gun control legislation that might be proposed.

I respectfully ask our county commissioners to move this item to their action agenda tonight. I believe it to be an item of utmost importance to guard the rights of the citizens of our county. I would also like to encourage our commissioners to explore the possibility of taking this a step further than a resolution. To check into the legalities of a possible ordinance that will protect government from infringing on the rights of legal gun owners in Stokes Co.

We should not have to ask for permission for what is already our protected rights, given us by the second amendment of the Constitution of the United States... I stand ready.

I will close with this thought, it's a quote by the 16th president of the United States of America, Abraham Lincoln.

"We the people, are the rightful masters of both Congress and the courts, not to overthrow the constitution, but to overthrow the men who would pervert the constitution."

Thank you for your time and your consideration of this resolution.

**Andy Stevens**

## **RE: Second Amendment Resolution**

My name is Andy Stevens and I reside at 157 Old Garner Drive outside King in Stokes County. I represent Grass Roots North Carolina (GRNC.org) and Gun Owners of America, where I hold leadership roles in each.

I am here tonight because of the unwarranted, unnecessary, and unprecedented assault on our Constitutional Right to Keep and Bear Arms that is now aggressively taking place across our land. Today, our friends in neighboring Virginia have the real potential of being made felony criminals overnight by the simple virtue of possessing a modern sporting rifle or a piece of plastic enclosing a follower and a spring. Gun Free Zones are not crazy enough. Some are proposing Bullet Free Zones.... yes, really, they are.

Tonight, this Board has scheduled discussion for a 2nd Amendment Resolution. I wholeheartedly encourage you to not only discuss this matter but affirm Stoke County's intent to protect the 2nd Amendment for all Stokes County citizens with a unanimous vote of support. And thank you, Mr. Chairman, for placing this on the agenda tonight.

Why might this be necessary? Well, let's consider some history here in Stokes County. Years ago, the City of King proclaimed a State of Emergency and declared during that time the possession of firearms to be a criminal offense. GRNC was forced to sue the City to make them comply with State statute and allow lawful future possession during such times. Now the past is the past but tonight I call upon the officials in King, Stokes County's largest Municipality and possessor of its own Police Force to clearly demonstrate this break with the past and prepare and endorse its own 2nd Amendment Protection Resolution.

If not for state preemption statutes, our very meeting here tonight in the Town of Danbury might resemble the newly enacted Gun Free Zone Democrats in Virginia just imposed around their Capital in Richmond. For you see, we have our own Michael Bloomberg gun control supporters in our midst even in the County Seat of Stokes. Tonight, I also call upon the Town Council of Danbury to repeal its draconian ordinance outlawing the use of firearms on personal property within town limits. An ordinance Virginia Governor Blackface Northam would be proud to call his own. In the meantime, I ask our Sheriff not to waste the valuable time of Deputies chasing down the sounds of freedom in and around Danbury in support of this unjust ordinance prohibiting training and proficiency.

After all, the need and value of such activity became clear recently at a Church in Texas, where no less than seven armed citizens were prepared to deal with a deranged psychopath intent on causing carnage, death, and destruction. While the average response time to a 911 call is approximately 11 minutes, this deranged killer was stopped by good guys with guns in a matter of six seconds. No collateral injuries or deaths were caused by the citizens who responded with deadly force, and no individuals involved in the incident were subsequently mistaken for suspects by Law Enforcement once they arrived on the scene. Training pays off.

Millions of North Carolinians possess firearms and Citizens possessing valid Concealed Carry Permits in our State approaches 700,000. Stokes County, as our Sheriff can tell you, has more than its fair share of both. We, the citizens of Stokes County exercise, support, and defend our Constitutional Rights.

So tonight, debate this matter, move it to the Action Agenda and unanimously Proclaim our Stokes County a Second Amendment Constitutional Rights Protection County. Thank you.

**Ellen Peric**

## **RE: Arts Update**

- **In the Apple Gallery – January 2020**

“Ever-changing Seasons” is a collaborative show of paintings, photography, sculpture, and

mixed media pieces by 10 local artists: Kitty Ray Brown, Shane Sargent, Rebecca Dresser, Amanda Adams Gordon, Ken Bridle, Tony Farrar, Joe Anderson, Fran Speight, Nancy White, Sonya Godwin. Drop by the gallery to view the exhibit and purchase an original work of art, on display and for sale throughout January. The opening reception was held on Friday, January 10.

- **Stokes County Poetry Out Loud District Competition Jan 18<sup>th</sup> Saturday 11 am**  
Poetry Out Loud is a national arts education program that encourages the study of great poetry by offering free educational materials and a dynamic recitation competition to high schools across the country. This program helps students master public speaking skills, build self-confidence, and learn about literary history and contemporary life. Poetry Out Loud is a partnership of the National Endowment for the Arts, Poetry Foundation, and the state and jurisdictional arts agencies.

Students from South Stokes High School and West Stokes High School will be participating in this year's district competition, which is free and open to the public.

- **Winter Dessert Theatre – Jan 25<sup>th</sup> Saturday 3 pm**  
Jason Petty brings Hank Williams music and story alive in this one man show. The Lonesome Tour tells the story of one of Country Music's greatest legends, with wit, wisdom and reflective humor. All of the legendary songs are included such as "Jambalaya", "Your Cheatin' Heart", "Hey Good Lookin'", "Move It On Over", "I Saw The Light", and many more. Saturday, January 25, 2020 at 3pm. Dessert service, sponsored by **Robertson Home Inspection**, begins at 2pm. \$15 General Admission, \$10 SCAC Members & Seniors, \$5 Eighteen and Under. SCAC Member Season Tickets are available and include admission to all 4 Winter Dessert Theatre shows for \$30.

Recap:

**\*Polar Plunge** on New Year's Day enjoyed balmy temps and a huge crowd. Proceeds benefit Arts Programs at the Park.

### **The Arts Place**

The Arts Place continues to grow! Sales for 2019 were \$71,784. We paid out to Artists \$46,518 and paid in sales tax \$4,573.  
6,534 items were sold  
3,305 transactions

### **Robert Everetts**

#### **RE: Second Amendment Resolution**

I love that we are bringing this before the Commission tonight. My question for you all and everyone in this room is what are we going to do to help the Sheriff if the government comes for him? He is backing this and putting his neck on the line and we need to support him if the time comes. We just passed voter ID law about 3 years ago and a Judge somewhere says it's not right so what are we going to do if that happens in this situation?

### **Larry Barger**

#### **RE: Second Amendment Resolution**

Appreciate the opportunity to speak on the Second Amendment. First of all I want to say I am a

Christian, Husband, and Father of five girls; and this is important to me. Our Second Amendment Rights are important too. I want to point out two words that are important, which are inalienable, "We **hold** these **truths** to be **self-evident**, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness" and infringement, which is the action of breaking the terms of the law or limiting or undermining. Two very important words. Our liberal friends would have us believe they don't want to take our guns but their actions in neighboring states say different. Gun Free Zones have more crime. Chicago for example is a gun free zone and is the murder capital of the world. I read an article that is safer to be in Afghanistan than in Chicago. I appreciate the Sheriff and his staff but we live in a rural area and if I need them they may not be able to get to me when I need them and this is not their fault. We live in a rural county and we have limited resources. I am proud to live in Stokes County where we stand up for our rights. We have to be able to take care of ourselves. I will end with the quote, "These are times that try men's souls".

**E.A. "Buddy" Timm**

**RE: Second Amendment Resolution**

I am for accepting a declaration declaring Stokes County as a Second Amendment Constitutional Rights Protection County.

I have no faith that our Democrat elected officials will uphold the Constitution; especially the Second Amendment's "right of the elected people to keep and bear Arms, shall not be infringed." They speak up for more gun control and even confiscation every chance they get. They eternal judge over all the earth, Our Creator, has spoken: "Thou shall not bear false witness"-Exodus 20:16, "and all liars, shall have their part in the lake which burns with fire"-Revelation 21:8.

I am fed up with the weakness and silence of naysayers that we can do nothing to stop degeneracy, totalitarianism, and outright lies from politicians.

I lived just south of Miami and commuted to Miami when the Liberty City riots were going on. Hourly the police announced on the radio: The police can no longer protect you, get a gun and protect yourself.

When I, a Vietnam Vet, spoke with a Vietnamese Officer, who escaped to the United States, he told me: if you sign an agreement to help us -don't betray us. I agreed our government did wrong, besides our word should have been trustworthy enough.

I have family and friends that lived in other countries that had their countries taken over by communists pretending to be for the people. Sadly guns are in the hands of the government alone, the people are at the mercy of a communist principled thugs and suffer hardships, if not death.

What ever happened to "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness. That to secure these rights Governments are instituted among Men?

To secure the right to Life, "the right of the people to keep and bear Arms" should be protected from infringement".

You have taken an oath to the Constitution, and so have I. Almighty God will hold us accountable.

**Ray Allen Hensley**

**RE: Second Amendment Resolution**

I appreciate the opportunity to speak. I am here to uphold the Constitution and the Second Amendment. I come from a military family and am a Veteran myself. Anyone who has served in the military and been out of the country; they see how Americans are treated, and the Second Amendment needs to be strong. What happens to Countries, Townships, and Communities where the government comes in and takes away their rights to protect themselves? They are no longer individuals, they are owned by the government. I do not agree with that. I am sworn to protect and serve and I plan to continue to do so. I hope and pray that Stokes County will uphold the Second Amendment as well.

**Ralph Walters**

**RE: Second Amendment Resolution**

I am a candidate running in District 10 to be your U.S. Representative in Congress. I remember as a boy my Dad would take me hunting and it was a thrill for me to get to clean his gun. Never did I at anytime in my childhood think that a gun was dangerous to another human being. I was raised to know that guns are for hunting and protection. As everyone has pointed out when you live in a rural area the response time is longer. I remember when I was a new editor years ago the horrible unsolved case of the Short Family. If they had a weapon who knows how that might have turned out. Maybe they would be alive today. If I am elected to Congress I will support the Second Amendment. You have to have the Second Amendment to support the First Amendment and all of our other Amendments. Without them we are helpless. Do we really need to see anymore about the rogue Democratic House we have? God help us all if they ever actually got control. Who knows what would happen. They are power crazy. I support this resolution.

**Rick Errington**

**RE: Second Amendment Resolution**

I have been a resident of this county for 2 years, but have owned property here for several years. My heart became a resident of this county when I was 2 years old. My Uncle was from here. Whether you all know it or not the whole nation could learn a lot from Stokes County. I live in an area where I have neighbors and we help each other. My neighbor is someone that is high up in the Democratic Party and we are friends, we respect each other, and we help each other. He comes to our range and shoots all the time. He knows the importance of the Second Amendment. The people in this area are outstanding. They have common sense, common courtesy, and common respect. I have lived in several states and cities, and this is the greatest place I have ever been. We have great people and great representation, and I know we are going to do the right thing here tonight. I thank you all for what you do. Let this county along with others send a message to Washington, D.C. that we shall not have our Second Amendment Right, along with any other rights infringed upon. Thanks to Sheriff Marshall and his staff and I am sorry to hear of the loss of one of your staff. God Bless you all.

Chairman Nickelston closed the floor for Public Comments at 6:42 pm and noted that everyone is always invited to attend any regular meeting and speak during public comments. He expressed his thanks to everyone for their comments.

## **CONSENT AGENDA**

All attachments presented on the Agenda are available in the attachments of the Agenda on the County Website and are available upon request from the Clerk, with the exception of the minutes approved which are located on the County Website under the minutes tab.

Minutes

Budget Amendments

Vice-Chairman Mendenhall moved to to approve the Consent Agenda as presented.

Commissioner Morris seconded the motion. The motion Passed.

## **INFORMATION AGENDA**

All attachments presented on the Agenda are available in the attachments of the Agenda on the County Website and are available upon request from the Clerk, with the exception of the minutes approved which are located on the County Website under the minutes tab.

### **Jail Inspection**

Captain Eric Cone presented the Board with the Semiannual Jail Inspection Report for the Stokes County Jail.

Chairman Nickelston on behalf of the Board expressed his gratitude to Captain Eric Cone for his presentation and for the hard work of his department.

### **Register of Deeds-Update**

Register of Deeds Brandon Hooker presented the Board with an update from the Register of Deeds office.

Chairman Nickelston on behalf of the Board expressed his gratitude to Register of Deeds Brandon Hooker for his presentation and for the hard work of his department.

### **Sales Tax Referendum Information**

County Manager Jake Oakley presented the Board with information related to the promotion of the Quarter Cent Sales Tax being placed on the March 3rd Primary Election.

## **DISCUSSION AGENDA**

All attachments presented on the Agenda are available in the attachments of the Agenda on the County Website and are available upon request from the Clerk, with the exception of the minutes approved which are located on the County Website under the minutes tab.

### **Second Amendment Resolution**

Chairman Nickelston presented the Board with a Resolution protecting Stokes County Citizens Second Amendment Rights.

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

After favorable discussion, the Board unanimously agreed to moved this item to the Action Agenda at tonight's meeting.

Vice Chairman Mendenhall requested that Attorney Adam Hall contact County Attorney Browder and find out if this item can be acted on before the Action Agenda so that the large crowd in attendance for this item will not have to stay for the duration of the meeting. The Board was in agreement on this and Mr. Hall exited the meeting to contact Mr. Browder.

Chairman Nickelston with consensus of the Board decided to move to the next item on the Agenda while waiting for the Attorney to obtain an answer on this item.

### **Tax Administration Monthly Report**

Tax Administrator Richard Brim presented the Board with the Tax Administration's Monthly Report with a request to move the following items to the Consent Agenda at the next meeting on January 27, 2020.

1. Real and Personal Releases more than \$100.00.
2. Real and Personal Refunds more than \$100.00.
3. Personal Property Schedule of Values and Depreciation Schedules for 2020 Assessment.
4. Requested 2020 Board of Equalization and Review Date.
5. County Owned Surplus Real Property Releases.
6. Payment Arrangement Agreement Policy.
7. Stonewall Country Club LLC Business Personal Property Discovery.

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

Chairman Nickelston on behalf of the Board expressed his gratitude to Tax Administrator Richard Brim for the report and with full consensus of the Board the information requested was moved to the Consent Agenda at the next meeting.

Attorney Adam Hall informed the Board that they could proceed with voting on the Second Amendment Resolution.

### **Second Amendment Resolution**

Chairman Nickelston entertained a motion on the Second Amendment Resolution.

Vice Chairman Mendenhall made a motion to approve the Second Amendment Resolution.

Commissioner Walker seconded.

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

With no further discussion the motion carried with a unanimous vote of the Board of Commissioners.



Chairman Nickelston called for a brief recess at 7:15 pm.

Chairman Nickelston called the meeting back to order at 7:35 pm.

### **Stokes County Community Child Protection and Child Fatality Prevention Report 2019**

DSS Director Stacey Elmes and Health Director Tammy Martin presented the Board with the Stokes County Community Child Protection and Child Fatality Prevention Report with a request for the members included on the list in the attachments of the agenda to be approved at the next meeting on January 27th.

Chairman Nickelston opened the floor for nominations.

Commissioner Walker nominated the list as presented.

Vice Chairman Mendenhall made a motion to close the floor for nominations.

Commissioner Walker seconded.

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

With no further discussion the motion carried.

With full consensus of the Board this item was placed on the Action Agenda at the next meeting.

### **Sheriff's Department Full Time SRO Request**

Sheriff Mike Marshall presented the Board with a request for 3 full time SRO Officers and informed the Board of the new grant for SRO positions. The grant is for \$100,000.00 from the state, with a \$50,000.00 match from the county. In talking with Julia, the cost of an SRO's salary is approximately \$50,000.00. With this grant, the Sheriff requested 3 new full time Deputy Sheriffs as SRO positions to fill these spots. The Sheriff stated that the county will save around \$30,000.00 from the 2019-2020 budget where they allotted \$100,000.00 to pay for Deputy Sheriff's to be at each school throughout the day.

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

There was favorable discussion among the Board and with full consensus of the Board this item was moved to the Action Agenda at tonight's meeting.

### **County Buildings and New Restructuring Request**

County Manager Jake Oakley presented the Board with information related to the request to restructure some county buildings, as well as information on the new maintenance building approved in the budget, and a new fleet gas card program.

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

There was favorable discussion among the Board and with full consensus of the Board this item was moved to the Action Agenda at the next meeting.

### **JCPC Expansion Funds Allocations**

Assistant County Manager/Clerk to the Board Shannon Shaver presented the JCPC Expansion Funds Allocations with a request for this item to be moved to the Action Agenda at the next meeting on January 27th. She noted that this allocation did not require a county match as these were expansion funds.

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

There was favorable discussion among the Board and with full consensus of the Board this item was moved to the Action Agenda at the next meeting on January 27th.

### **Walnut Cove Green Box Site -Purchase Agreement**

County Manager Jake Oakley presented the purchase agreements for review related to the restructuring of the Walnut Cove Green Box Site approved in the budget. He noted that the Hibner agreement was included in the agenda but that the Ball agreement would be handed out at the meeting tonight due to it was signed after the agenda went out. He requested that this item be moved to the Action Agenda at tonight's meeting to allow him to move forward with this process.

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

There was favorable discussion among the Board and with full consensus of the Board this item was moved to the Action Agenda at tonight's meeting.

### **Stokes County Board Fees**

Chairman Andy Nickelston noted that at a previous meeting this item was discussed and the decision was to place it on the upcoming agenda. He stated that this was discussed due to the Board of Health and DSS Boards being reinstated and a request from Commissioner Morris to pay those members at a rate of \$40.00 per meeting to be in line with the rate that the BOCC receives for outside meetings. He noted that he would like to see all Boards paid the same and that currently the Stokes County Board Fees Schedule includes the Fire Commission (Budget Meetings Only), Watershed Commissioners, Board of Adjustments, Planning Board, and Board of Elections, and the current rate per meeting is \$30.00.

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

After favorable discussion by the Board it was decided that the new rate would be \$40.00 per meeting and would include the newly reinstated DSS Board and Board of Health.

With no further discussion and full consensus of the Board this item was placed on the Action Agenda at the next meeting on January 27th.

### **Closed Session Policy and Procedures**

Chairman Nickelston noted that this item was discussed by the Board at a previous meeting and there was interest in the Board on establishing a policy, and upon further investigation County

Attorney Browder noted that a policy had been discussed and established in 2014. This policy as well as the documentation previously presented are attached for review. The Board may choose to leave the policy as is or make any updates.

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

Commissioner Morris noted that the only change he would like to see was to add to the policy that once Closed Session minutes were released that they be placed on the County Website.

With no further discussion and full consensus of the Board this item was placed on the Action Agenda at the next meeting on January 27th.

**Appointments - Stokes Nursing Home Community Advisory Committee and Stokes Adult Care Home Community Advisory Committee**

Assistant County Manager/Clerk to the Board Shannon Shaver presented the Board with appointment request for:

Stokes County Nursing Home Community Advisory Committee:

Susie Grabs

Sylvia Grogan

Nora Lankford

Mary Lawson

Myra Morgan

This leaves 1 vacancy on the committee.

Stokes County Adult Care Home Community Advisory Committee:

Gregory Hairston

Diann Joyce

Jewel Mabe

This leaves 4 vacancies on the committee.

Chairman Nickelston opened the floor for nominations.

Vice Chairman Mendenhall nominated the individuals as listed.

Commissioner Walker moved that the floor be closed for nominations.

Commissioner Yontz seconded.

With no further discussion the motion carried unanimously, and this item was placed on the Action Agenda at the next meeting on January 27th.

## **ACTION AGENDA**

### **Propane Vehicles -Revised RFP**

Chairman Nickelston entertained a motion on the item presented.

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

Commissioner Morris noted that he would prefer the line on page 2 highlighted in gray be deleted as he felt it did not add anything to the RFP.

The Board had no issue in updating the RFP.

Commissioner Yontz moved to to approve the RFP for eight propane retrofit kits with the deletion of the line on page 2 stating that all costs must be shown and that no additional cost will be paid for by the County of Stokes.

Vice-Chairman Mendenhall seconded the motion. The motion Passed.

### **Stokes County Health Department - Bad Debt Write Off Request**

Chairman Nickelston entertained a motion on the item presented.

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

Commissioner Walker moved to to approve the Stokes County Health Department's request to write off the bad debt from FY 17-18 in the amount of \$2,293.89.

Commissioner Yontz seconded the motion. The motion Passed.

### **VHF System Upgrade Request - Budget Amedment #65**

Chairman Nickelston entertained a motion on the item presented.

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

Commissioner Morris noted after reading sections 2.5.1.3, 2.6,2.7, and 2.8 he felt like there are no guarantees this system will work and sent his concerns to Communications Director Del Hall, and that he wanted to share the response he received with the rest of the Board.

The questions were related to the following sections and the responses were:

2.5.1.3 – the FCC handles the issuance of the frequencies. We will be using the same frequencies and PL Tones we are currently using at this time. The interference we had in the past was from an outside source. MCA assisted with locating the outside source and I contacted the FCC. I informed them the Weather could be a factor in the interference i.e. cold front coming through from

the North after it moves through it clears up.

2.6. - The current sites will be used. No changes in the sites for the Microwave links. The microwave links are good now and don't expect any issues with them after the new transmitters are installed. No sense in replacing them now which saves Stokes County Money.

2.7 – our current subscribers are EMS and the Fire Departments. No changes to the frequencies or PL tones. No programming or configuration changes to the current VHF Pagers.

2.8 – coverage – a study was completed in 2012 with 95% coverage. The site locations will be the same. Due to Stokes County mountainous terrain and concrete building and some underground locations you can't have 100% coverage. The site locations are the same as in the study in 2012.

Commissioner Morris noted that the responses from the company took care of his concerns.

Vice Chairman Mendenhall noted that for this amount of money he would like to have the answers in writing.

The Board concurred with this and Communications Director Del Hall stated that he would get this information to the Board in writing.

Vice-Chairman Mendenhall moved to to approve the VHF System Upgrade Request with Budget Amendment #65.

Commissioner Morris seconded the motion. The motion Passed.

### **Architectural/Engineering Services for the Public Works Maintenance/Storage Building**

Chairman Nickelston entertained a motion on the item presented.

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

Commissioner Yontz moved to to approve contracting with Peterson/Gordon Architects on the Public Works/Maintenance Building.

Commissioner Walker seconded the motion. The motion Passed.

### **Board of Health -Appointment Requests**

Chairman Nickelston entertained a motion on the item presented.

Chairman Nickelston opened the floor for any further nominations.

Commissioner Walker nominated the list as presented.

Vice Chairman Mendenhall made a motion to close the floor for nominations.

Commissioner Walker seconded.

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

With no further discussion the motion carried.

Chairman Nickelston polled the Board.

Commissioner Morris: list as presented

Commissioner Walker: list as presented

Commissioner Yontz: list as presented

Vice Chairman Mendenhall: list as presented

Chairman Nickelston: list as presented

The members appointed to the Board of Health with a unanimous vote of the Board of Commissioners are:

Commissioner:	Jamie Yontz
Licensed Dentist:	Gaye Wood
Licensed Engineer:	Buster Robertson
Licensed Optometrist:	Keith Lawson
Licensed Pharmacist:	Kim Lewis
Licensed Physician:	Thomas Delany Santoro, M.D.
Licensed Veterinarian:	Pam Tillman
Registered Nurse:	Jane Humphries
General Public:	Rachel White
General Public:	Jane Cole
General Public:	Justin Duncan
County Manager:	Jake Oakley
Health Director:	Tammy Martin
DSS Director:	Stacey Elmes
Recording Sec:	Hayley Shelton

### **Department of Social Services Board - Appointment Request**

Chairman Nickelston entertained a motion on the item presented.

Chairman Nickelston opened the floor for nominations.

Commissioner Morris nominated Greg Collins

Commissioner Walker nominated Katie Tedder.

Vice Chairman Mendenhall made a motion to close the floor for nominations.

Commissioner Walker seconded.

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

After further discussion the motion carried.

Chairman Nickelston polled the Board.

Commissioner Morris: Greg Collins

Commissioner Walker: Katie Tedder

Commissioner Yontz: Katie Tedder  
Vice Chairman Mendenhall: Katie Tedder  
Chairman Nickelston: Katie Tedder

Chairman Nickelston noted that Katie Tedder had been appointed to serve on the DSS Board with a 4-1 vote.

Commissioner Morris voted for Greg Collins.

### **Sheriff's Department Full Time SRO Request**

Chairman Nickelston entertained a motion on the item presented at tonight's meeting.

Chairman Nickelston opened the floor for any discussion/questions/comments.  
Vice-Chairman Mendenhall moved to to approve the Sheriff's Departments request for 3 full time SRO Officers.

Commissioner Yontz seconded the motion. The motion Passed.

### **Walnut Cove Green Box Site-Purchase Agreements**

Chairman Nickelston entertained a motion on the item presented at tonight's meeting.

Chairman Nickelston opened the floor for any discussion/questions/comments.  
Commissioner Yontz moved to to approve the purchase agreements related to the Walnut Cove Green Box Site.

Commissioner Walker seconded the motion. The motion Passed.

### **Adjournment**

Vice-Chairman Mendenhall moved to to adjourn the meeting at 9:06 pm with no further business to come before the Board.

Commissioner Yontz seconded the motion. The motion Passed.

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**Shannon Shaver**  
**Clerk to the Board**

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**Andy Nickelston**  
**Chairman**



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: IV.b.**

**Budget Amendments**

Contact: Julia E. Edwards

Summary:  
Budget Amendments attached for Approval.

A copy of Budget Amendment #64 is attached for review due to Budget Amendment #71 is included as a correction.

**ATTACHMENTS:**

Description	Upload Date	Type
Budget Amendments #66 #68 #69 #71	1/21/2020	Cover Memo



## STOKES COUNTY-BUDGET AMENDMENT

BE IT ORDAINED by the Stokes County Board of Commissioners that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020.

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	General Fund			
	Sheriff's Office			
100.4310.000	Salaries & Wages	\$ 2,117,590.00	\$ 44,758.00	\$ 2,162,348.00
100.4310.022	Salaries & Wages SRO	\$ 333,999.00	\$ (64,475.00)	\$ 269,524.00
100.4310.090	Social Security	\$ 158,706.00	\$ 2,775.00	\$ 161,481.00
100.4310.091	Medicare Tax	\$ 37,117.00	\$ 649.00	\$ 37,766.00
100.4310.100	Retirement	\$ 201,794.00	\$ 4,342.00	\$ 206,136.00
100.4310.102	5% 401K	\$ 94,477.00	\$ 2,239.00	\$ 96,716.00
100.4310.110	Health Insurance	\$ 347,982.00	\$ 8,700.00	\$ 356,682.00
100.4310.111	Dental Insurance	\$ 19,548.00	\$ 489.00	\$ 20,037.00
100.4310.130	Unemployment	\$ 12,150.00	\$ 448.00	\$ 12,598.00
100.4310.170	Term Life	\$ 2,988.00	\$ 75.00	\$ 3,063.00
	Total	\$ 3,326,351.00	\$ -	\$ 3,326,351.00

This budget amendment is justified as follows:

To transfer funds for the three SRO officers for elementary and middle school from grant school received.

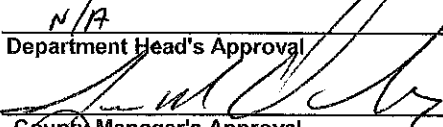
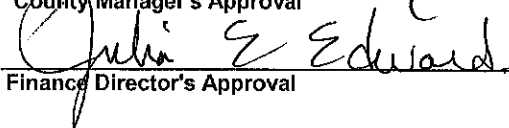
This will result in a net increase of \$0.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received in this fiscal year.

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	General Fund			
	Total	\$ -	\$ -	\$ -

SECTION 2. Copies of this amendment shall be furnished to the Clerk of the Board of Commissioners, Budget Officer and to the Finance Director.

Adopted this 27th day of January, 2020

Verified by the Clerk of the Board

N/A	
Department Head's Approval	Date
	1-21-2020
County Manager's Approval	Date
	1/21/20
Finance Director's Approval	Date

## STOKES CONTY-BUDGET AMENDMENT

Amendment No. 68

BE IT ORDAINED by the Stokes County Board of Commissioners that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020.

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	Mental Health MOE Fund			
111.5200.006	Narcan Kits	\$12,000.00	(\$12,000.00)	\$0.00
111.5200.005	Jail Diversion	\$0.00	\$12,000.00	\$12,000
TOTALS		<u>\$ 12,000.00</u>	<u>\$ -</u>	<u>\$ 12,000.00</u>

This budget amendment is justified as follows:  
To transfer funds to provide drug classes at the jail.

This will result in a net increase of \$0.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received in this fiscal year.

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
TOTALS		<u>-</u>	<u>-</u>	<u>-</u>

SECTION 2. Copies of this amendment shall be furnished to the Clerk of the Board of Commissioners, Budget Officer and to the Finance Director.

Adopted this 27th day of January, 2020.

Verified by the Clerk of the Board

<u>Stacey L. Elmer</u>	<u>1/15/2020</u>
Department Head's Approval	Date
<u>[Signature]</u>	<u>1-21-2020</u>
County Manager's Approval	Date
<u>Charles E. Edwards</u>	<u>1/21/20</u>
Finance Director's Approval	Date

## STOKES COUNTY-BUDGET AMENDMENT

BE IT ORDAINED by the Stokes County Board of Commissioners that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020.

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	Sheriff's Office			
100.4310.351	Maint. & Repairs Auto	\$ 106,516.00	\$ 2,000.00	\$ 108,516.00
		<u>\$ 106,516.00</u>	<u>\$ 2,000.00</u>	<u>\$ 108,516.00</u>

This budget amendment is justified as follows:

To appropriate insurance claim funds due to accident.

This will result in a net increase of \$2,000.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received in this fiscal year.

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
1003839.85	Insurance Claims	\$ 44,809.00	\$ 2,000.00	\$ 46,809.00
	TOTALS	<u>\$ 44,809.00</u>	<u>\$ 2,000.00</u>	<u>\$ 46,809.00</u>

SECTION 2. Copies of this amendment shall be furnished to the Clerk of the Board of Commissioners, Budget Officer and to the Finance Director.

Adopted this 27th day of January, 2020.

Verified by the Clerk of the Board

*N/A*  
Department Head's Approval

Date

*[Signature]*  
County Manager's Approval

Date

*[Signature]*  
Finance Director's Approval

Date

*1-21-2020*

*1/21/20*

## STOKES COUNTY-BUDGET AMENDMENT

BE IT ORDAINED by the Stokes County Board of Commissioners that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020.

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	General Fund			
		\$ -	\$ -	\$ -

This budget amendment is justified as follows:

To correct budget amendment #64 dated 01/13/20 to appropriate fund balance to balance the funds budget.

This will result in a net increase of \$17,000.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received in this fiscal year.

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	New School/F. Tech Fund			
211.3991.000	Fund Balance Appropriated	\$ 1,240,127.00	\$ 17,000.00	\$ 1,257,127.00
	TOTALS	\$ 1,240,127.00	\$ 17,000.00	\$ 1,257,127.00

SECTION 2. Copies of this amendment shall be furnished to the Clerk of the Board of Commissioners, Budget Officer and to the Finance Director.

Adopted this 27th day of January, 2020.

Verified by the Clerk of the Board

*N/A*  
Department Head's Approval

Date

*[Signature]*  
County Manager's Approval

Date

*Julie E. Edwards*  
Finance Director's Approval

Date

## STOKES COUNTY-BUDGET AMENDMENT

BE IT ORDAINED by the Stokes County Board of Commissioners that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020.

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	General Fund			
	Public Buildings			
100.4190.350	Maint. & Repairs Equipment	\$ 40,000.00	\$ 40,000.00	\$ 80,000.00
	Forsyth Tech			
100.5920.000	Salaries & Wages	\$ 106,173.00	\$ (3,000.00)	\$ 103,173.00
100.5920.260	Departmental Supplies	\$ 10,000.00	\$ 10,000.00	\$ 20,000.00
100.5920.440	Misc. Contractual Services	\$ 7,500.00	\$ 10,000.00	\$ 17,500.00
	Contingency			
100.9910.000	Contingency	\$ 29,825.00	\$ (25,000.00)	\$ 4,825.00
		<u>\$ 193,498.00</u>	<u>\$ 32,000.00</u>	<u>\$ 225,498.00</u>
	New School/F. Tech Fund			
211.9820.000	Transfer to General Fund	\$ 2,953,860.00	\$ 17,000.00	\$ 2,970,860.00
		<u>\$ 2,953,860.00</u>	<u>\$ 17,000.00</u>	<u>\$ 2,970,860.00</u>

This budget amendment is justified as follows:

To transfer and appropriate funds for Public Buildings maintenance of equipment from contingency and miscellaneous revenue and for Forsyth Tech supplies and contractual services due to new facility.

This will result in a net increase of \$32,000.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received in this fiscal year.

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	GENERAL FUND			
100.3982.970	Transfer from New School/F. Tech Fund	\$ 2,953,860.00	\$ 17,000.00	\$ 2,970,860.00
100.3839.000	Miscellaneous Revenue	\$ 62,069.00	\$ 15,000.00	\$ 77,069.00
	TOTALS	<u>\$ 3,015,929.00</u>	<u>\$ 32,000.00</u>	<u>\$ 3,047,929.00</u>

SECTION 2. Copies of this amendment shall be furnished to the Clerk of the Board of Commissioners, Budget Officer and to the Finance Director.

Adopted this 13th day of January, 2020.

Verified by the Clerk of the Board

Department Head's Approval

Date

County Manager's Approval

Date

Finance Director's Approval

Date



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: IV.c.**

**Audit Contract 2020**

Contact: Julia E. Edwards

Summary:

**ATTACHMENTS:**

Description	Upload Date	Type
Audit Contract 2020	1/21/2020	Cover Memo

The of and	Governing Board Board of Commissioners
	Primary Government Unit (or charter holder) Stokes County, NC
	Discretely Presented Component Unit (DPCU) (if applicable) N/A

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name Martin Starnes & Associates, CPAs, P.A.
	Auditor Address 730 13th Avenue Dr. SE, Hickory, NC 28602

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending	Audit Report Due Date
	06/30/20	10/31/20

*Must be within four months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to



the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

29. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

30. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.

31. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

32. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

## FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: ☐ Auditor ☒ Governmental Unit ☐ Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:

Title:

Email Address:

Julia E. Edwards

Finance Director

jedwards@co.stokes.nc.us

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year billings. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

## PRIMARY GOVERNMENT FEES

Primary Government Unit	Stokes County, NC
Audit Fee	\$ See fee section of engagement letter
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$ See fee section of engagement letter
Writing Financial Statements	\$ N/A
All Other Non-Attest Services	\$ N/A
<b>75% Cap for Interim Invoice Approval</b> (not applicable to hospital contracts)	\$ 53,250.00

## DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	\$
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
<b>75% Cap for Interim Invoice Approval</b> (not applicable to hospital contracts)	\$

## SIGNATURE PAGE

## AUDIT FIRM

Audit Firm*	
Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed)*	Signature*
Amber Y. McGhinnis	<i>Amber Y. McGhinnis</i>
Date*	Email Address*
01/14/20	amcghinnis@martinstarnes.com

## GOVERNMENTAL UNIT

Governmental Unit*	
Stokes County, NC	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)*	Signature*
Andy Nickelston, Chairman	
Date	Email Address
	andy.nickelston@gmail.com

Chair of Audit Committee (typed or printed, or "NA")	Signature
N/A	
Date	Email Address

## GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).  
Not applicable to hospital contracts.

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Julia E. Edwards, Finance Director	
Date of Pre-Audit Certificate*	Email Address*
	jedwards@co.stokes.nc.us

**SIGNATURE PAGE – DPCU**  
(complete only if applicable)

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU*	
N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
N/A	
Date	Email Address

**DPCU – PRE-AUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).  
Not applicable to hospital contracts.

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

DPCU Finance Officer (typed or printed)*	Signature*
N/A	
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all  
required signatures prior to submission.

**PRINT**



**Koonce, Wooten & Haywood, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

## Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates CPAs, P.A. and the  
Peer Review Committee, North Carolina Association  
Of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates CPAs, P.A. (the firm) in effect for the year ended December 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates CPAs, P.A. in effect for the year ended December 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates CPAs, P.A. has received a peer review rating of *pass*.

*Koonce, Wooten & Haywood, LLP*

Koonce, Wooten & Haywood, LLP

May 3, 2018

**Raleigh**  
4060 Barrett Drive  
Post Office Box 17806  
Raleigh, North Carolina 27619  
  
919 782 9265  
919 783 8937 FAX

**Durham**  
3500 Westgate Drive  
Suite 203  
Durham, North Carolina 27707  
  
919 354 2584  
919 489 8183 FAX

**Pittsboro**  
10 Sanford Road  
Post Office Box 3299  
Pittsboro, North Carolina 27312  
  
919 542 6000  
919 542 5764 FAX

# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

January 14, 2020

Julia Edwards, Finance Director  
Stokes County  
1014 Main Street  
Danbury, NC 27016

You have requested that we audit the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stokes County, NC, as of June 30, 2020, and for the year then ended, and the related notes to the financial statements, which collectively comprise Stokes County's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and State award programs for the period ended June 30, 2020. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and State award programs.

Accounting principles generally accepted in the United States of America require that certain supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Law Enforcement Officers' Special Separation Allowance schedules
- Other Post-Employment Benefits' schedules
- Local Government Employees' Retirement System's schedules
- Register of Deeds' Supplemental Pension Fund schedules



Supplementary information other than RSI will accompany Stokes County's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements
- Budget and actual schedules
- Supplemental ad valorem tax schedules
- Other schedules
- Schedule of Expenditures of Federal and State Awards

#### **Schedule of Expenditures of Federal and State Awards**

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

#### **Data Collection Form**

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

## Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and the direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of Stokes County's basic financial statements. Our report will be addressed to the governing body of Stokes County. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

## **Audit of Major Program Compliance**

Our audit of Stokes County's major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal and state award programs. Our procedures will consist of determining major federal and state programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and state award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

## **Management's Responsibilities**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
5. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
6. For the design, implementation, and maintenance of internal control over federal and state awards;

7. For establishing and maintaining effective internal control over federal and state awards that provides reasonable assurance that the nonfederal and nonstate entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
8. For identifying and ensuring that the entity complies with federal and state statutes, regulations, and the terms and conditions of federal and state award programs and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
9. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal and state award programs, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above (including the Schedule of Expenditures of Federal and State Awards), you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information

with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

#### **Fees**

Paula Hodges is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are as follows:

Audit Fee	\$ 70,000
Financial Statement Drafting	-
Other Non-Attest Services	-
	<u>\$ 70,000</u>

#### **Additional Fees:**

Charge per major program over five (5)	<u>\$ 3,000</u>
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Our invoices for these fees will be rendered in four installments as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use Stokes County's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

#### *Changing Laws and Regulations*

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

#### *Incorrect Accounting Methods or Errors in Client Records*

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements.

#### *Failure to Prepare for the Engagement*

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

#### *Starting and Stopping Our Work*

If we must withdraw our staff because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

#### *Assistance with Financial Statement Drafting*

Your personnel is responsible for drafting the financial statements and related notes and the Schedule of Expenditures of Federal and State Awards. Upon completion of the drafted financial statements, we will review them and return them to you with suggested revisions. If significant assistance is needed to make those revisions, this will result in additional fees based on the amount of assistance required.

Our fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees for such services range from \$75-\$300 per hour.

#### **Other Matters**

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or State agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

We will perform the following nonattest services:

- GASB 34 conversion entries
- Assistance with preparation of some footnotes
- Preparation of Data Collection Form

We will not assume management responsibilities on behalf of Stokes County. However, we will provide advice and recommendations to assist management of Stokes County in performing its responsibilities.

With respect to the nonattest services we perform as listed above, Stokes County's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards.
- This engagement is limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account codings and approving journal entries.

*Government Auditing Standards* require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and state award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Stokes County by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: IV.d.**

**Tax Administration Monthly Report**

Contact: Richard Brim, Tax Administrator

Summary:  
Consent Agenda Items

**Items for Approval on January 27, 2020.**

1. Real and Personal Releases more than \$100.00.
2. Real and Personal Refunds more than \$100.00.
3. Personal Property Schedule of Values and Depreciation Schedules for 2020 Assessment.
4. Requested 2020 Board of Equalization and Review Date.
5. County Owned Surplus Real Property Releases.
6. Payment Arrangement Agreement Policy.
7. Stonewall Country Club LLC Business Personal Property Discovery.

**ATTACHMENTS:**

Description	Upload Date	Type
Tax Items for Consent	1/21/2020	Cover Memo

## STOKES COUNTY TAX ADMINISTRATION RELEASE REPORT FOR DECEMBER, 2019

REAL AND PERSONAL PROPERTY RELEASES MORE THAN \$100

<u>NAME</u>	<u>ADDRESS</u>	<u>BILL NO.</u>	<u>AMOUNT</u>	<u>REASON</u>
SANDS, RODGER D	1121 RAY LOOP RD WESTFIELD, NC 27053	294605-2019-2016	\$132.46	APPRAISAL CLERICAL CORRECTION
GIBSON, TIMOTHY MARK GIBSON, ROBIN BRINKLEY	PO BOX 62 WESTFIELD, NC 27053	290095-2019-2019	\$209.42	USE VALUE CLERICAL CORRECTION
HOOKEER, SAMUEL G HOOKEER, PAMELA H	1229 HALL RD WESTFIELD, NC 27053	305030-2019-2019	\$227.18	BLDG STILL UNDER CONSTR REDUCED 2019 VALUE

TOTAL AMOUNT	\$569.06
--------------	----------

<u>Richard T. Brim</u>	<u>1/6/20</u>
RICHARD T. BRIM	DATE
TAX ADMINISTRATOR	

<u>ANDY NICKELSTON</u>	<u>DATE</u>
CHAIRMAN-STOKES COUNTY	
BOARD OF COMMISSIONERS	

## STOKES COUNTY TAX ADMINISTRATION REFUND REPORT FOR DECEMBER, 2019

REAL AND PERSONAL PROPERTY REFUNDS MORE THAN \$100 PER NCGS 105-381(b)

<u>NAME</u>	<u>ADDRESS</u>	<u>BILL NUMBER</u>	<u>LEDGER</u>	<u>AMOUNT</u>	<u>REASON</u>
GUY, OBADIAH B GUY, BRANDIE N	2233 N OLD 52 RD PINNACLE, NC 27043	849458-2019-2019	100.3100.160	\$144.50	CORRECTION TO
			209.3100.160	\$40.14	APPRAISAL
			211.3100.160	\$20.07	SOFTWARE ERROR
			112.3100.160	\$166.59	
GUY, OBADIAH B GUY, BRANDIE N	2233 N OLD 52 RD PINNACLE, NC 27043	849458-2018-2018	100.4140.390	\$155.55	CORRECTION TO
			209.3100.160	\$40.14	APPRAISAL
			211.3100.160	\$20.07	SOFTWARE ERROR
			112.3100.160	\$155.55	
GUY, OBADIAH B GUY, BRANDIE N	2233 N OLD 52 RD PINNACLE, NC 27043	849458-2017-2017	100.4140.390	\$311.09	CORRECTION TO
			209.3100.160	\$40.14	APPRAISAL
			211.3100.160	\$20.07	SOFTWARE ERROR
GUY, OBADIAH B GUY, BRANDIE N	2233 N OLD 52 RD PINNACLE, NC 27043	849458-2016-2016	100.4140.390	\$286.18	CORRECTION TO
			209.3100.160	\$34.61	APPRAISAL
			211.3100.160	\$18.46	SOFTWARE ERROR
COLLINS, RONALD GAYLE	101 LOCUST RD KING, NC 27021	42825795	100.3100.113	\$98.72	VEHICLE SOLD
			206.3100.112	\$12.73	
			211.3100.001	\$6.37	

TOTAL AMOUNT

\$1,570.98

Richard T. Brim  
RICHARD T. BRIM  
TAX ADMINISTRATOR

1/6/20  
DATE

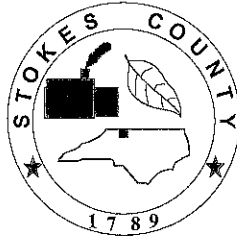
\_\_\_\_\_  
ANDY NICKELSTON  
CHAIRMAN-STOKES COUNTY  
BOARD OF COMMISSIONERS

\_\_\_\_\_  
DATE

# COUNTY OF STOKES

ORIGINAL

**Richard T. Brim**  
Tax Administrator



Phone (336) 593-2811

**TAX ADMINISTRATION**

Fax (336) 593-4019

Post Office Box 294 • 1014 Main Street • Government Center • Danbury, NC 27016

**Date: January 2, 2020**

**To: Board of County Commissioners**

**From: Richard T. Brim, Tax Administrator**

**Reference: Personal Property Schedule of Values and Depreciation Schedules for 2020**

**Below are the 2020 Pricing Guides to be approved:**

1. 2020 Department of Revenue Cost Index and Depreciation Schedule (Business Personal Property)
2. 2020 Pricing Guidelines for Individual Personal Property
3. 2020 Single-Wide Mobile Home Pricing Guidelines (Scheduled Developed from Marshall and Swift)

Sincerely,

*Richard T. Brim*

**Richard T. Brim**  
Tax Administrator

\_\_\_\_\_  
**Approval**

\_\_\_\_\_  
**Denial**

\_\_\_\_\_  
**Andy Nickelston**  
Chairman, Board of Commissioners

\_\_\_\_\_  
**Date**



ORIGINAL

**COUNTY OF STOKES**  
**TAX ADMINISTRATION**

Post Office Box 294 • 1014 Main Street • Administration Building • Danbury, NC 27016  
Phone (336) 593-2811 • Fax (336) 593-4019

---

**Date: December 30, 2019**

**To: Board of County Commissioners**

**From: Richard Brim, Tax Administrator**

**Reference: Requested 2020 Board of Equalization and Review Date**

**Listed below is the proposed hearing date for the 2020 Board of Equalization and Review:**

<u>Date</u>	<u>Day</u>	<u>Time</u>
April 6 <sup>th</sup>	Monday	Begin 6:00 P.M.

**Please feel free to change the above date if necessary.**

**Sincerely,**

*Richard Brim*

**Richard Brim**  
**Tax Administrator**

\_\_\_\_\_  
**Approval**

\_\_\_\_\_  
**Denial**

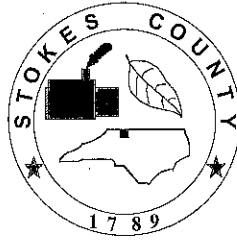
\_\_\_\_\_  
**Andy Nickelston**  
**Chairman, Board of Commissioners**

\_\_\_\_\_  
**Date**

# COUNTY OF STOKES

ORIGINAL

**Richard T. Brim**  
Tax Administrator



Phone (336) 593-2811

**TAX ADMINISTRATION**

Fax (336) 593-4019

Post Office Box 294 • 1014 Main Street • Government Center • Danbury, NC 27016

Date: January 2, 2020

To: Board of County Commissioners

From: Richard T. Brim, Tax Administrator

Reference: Releasement of Tax for County Owned Surplus Property

BOC:

The Tax Office is requesting the releasement of all tax bills generated after the year the County became the owner of record. All these properties are a direct result of the tax foreclosure process where no individual upset the initial bid that the County entered. As a result the County became the owner of the property. These properties should have been coded as exempt from that point per NCGS 105-278.1 forward but were not.

I have attached a summary list of the 15 County Owned Surplus Properties. A detailed list can be provided upon request.

Parcel	Tax Year	Due Amount	Primary Owner
598800984426	2012-2019	\$764.23	COUNTY OF STOKES
601000165939	2015-2019	\$101.65	COUNTY OF STOKES
691602956062	2013-2019	\$98.36	COUNTY OF STOKES
693602983927	2016-2019	\$51.19	COUNTY OF STOKES
694102764215	2010-2019	\$79.54	COUNTY OF STOKES
694602955008	2012-2019	\$115.82	COUNTY OF STOKES
694602955738	2013-2019	\$198.66	COUNTY OF STOKES
694719500708	2012-2019	\$1,569.22	COUNTY OF STOKES
696206474929	2017-2019	\$388.27	COUNTY OF STOKES
696318218568	2017-2019	\$204.73	COUNTY OF STOKES
699305088022	2009-2019	\$446.17	COUNTY OF STOKES
696317204306	2006-2019	\$2,672.59	STOKES COUNTY
696318312190	2006-2019	\$2,254.70	STOKES COUNTY
697201052502	2007-2019	\$1,091.98	STOKES COUNTY
699305089642	2008-2019	\$597.86	STOKES COUNTY
Grand Total		\$10,632.97	

Sincerely,

*Richard T. Brim*  
Richard T. Brim  
Tax Administrator

Approval

Denial

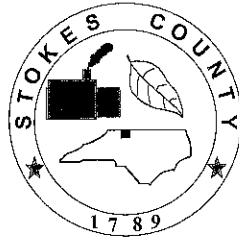
Andy Nickelston  
Chairman, Board of Commissioners

Date

# COUNTY OF STOKES

ORIGINAL

**Richard T. Brim**  
Tax Administrator



Phone (336) 593-2811

TAX ADMINISTRATION

Fax (336) 593-4019

Post Office Box 294 • 1014 Main Street • Government Center • Danbury, NC 27016

---

**Date:** December 19, 2019

**To:** Board of Commissioners

**From:** Richard T. Brim, Tax Administrator

**Reference:** Adoption of a Delinquent Payment Arrangement Agreement Policy

**BOC:**

In order to ensure fairness and consistency the Tax Office has prepared a standard Delinquent Payment Arrangement Agreement Policy. This agreement will serve as the final option to Tax Foreclosure. Please review the attached "Stokes County Delinquent Property Tax Payment Arrangement Agreement Policy" and copy of a blank "Delinquent Property Tax Payment Arrangement Agreement". Both of these documents have been reviewed by County Attorney, Nicholas Overby from the legal perspective. If you have any questions or concerns, please let me know.

Sincerely,

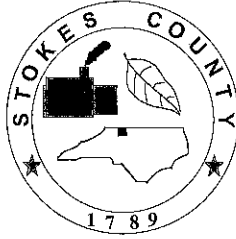
*Richard T. Brim*

Richard T. Brim

# COUNTY OF STOKES

ORIGINAL

**Richard Brim**  
Tax Administrator



Phone (336) 593-2811

**TAX ADMINISTRATION**

Fax (336) 593-4019

Post Office Box 294 • 1014 Main Street • Government Center • Danbury, NC 27016

**Date: January 2, 2020**

**To: Stokes County Board of Commissioners**

**From: Richard Brim, Tax Administrator**

**Reference: Stonewall Country Club LLC, Business Personal Property Discovery**

The Tax Office, as part of its Business Personal Property Compliance Review Process, determined that Stonewall Country Club LLC, located at 3200 South Friendship Road in Germanton, had not been listing their Business Personal Property. Our office reached out to Mr. Richard Regan, owner and operator of Stonewall Country Club LLC, and informed him of the annual process of listing Business Personal Property. Mr. Regan was unaware of his obligation to list Business Personal Property. The Tax Office processed a six year Discovery and billed the Business Personal Property in accordance with NCGS 105-312.

Upon receiving the Discovery Bills, Mr. Regan contacted the Tax Office. Mr. Regan and I discussed the Discovery process in detail. Mr. Regan is a model taxpaying citizen and has a history of paying his taxes in a timely manner. Mr. Regan asked the Tax Office to go before the BOC on his behalf and ask for the penalty portion of the Discovery Bills to be released. It has been common practice of the BOC to forgive the penalty portion of discovery bills for model taxpayers. This action is allowed per NCGS 105-312k.

It is my opinion that Mr. Regan wants to fulfill his duties and pay his taxes; but, was just unaware of the requirements to list Business Personal Property annually. Mr. Regan has already paid the entire original levy amount of \$2,836.70 associated with the Discovery Bills. All that remains due is \$726.47, the penalty portion of the Discovery Bills. Now that Mr. Regan understands the process, he assured the Tax Office that he will submit his Business Personal Property Listing Form annually during the regular listing period. If you need any additional information, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Richard Brim".

**Richard Brim**

Approval \_\_\_\_\_

Denial \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
**Andy Nickelston**  
Chairman, Board of Commissioners





**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: V.a.**

**American Legion**

Contact: Steve Page

Summary:

Steve Page will be in attendance to present the Board of Commissioners a plaque in appreciation of the donation towards the Stokes County Fair.



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: V.b.**

**Sales Tax Referendum Informational Brochure**

Contact: Jake Oakley

**Summary:**

Attached is a copy of the informational brochure that I would like to begin distributing. Any input from the Commissioners is greatly appreciated.

**ATTACHMENTS:**

Description	Upload Date	Type
Sales Tax Information Brochure	1/21/2020	Cover Memo

**12. Question: What happens if the sales tax referendum is defeated?**

**Answer:** If the sales tax referendum is defeated, the school facilities and other improvements that would have been paid for with this sales tax revenue will instead have to be paid for with other local funds - primarily property taxes. At present, each 1 cent of property tax rate produces about \$ 388,500.

**NOTE: Voters who are already registered to vote need not re-register to vote in this election. Residents who are not registered to vote must register by February 7, 2020 to be eligible to vote in this election. Same Day registration is also available during early voting between February 13 & 29th.**

**If you have other questions or desire additional information call Jake Oakley, County Manager, at 336-593-2407 or any member of the Board of County Commissioners.**

Chairman Andy Nickelston	336-871-4162
Vice Chairman Ronnie Mendenhall	336-994-1083
Commissioner Rick Morris	336-813-0206
Commissioner Jimmy Walker	336-983-5714
Commissioner Jamie Yontz	336-403-9418



**PO Box: 20  
1014 Main Street  
Danbury, NC 27016**



**Stokes County  
Will You  
Support  
1/4 Cent  
Sales Tax  
Referendum?**

The General Assembly has recently decided to provide county boards of commissioners with the authority to conduct a one-quarter cent (1/4¢) county Sales & Use Tax Referendum. This may be utilized in order to provide a means to fund areas of safety in our schools (SRO Officers & building security) or a service oriented entity.

As a Public Service and information for the voters, the following Frequently Asked Questions are answered in a brief summary.

**1. Question: Who put this issue on the ballot?**

**Answer:** The NC General Assembly granted county boards of commissioners the authority to levy, subject to voter approval, an additional one-quarter cent (1/4¢) county sales and use tax. On November 25, 2019, the Board approved a resolution calling for a March 3, 2020 Advisory Referendum concerning the Levy of a One-Quarter Cent (1/4¢) County wide additional Sales & Use Tax. While the use may change, the Board resolved that monies collected would be utilized for Educational Safety Issues.

**2. Question: Does the sales tax apply to unprepared food or gas?**

**Answer:** NO. The local-option sales tax does not apply to unprepared foods (i.e. groceries) or gas purchases. There is no local sales tax on gas purchases.

**3. Question: What is the question that will be placed on the ballot?**

**Answer:** Whether the voters wish to authorize the County Board of Commissioners to levy an additional 1/4 of a penny sales tax, (one penny for each \$4.00 of taxable sales.)

**4. Question: Is there a prescribed format for the question on the ballot?**

**Answer:** Yes. Legislation specifies how the question must be presented on the ballot: Ballot Question - The form of the question to be presented on a ballot for special election concerning the levy of the tax authorized by this Article shall be:

Local Sales and Use Tax	
Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other State and local sales and use taxes.	
<input type="radio"/>	For
<input type="radio"/>	Against

**5. Question: When will the sales tax referendum be conducted?**

**Answer:** Tuesday, March 3, 2020

**6. Question: Are there restrictions on the use of the new sales tax revenues?**

**Answer:** The sales tax is not restricted.

**7. Question: Can a county stipulate uses of the monies on the ballot as a part of the referendum?**

**Answer:** A county may not stipulate the use of the money on the ballot.

**8. Question: How much will 1/4 cent sales tax raise?**

**Answer:** The State's estimate for Stokes County is estimated between \$800,000 and \$1.2 million in additional revenue.

**9. Question: How much would the 1/4% sales tax cost the individual?**

<u>Taxable Goods</u>	<u>Tax</u>
\$100 purchase	25 cents
\$300 purchase	75 cents
\$500 purchase	\$1.25

**10. Question: When is the earliest the sales tax will become effective if the Board of County Commissioners levies the sales tax via resolution ( following a referendum) during March 2020?**

**Answer:** The sales tax becomes effective on the first day of any calendar quarter so long as the county gives at least 60 days notice to Secretary of Revenue. If the referendum is passed the Board of Commissioners would like to see this implemented with the start of FY 2020/21.

**11. Question: If the sales tax passes does it mean property taxes will not increase?**

**Answer:** The sales tax lessens the pressure on property tax, but it will be up to the Board of Commissioners to determine future property tax rates during annual budget discussions. The Tax Referendum does not do away with property taxes.



**Board of County Commissioners**  
**January 27, 2020**  
**6:00 PM**

**Item number: VI.a.**

**LifeBrite Hospital - Resolution**

Contact: Pam Tillman

**Summary:**

A request was received from Pam Tillman to approve the enclosed resolution. The purpose of the resolution is to show the County Commissioners' support for having Cigna Insurance include our hospital in their network. Cigna has not given a specific reason for their actions other than saying it's a "business decision". This resolution is not complicated by litigation as is the case with the Blue Cross Blue Shield situation. Hopefully a resolution of support will encourage Cigna to relook their decision, which is negatively impacting the hospital and the patients that need the local services from the hospital.

**ATTACHMENTS:**

Description	Upload Date	Type
LifeBrite Resolution	1/21/2020	Cover Memo

STATE OF NORTH CAROLINA

COUNTY OF STOKES

**RESOLUTION ENCOURAGING CIGNA HEALTH INSURANCE COMPANY TO  
PLACE LIFEBSITE COMMUNITY HOSPITAL OF STOKES IN-NETWORK FOR  
HOSPITAL SERVICES**

WHEREAS, LifeBrite Hospital Group of Stokes, LLC d/b/a LifeBrite Community Hospital of Stokes ("LifeBrite") operates a 25 bed critical access hospital in Danbury, Stokes County, North Carolina (the "Hospital"); and

WHEREAS, Cigna Health Insurance Company ("Cigna") and LifeBrite were parties to a Network Participation Agreement up until November 1, 2018 when Cigna terminated the Network Participation Agreement; and

WHEREAS, a significant number of Stokes County residents are insured by Cigna, and utilized the Hospital the Hospital for medical care prior to the termination of the Network Participation Agreement; and

WHEREAS, because LifeBrite is now out-of-network; Stokes County residents with Cigna insurance, in order to receive lower cost medical care, are now forced to drive as much as forty-five (45) minutes to receive health care that is otherwise available in Danbury; and,

WHEREAS, many Stokes County residents are elderly and on a fixed income, and are unable to afford the higher cost of medical care at the Hospital in Danbury by reason of LifeBrite being out of the Cigna network; and

WHEREAS, Cigna's refusal to sign a provider agreement with LifeBrite has caused a hardship to many of the residents of Stokes County; and threatens the viability of the small rural hospital in Stokes County, which is a valuable resource to the citizens of Stokes County.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Stokes County supports LifeBrite in the continued operation of the hospital in Stokes County, in providing quality health care to the residents of Stokes County at the lowest possible cost; and

BE IT FURTHER, RESOLVED, that the Board encourages Cigna to enter into a commercially reasonable Network Participation Agreement with LifeBrite for the provision of outpatient and in-patient services at the Hospital.

This \_\_\_\_\_ day of \_\_\_\_\_, 2020.

STOKES COUNTY BOARD OF COMMISSIONERS

By: \_\_\_\_\_  
Andy Nickelston, Chairman

By: \_\_\_\_\_  
Ronnie Mendenhall, Vice Chairman

By: \_\_\_\_\_  
Jimmy Walker, Commissioner

By: \_\_\_\_\_  
Rick Morris, Commissioner

By: \_\_\_\_\_  
Jamie Yontz, Commissioner

Attest:

\_\_\_\_\_  
Shannon Shaver, Clerk to the Board



**Board of County Commissioners**  
**January 27, 2020**  
**6:00 PM**

**Item number: VI.b.**

**Hospital Bylaws**

Contact: Pam Tillman

Summary:

**ATTACHMENTS:**

Description	Upload Date	Type
Current SRMH Bylaws	1/22/2020	Cover Memo
Prposed Amended SRMH Bylaws	1/22/2020	Cover Memo



AMENDED AND RESTATED BYLAWS  
OF  
STOKES-REYNOLDS MEMORIAL HOSPITAL, INC.

ARTICLE I

Name, Offices and Effect on Previous Bylaws

Section 1. Name. The name of the Corporation is Stokes-Reynolds Memorial Hospital, Inc.

Section 2. Principal Office. The principal office of the Corporation is located at 1014 Main Street, Danbury, Stokes County, North Carolina 27016,

Section 3. Other Offices. The Corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Trustees may from time to time determine, or as the affairs of the Corporation may require.

Section 4. Effect on Previous Bylaws. These Amended and Restated Bylaws (the "Bylaws") hereby supersede and replace in its entirety the previous bylaws of the Corporation, which previous bylaws shall have no further force or effect.

ARTICLE II

Purposes and Powers

Section 1. Purposes. The Corporation is organized and operated exclusively for charitable and educational purposes, including but not limited to providing hospital and health care facilities and services.

Section 2. Powers. The Corporation has and may exercise the powers set forth in the North Carolina Nonprofit Corporation Act.

ARTICLE III

Membership

The Corporation is a North Carolina membership corporation. Stokes County, a political subdivision of the State of North Carolina, is the sole member of the Corporation (the "Sole Member").

ARTICLE IV

Meetings of the Sole Member

Section 1. Place of Meetings. All meetings of the Sole Member shall be held at the principal office of the Corporation, or at such other place, either within or without the State of North Carolina, as shall be designated by the Sole Member.

Section 2. Annual Meeting. The annual meeting of the Sole Member shall be held on the fourth Monday in October, if not a legal holiday, but if a legal holiday, then on the next day following which is not a legal holiday, for the transaction of such business, if any, as may be properly brought before the meeting.

Section 3. Special Meetings. Special meetings of the Sole member may be called by the Chairman of the Board of Trustees, the President, the Secretary, or by the Sole Member.

Section 4. Notice of Meetings. Written or printed notice stating the time and place of the meeting shall be delivered not less than two (2) days before the date thereof, either personally or by first-class, registered or certified mail, by or at the direction of the Secretary of the Corporation to the Sole Member. Such notice must be given not less than ten (10) days before any meeting at which a merger or consolidation is to be considered. If mailed, such notice shall be deemed to be delivered when deposited in the United States first-class, registered or certified mail addressed to the sole Member at its address at Post Office Box 20, Danbury, North Carolina 27016, with postage thereon prepaid.

In the case of an annual or substitute annual meeting, the notice of the meeting need not specifically state the business to be transacted thereat unless it is a matter on which the vote of the membership is expressly required by the provisions of the Act. In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 5. Waiver of Notice. To the extent permitted by law, the transactions of any meeting of the Sole Member, however called and with whatever notice, if any, are as valid as though at a meeting duly held after regular call and notice, if the Sole Member is present at the meeting in person or by proxy and no objection to holding the meeting is made by the Sole Member, or its proxy. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 6. Quorum. The presence of the Sole Member, represented in person or by proxy, shall constitute a quorum at meetings of the membership.

Section 7. Informal Action of the Membership. If permitted by law,, any action which is required or permitted to be taken at a meeting of the membership may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a duly authorized representative of the Sole Member and filed with the Secretary of the Corporation to be kept in the corporate minute book, whether done before or after the action so taken.

Section 8. Compliance With Law. Notwithstanding any provision herein to the contrary, all official meetings of the Board of commissioners shall be called and conducted in

compliance with the North Carolina Open Meetings Law applicable to official meetings of public bodies.

## ARTICLE V

### Board of Trustees

Section 1. General Powers. The Board of Trustees (the "Board") shall manage the business and affairs of the Corporation.

Section 2. Number, Term and Qualification. The Board shall consist of the five (5) elected members of the Board of Commissioners of Stokes County, who shall each serve, ex officio, until his or her successor is elected and qualified.

Section 3. Medical Liaison. The president of the Medical Staff will act as medical liaison for the Medical Staff when invited to meet with the Board.

Section 4. Compensation. Trustees shall not be compensated for their services as such, but may be reimbursed for all expenses incurred by Trustees in connection with the performance of their duties.

Section 5. Board Performance. Each Trustee shall evaluate the performance of the Board of Trustees and submit the evaluation to the Chairman prior to the annual meeting.

## ARTICLE VI

### Officers of the Corporation

Section 1. Officers. The Board of Trustees shall elect as officers of the Corporation a Chairman and a Vice Chairman, who shall be members of the Board, a President and Chief Executive Officer, a Secretary and a Treasurer and Chief Financial Officer. The Board of Trustees may also elect one or more Vice Presidents, Assistant Secretaries and one or more Assistant Treasurers, and such other officers as it shall deem necessary. Except as otherwise specifically provided in these Bylaws, such additional officers shall have such authority and perform such duties as from time to time may be prescribed by the President with the concurrence of the Board of Trustees. Any two or more offices may be held by the same person, except the offices of the President and Secretary.

Section 2. Election and Term. The Chairman and Vice Chairman, President and Chief Executive Officer, Secretary, Treasurer and Chief Financial Officer and the other officers shall serve for one year and until their respective successors are elected and qualified. In the case of any vacancy occurring among the said officers, a successor shall be elected at a special meeting within 10 days of the resignation, death or removal of such officer. Each person appointed to fill a vacancy will serve until the next regular annual election of officers and until his or her successor is elected and qualified.

Section 3. Chairman of the Board. The Chairman of the Board of Trustees shall exercise all the powers and perform all the duties usual to such office and shall perform such other duties as may be assigned to him from time to time by the Board of Trustees. He shall preside over meetings of the Board of Trustees and he shall have the power to make appointments to

committees, as provided in these Bylaws. The Chairman of the Board shall be a member, with vote, of all committees of the Board. The Chairman of the Board shall evaluate the performance of the President at least annually and may ask other members of the Board to assist with that evaluation.

Section 4. Vice Chairman of the Board. The Vice Chairman of the Board of Trustees shall exercise the powers and perform the duties of the Chairman of the Board of Trustees in the absence or disability or refusal to act of the Chairman, and he shall perform such other duties as may be assigned to him from time to time by the Board of Trustees.

Section 5. President. The President shall be the chief executive officer of the Corporation and shall, under the direction of the Board of Trustees and Chairman of the Board, have general and active charge and management of the Corporation. The President shall be an ex officio, non-voting member of all committees of the Board. The President, together with the Secretary, shall execute all conveyances, contracts and agreements authorized by the Board of Trustees, and shall sign all documents and papers authorized by the Board of Trustees to be executed on behalf of the Corporation; he shall, in addition, exercise and perform such authority as is usually vested in the chief executive officer of the Corporation under the laws of North Carolina not inconsistent herewith.

Section 6. Vice Presidents. The Vice Presidents in the order of their election, unless otherwise determined by the Board of Trustees, shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and shall have such other powers as the Board of Trustees shall prescribe.

Section 7. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of members and trustees. He shall give all notices required by law and by these Bylaws. He shall have general charge of the Corporation records and books and of the corporate seal; and he shall affix the corporate seal to any lawfully executed instruments requiring it. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned to him from time to time by the President or by the Board of Trustees.

Section 8. Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Trustees. He shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose. The Treasurer shall, in general, perform all duties incident to his office and such other duties as may be assigned to him from time to time by the President or by the Board of Trustees.

Section 9. Assistant Secretaries and Treasurers. The Assistant Secretaries and Treasurers shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices and shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Trustees.

Section 10. Bonds. The Board of Trustees may, by resolution, require any or all officers, agents and employees of the Corporation to give bond to the Corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Trustees.

## ARTICLE VII

### Meetings of the Board of Trustees

Section 1. Annual Meetings; Regular Meetings. The annual meeting of the Board of Trustees shall be held on the fourth Monday in October, if not a legal holiday, but if a legal holiday, then on the next day following which is not a legal holiday, for the transaction of such business as may be properly brought before the meeting. In addition, the Board of Trustees may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings. Regular meetings of the Board shall be at least quarterly.

Section 2. Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of the President or any two trustees. Such meetings may be held within or without the State of North Carolina.

Section 3. Notice of Meetings. Regular meetings of the Board of Trustees may be held in accordance with a schedule adopted by the Board in accordance with the North Carolina Open Meetings Law. The person or persons calling a special meeting of the Board of Trustees shall, at least two days before the meeting, give notice thereof in accordance with the North Carolina Open Meetings Law. Such notice need not specify the purpose for which the meeting is called, unless otherwise required by law.

Section 4. Waiver of Notice. If permitted by law, a trustee may waive any notice required by the Act, the Articles of Incorporation or these Bylaws before or after the date and time stated in the notice. The waiver must be in writing, signed by the trustee entitled to the notice, and filed with the minutes or corporate records, except that, notwithstanding the foregoing requirement of written notice, a trustee's attendance at or participation in a meeting waives any required notice to the trustee of the meeting unless the trustee at the beginning of the meeting (or promptly upon the trustee's arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 5. Presumption of Assent. A trustee of the Corporation who is present at a meeting of the Board of Trustees or a committee of the Board of Trustees when corporate action is taken shall be deemed to have assented to the action taken unless the trustee objects at the beginning of the meeting (or promptly upon the trustee's arrival) to holding it or transacting business at the meeting, unless the trustee's dissent or abstention from the action shall be entered in the minutes of the meeting or unless the trustee shall file written notice of dissent or abstention to such action with the presiding officer of the meeting before the adjournment thereof or with the Corporation immediately after adjournment of the meeting. Such right of dissent or abstention shall not apply to a trustee who voted in favor of the action taken.

Section 6. Quorum. A majority of the trustees fixed by the Board of Trustees in accordance with these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees.

Section 7. Manner of Acting. Except as otherwise provided by law or in this section, an act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees.

The vote of a majority of the trustees then holding office shall be required to adopt, amend or repeal a Bylaw, if otherwise permissible, or to adopt a resolution for dissolution of the Corporation. Approval of a transaction in which one or more trustees have an adverse interest shall require a majority, no less than two, of the disinterested trustees present, even though less than a quorum. Vacancies in the Board of Trustees may be filled as provided in Article V, Section 4 of these Bylaws.

Section 8. Attendance by Telephone. Any one or more trustees may participate in a meeting of the Board by means of a conference telephone or similar device which allows all persons participating in the meeting to hear each other, and such participation in a meeting shall be deemed present in person at such meeting.

Section 9. Resolutions. Resolutions shall be adopted and action shall be taken upon majority vote of those present except as otherwise provided by law or these Bylaws.

Section 10. Compliance With Law. Notwithstanding any provision herein to the contrary, all official meetings of the Board of Trustees shall be called and conducted in compliance with the North Carolina Open Meetings Law applicable to official meetings of public bodies.

## ARTICLE VIII

### Committees

Section 1. General. Committees may be created and abolished by amendment to these bylaws. Committees may also be created and abolished by resolution adopted by a majority of the members of the Board of Trustees; provided that committees created by amendment to these Bylaws may not be abolished by Board resolution. Special and ad hoc committees may be created and abolished by the Chairman, subject to the approval of the Board. A majority of the members of any committee shall constitute a quorum at its meetings, and the act of a majority of the members of a committee shall be the act of that committee.

The Chairman of the Board shall appoint the members of committees and the chairman thereof. The Chairman of the Board shall be a member with vote of all committees of the Board.

Committee members shall be appointed for one year terms. The Chairman will make the appointments at the annual meeting.

Minutes and special reports, data or related material shall be mailed to every member of the Board of Trustees.

Any trustee may attend meetings of any committee, whether or not he is a member of that committee, and may participate, to include voting on any motion, the same as if he were appointed to serve thereon. A trustee who is not a member of a committee shall not be counted for purposes of determining a quorum.

To the extent permitted by law, any committee established pursuant to these Bylaws may take action without a meeting if written consent to the action in question is signed by all the members of the committee and filed with the minutes of the proceedings of the committee, whether done before or after the action so taken.

Any member of any committee established pursuant to these Bylaws may be removed by action duly taken by a majority of the Board of Trustees. A vacancy on any committee arising from any cause may be filled by the person or group authorized by these Bylaws to elect or appoint the position that is vacant.

## ARTICLE IX

### The Medical Staff

Section 1. Organization and Appointment. The Board has caused to be created an organization known as the Medical Staff of Stokes-Reynolds Memorial Hospital. This organization consists of all physicians and other practitioners who have been granted Medical Staff membership and clinical privileges to practice at the Hospital

Section 2. Medical Staff Bylaws, Rules and Regulations. The Medical Staff organization shall propose and adopt bylaws, rules and regulations for its internal governance. The purpose of the Medical Staff bylaws, rules and regulations shall be to create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staff by the Board of Trustees, and they shall state the purpose, functions and organization of the Medical Staff and set forth the policies in accordance with which the Medical Staff shall exercise and account for the authority and the responsibilities delegated to it by the Board of Trustees.

The Medical Staff shall have the initial responsibility for formulating, adopting and recommending to the Board of Trustees bylaws for the Medical Staff (and any amendments thereto); and these bylaws (and any such amendments thereto) shall be effective when approved by the Board of Trustees.

Section 3. Staff Membership and Clinical Privileges. The Board of Trustees shall delegate to the Medical Staff the responsibility and the authority to investigate and evaluate all matters relating to Medical Staff membership status, to clinical privileges, and to corrective action, and shall require that the Medical Staff adopt and forward to the Board specific written recommendations with appropriate supporting documentation which will allow the Board of Trustees or its appointed review committee to take informed action on any such matter.

Section 4. Final Action by Board. Final action on all matters relating to Medical Staff membership status, to clinical privileges, and to corrective action shall be taken by the Board of Trustees after giving full consideration to the recommendations of the Medical Staff.

Section 5. Criteria for Board Action. In acting on matters of Medical Staff membership status, the Board of Trustees shall consider the recommendations of the Medical Staff, the needs of the Corporation and the community, and such additional criteria as are set forth in the Medical Staff bylaws; and in granting and defining the scope of clinical privileges to be exercised by each practitioner, the Board shall consider the recommendations of the Medical Staff, the supporting information on which those recommendations are based, and such criteria as are set forth in the bylaws of the Medical Staff. No aspect of membership status or of specific clinical privileges shall be limited or denied to a practitioner on the basis of sex, race, creed or national origin, or on the basis of any other criterion unrelated to good patient care at the hospital, to professional qualifications, to the purposes, needs and capabilities of the Corporation, or to the needs of the community.

Section 6. Terms and Conditions of Medical Staff Membership and Clinical Privileges. The terms and conditions of membership in the Medical Staff, and of the exercise of clinical privileges in the Corporation, shall be as specified in the bylaws of the Medical Staff or as more specifically defined in the notice of individual appointment.

Section 7. Procedure. The procedure to be followed by the Medical Staff and the Board of Trustees in acting on matters of membership status, of clinical privileges and of corrective action shall be specified in the bylaws of the Medical Staff.

Section 8. Fair Hearing and Appellate Review Procedure. The Board of Trustees shall require that any adverse recommendation made by the Medical Staff or any adverse action taken by the Board of Trustees with respect to the Medical Staff appointment, re-appointment, Medical Staff category, admitting prerogatives or clinical privileges of a practitioner shall be entitled to review in accordance with the fair hearing and appellate review procedure set forth in the Medical Staff bylaws approved by the Board of Trustees and then in effect (except under circumstances for which specific provision is made in the Medical Staff bylaws). Such fair hearing and appellate review procedure set forth in the Medical Staff bylaws shall provide for procedures to assure fair treatment and to afford opportunity for fair hearing.

Section 9. Allied Health Professionals. The Board of Trustees shall delegate to the Medical Staff the responsibility and the authority to investigate and evaluate each application by an allied health professional for specified services or departmental affiliation, and for modification in the services such allied health professional may perform, and shall require that the Medical Staff make recommendations thereon to the Board of Trustees or to the designee of the Board of Trustees.

## ARTICLE X

### Quality of Professional Services

Section 1. Responsibility of the Board. The Board of Trustees, after considering the recommendations of the Medical Staff and administration, shall require the establishment and maintenance of specific review and evaluation activities to assess, to preserve and to improve overall quality and efficiency of patient care in the Corporation; and the Board, acting through the President, shall provide whatever administrative assistance is reasonably necessary to support



and facilitate the implementation and the continuing operation of these review and evaluation activities.

Section 2. Accountability to the Board. The Medical Staff and administration staff shall conduct, and shall be accountable to the Board of Trustees for conducting, activities that contribute to the preservation and the improvement of the quality and efficiency of patient care provided in the Corporation; and these activities shall include:

The establishment of an organizational plan for and evaluation of patient care for identifying opportunities to improve patient care and for identifying and resolving problems.

The regular monitoring of patient care practices through the defined functions of the Medical Staff and the Corporation administration.

The delineation of clinical privileges for members of the Medical Staff commensurate with individual credentials and demonstrated ability and judgment.

The delegation to the Medical Staff for responsibility and authority to investigate and evaluate each allied health professional application for specified services or departmental affiliation, and shall require the quality of patient care services provided by these individuals is reviewed as a part of the total quality management program.

The provision of continuing professional education, to be shaped primarily by the needs which are identified through the monitoring and evaluation activities.

A continuing review of the utilization of the resources of the Corporation in order to provide for the allocation of those resources needed.

Such other measures as the Board of Trustees, after considering the advice of the Medical Staff and the Corporation administration, may deem necessary for the preservation and improvement of the quality and efficiency of patient care in the Hospital.

Section 3. Competency. The Board of Trustees shall assure, through individual job descriptions and the departmental policies for employees; through the appointment process of Medical Staff and other professional appointment; and through contract stipulations that all individuals responsible for assessment, treatment and care of patients are competent. This competency includes the ability to serve patients of all ages and good working knowledge of growth and development; to be able to obtain and interpret information in terms of patient needs and to understand the range of treatment needed by all the patients the Corporation serves.

Section 4. Documentation. The Board of Trustees shall require and receive, and shall consider and act upon, the findings and recommendations emanating from the activities required by Section 2 above. All such findings and recommendations shall be in writing, shall be signed by the persons responsible for the activity and shall be accompanied and supported by appropriate documentation upon which the Board of Trustees can take informed action.

## ARTICLE XI

## General Provisions

Section 1. Management of Corporate Funds. No funds received by donation, bequest or any other means shall be diverted from the use to which they may be assigned by the donor, testator or testatrix, unless said use is contrary to or in conflict with the purposes of the Corporation, and no funds shall be used for any purpose other than to effect the purposes of the Corporation.

Section 2. Records. The Corporation shall keep at the principal office of the Corporation complete and correct records and books of account, and shall keep minutes of the proceeding of the Board of Trustees or any committee appointed by the Board of Trustees.

Section 3. Exempt Activities. Notwithstanding any other provision of these bylaws, no member, trustee, officer, employee or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt from Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist, or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.

Section 4. Indemnification. When by reason of the fact that he is or was serving as a trustee of the Corporation, or, at the request of the Corporation and while a trustee, as a director, officer, trustee or agent of another corporation, trust, partnership, joint venture or other enterprise, whether for profit or not for profit, any person is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, such person and his personal representative shall be entitled to indemnification or reimbursement by the Corporation for any expenses or liabilities proceeding, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding not to have acted in good faith or to have been liable or guilty by reason of willful misconduct in the performance of duty. "Expenses" and "liabilities" shall include, without limiting the generality thereof, reasonable expenses of defense or participation, including attorneys' fees, and the amount of any judgment, money, decree, fine, penalty or reasonable settlement.

Expenses incurred by a person who is or was a trustee of the Corporation in defending an action, suit or proceeding described herein may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall be ultimately determined that he is entitled to be indemnified as authorized by these Bylaws.

Section 5. Fiscal Year. The fiscal year of the Corporation shall commence July 1 and end June 30 of each year. After the end of each fiscal year and before October 30 the Board of Trustees shall receive a full and detailed report of the receipts and disbursements during the preceding fiscal year. This report shall be in the form of an audit prepared by a firm of independent certified public accountants appointed by vote of the Board of Trustees.

Section 6. Amendment of Bylaws. Subject to the prior or contemporaneous approval of the Member, these Bylaws may be amended, or they may be repealed and new bylaws adopted, by

the vote of a majority of the whole Board of Trustees at any regular or special meeting, provided, however, if the meeting be a special one, that proper notice has been given of the intention to take action on any such proposal for modification of the Bylaws.

Section 7. Corporate Compliance Program. The Board of Trustees shall develop and implement a written corporate compliance program, and all trustees, officers, employees and agents of the Corporation shall comply with and be bound by that policy.

Section 8. Conflicts of Interest Policy. The Board of Trustees shall develop and implement a written conflicts of interest policy designed to require full disclosure by trustees and officers of situations and associations that might constitute conflicts of interest with the Corporation's objectives.

\* \* \* \* \*

## SECOND AMENDMENT AND RESTATED BYLAWS

OF

STOKES-REYNOLDS MEMORIAL HOSPITAL, INC.

### ARTICLE I

#### Name, Offices and Effect on Previous Bylaws

Section 1.     Name. The name of the Corporation is Stokes-Reynolds Memorial Hospital, Inc.

Section 2.     Principal Office. The principal office of the Corporation is located at 1014 Main Street, Danbury, Stokes County, North Carolina 27016,

Section 3.     Other Offices. The Corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Trustees may from time to time determine, or as the affairs of the Corporation may require.

Section 4.     Effect on Previous Bylaws. These Amended and Restated Bylaws (the “Bylaws”) hereby supersede and replace in its entirety the previous bylaws of the Corporation, which previous bylaws shall have no further force or effect.

### ARTICLE II

#### Purposes and Powers

Section 1.     Purposes. The Corporation is organized and operated exclusively for charitable and educational purposes, including but not limited to providing hospital and health care facilities and services. This is accomplished through participation as part of the operating lease (the “Lease”) between Stokes County, Stokes-Reynolds Memorial Hospital, Inc. and the leasing entity (the Lessee”).

Section 2.     Powers. The Corporation has and may exercise the powers set forth in the North Carolina Nonprofit Corporation Act.

### ARTICLE III

#### Membership

The Corporation is a North Carolina membership corporation. Stokes County, a political subdivision of the State of North Carolina, is the sole member of the Corporation (the “Sole Member”).

## ARTICLE IV

## Meetings of the Sole Member

Section 1. Place of Meetings. All meetings of the Sole Member shall be held at the principal office of the Corporation, or at such other place, either within or without the State of North Carolina, as shall be designated by the Sole Member.

Section 2. Annual Meeting. The annual meeting of the Sole Member shall be held on the fourth Monday in January, if not a legal holiday, but if a legal holiday, then on the next day following which is not a legal holiday, for the transaction of such business, if any, as may be properly brought before the meeting.

Section 3. Special Meetings. Special meetings of the Sole member may be called by the Chairman of the Board of Trustees, the President, the Secretary, or by the Sole Member.

Section 4. Notice of Meetings. Written or printed notice stating the time and place of the meeting shall be delivered not less than two (2) days before the date thereof, either personally or by first-class, registered or certified mail, by or at the direction of the Secretary of the Corporation to the Sole Member. Such notice must be given not less than ten (10) days before any meeting at which a merger or consolidation is to be considered. If mailed, such notice shall be deemed to be delivered when deposited in the United States first-class, registered or certified mail addressed to the sole Member at its address at Post Office Box 20, Danbury, North Carolina 27016, with postage thereon prepaid.

In the case of an annual or substitute annual meeting, the notice of the meeting need not specifically state the business to be transacted unless it is a matter on which the vote of the membership is expressly required by the provisions of the Act. In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

When a meeting is recessed for thirty (30) days or more, notice of the recessed meeting shall be given as in the case of an original meeting. When a meeting is recessed for less than thirty (30) days, it is not necessary to give any notice of the recessed meeting other than by announcement at the meeting at which the recess is taken.

Section 5. Waiver of Notice. To the extent permitted by law, the transactions of any meeting of the Sole Member, however called and with whatever notice, if any, are as valid as though at a meeting duly held after regular call and notice, if the Sole Member is present at the meeting in person or by proxy and no objection to holding the meeting is made by the Sole Member, or its proxy. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 6. Quorum. The presence of the Sole Member, represented in person or by proxy by a majority of three members of the Board of Commissioners, shall constitute a quorum at meetings of the membership.

Section 7. Informal Action of the Membership. If permitted by law, any action which is required or permitted to be taken at a meeting of the membership may be taken without a

meeting if a consent in writing, setting forth the action so taken, shall be signed by a duly authorized representative of the Sole Member and filed with the Secretary of the Corporation to be kept in the corporate minute book, whether done before or after the action so taken.

Section 8. Compliance With Law. Notwithstanding any provision herein to the contrary, all official meetings of the Board of commissioners shall be called and conducted in compliance with the North Carolina Open Meetings Law applicable to official meetings of public bodies.

## ARTICLE V

### Board of Trustees

Section 1. General Powers. The Board of Trustees (the "Board") shall manage the business and affairs of the Corporation.

Section 2. Number, Term and Qualification. The Board shall consist of the five (5) elected members of the Board of Commissioners of Stokes County, who shall each serve, ex officio, until his or her successor is elected and qualified.

Section 3. Medical Liaison. The president of the Medical Staff of the leasing hospital entity will act as medical liaison for the Medical Staff when invited to meet with the Board.

Section 4. Compensation. Trustees shall not be compensated for their services as such, but may be reimbursed for all expenses incurred by Trustees in connection with the performance of their duties.

## ARTICLE VI

### Officers of the Corporation

Section 1. Officers. The Board of Trustees shall elect as officers of the Corporation a Chairman and a Vice Chairman, who shall be members of the Board; and a Secretary and Treasurer. The Board of Trustees may also elect such other officers as it shall deem necessary. Except as otherwise specifically provided in these Bylaws. Such additional officers shall have such authority and perform such duties as from time to time may be prescribed by the Chairman with the concurrence of the Board of Trustees.

Section 2. Election and Term. All officers shall serve for one year and until their respective successors are elected and qualified. In the case of any vacancy occurring among the said officers, a successor shall be elected at a special meeting within 10 days of the resignation, death or removal of such officer. Each person appointed to fill a vacancy will serve until the next regular annual election of officers and until his or her successor is elected and qualified.

Section 3. Chairman of the Board. The Chairman of the Board of Trustees shall exercise all the powers and perform all the duties usual to such office and shall perform such other duties as may be assigned to him from time to time by the Board of Trustees. He shall preside over meetings of the Board of Trustees and he shall have the power to make appointments to committees, as provided in these Bylaws. The Chairman of the Board shall be a member, with vote, of all committees of the Board.

Section 4. Vice Chairman of the Board. The Vice Chairman of the Board of Trustees shall exercise the powers and perform the duties of the Chairman of the Board of Trustees in the absence or disability or refusal to act of the Chairman, and he shall perform such other duties as may be assigned to him from time to time by the Board of Trustees.

Section 5. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of members and trustees. He shall give all notices required by law and by these Bylaws. He shall have general charge of the Corporation records and books and of the corporate seal; and he shall affix the corporate seal to any lawfully executed instruments requiring it. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned to him from time to time by the Board of Trustees.

Section 6. Treasurer. The Treasurer will be the Stokes County CFO and shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Trustees. The Treasurer shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose. The Treasurer shall, in general, perform all duties incident to his office and such other duties as may be assigned to him from time to time by the Board of Trustees.

Section 7. Assistant Secretaries and Treasurers. Assistant Secretaries and Treasurers may be appointed, and shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices and shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the Board of Trustees.

Section 8. Bonds. The Board of Trustees may, by resolution, require any or all officers, agents and employees of the Corporation to give bond to the Corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Trustees.

## ARTICLE VII

### Meetings of the Board of Trustees

Section 1. Annual Meetings; Regular Meetings. The annual meeting of the Board of Trustees shall be held on the fourth Monday in January, if not a legal holiday, but if a legal holiday, then on the next day following which is not a legal holiday, for the transaction of such business as may be properly brought before the meeting. In addition, the Board of Trustees may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings.

Section 2. Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of the **Hospital** Administrator or any two trustees. Such meetings may be held within or without the State of North Carolina.

Section 3. Notice of Meetings. Regular meetings of the Board of Trustees may be held in accordance with a schedule adopted by the Board in accordance with the North Carolina Open Meetings Law. The person or persons calling a special meeting of the Board of Trustees shall, at least two days before the meeting, give notice thereof in accordance with the North Carolina Open Meetings Law. Such notice need not specify the purpose for which the meeting is called, unless otherwise required by law.

Section 4. Waiver of Notice. If permitted by law, a trustee may waive any notice required by the Act, the Articles of Incorporation or these Bylaws before or after the date and time stated in the notice. The waiver must be in writing, signed by the trustee entitled to the notice, and filed with the minutes or corporate records, except that, notwithstanding the foregoing requirement of written notice, a trustee's attendance at or participation in a meeting waives any required notice to the trustee of the meeting unless the trustee at the beginning of the meeting (or promptly upon the trustee's arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 5. Presumption of Assent. A trustee of the Corporation who is present at a meeting of the Board of Trustees or a committee of the Board of Trustees when corporate action is taken shall be deemed to have assented to the action taken unless the trustee objects at the beginning of the meeting (or promptly upon the trustee's arrival) to holding it or transacting business at the meeting, unless the trustee's dissent or abstention from the action shall be entered in the minutes of the meeting or unless the trustee shall file written notice of dissent or abstention to such action with the presiding officer of the meeting before the adjournment thereof or with the Corporation immediately after adjournment of the meeting. Such right of dissent or abstention shall not apply to a trustee who voted in favor of the action taken.

Section 6. Quorum. A majority of the trustees fixed by the Board of Trustees in accordance with these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees.

Section 7. Manner of Acting. Except as otherwise provided by law or in this section, an act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees.

The vote of a majority of the trustees then holding office shall be required to adopt, amend or repeal a Bylaw, if otherwise permissible, or to adopt a resolution for dissolution of the Corporation. Approval of a transaction in which one or more trustees have an adverse interest shall require a majority, no less than two, of the disinterested trustees present, even though less than a quorum. Vacancies in the Board of Trustees may be filled as provided in Article V, Section 4 of these Bylaws.

Section 8. Attendance by Telephone. Any one or more trustees may participate in a meeting of the Board by means of a conference telephone or similar device which allows all persons participating in the meeting to hear each other, and such participation in a meeting shall be deemed present in person at such meeting. **Voting is or is not allowed.**



Section 9. Resolutions. Resolutions shall be adopted and action shall be taken upon majority vote of those present except as otherwise provided by law or these Bylaws.

Section 10. Compliance With Law. Notwithstanding any provision herein to the contrary, all official meetings of the Board of Trustees shall be called and conducted in compliance with the North Carolina Open Meetings Law applicable to official meetings of public bodies.

## ARTICLE VIII

### Committees

Section 1. General. Committees may be created and abolished by amendment to these bylaws. Committees may also be created and abolished by resolution adopted by a majority of the members of the Board of Trustees; provided that committees created by amendment to these Bylaws may not be abolished by Board resolution. Special and ad hoc committees may be created and abolished by the Chairman, subject to the approval of the Board. A majority of the members of any committee shall constitute a quorum at its meetings, and the act of a majority of the members of a committee shall be the act of that committee.

The Board of Trustees shall appoint the members of committees. The Chairman of the Board shall be a member with vote of all committees of the Board.

Committee members shall be appointed for one year terms, unless otherwise stated herein.

Minutes and special reports, data or related material shall be mailed or provided electronically to every member of the Board of Trustees.

Any Trustee may attend meetings of any committee, whether or not he is a member of that committee, and may participate in discussions of the committee. A trustee who is not a member of a committee shall not be counted for purposes of determining a quorum, and shall not be entitled to vote, except for the Chairman of the Board of Trustees.

To the extent permitted by law, any committee established pursuant to these Bylaws may take action without a meeting if written consent to the action in question is signed by all the members of the committee and filed with the minutes of the proceedings of the committee, whether done before or after the action so taken.

Any member of any committee established pursuant to these Bylaws may be removed by action duly taken by a majority of the Board of Trustees. A vacancy on any committee arising from any cause may be filled by the person or group authorized by these Bylaws to elect or appoint the position that is vacant.

Section 2. Hospital Operations Committee. There shall be a Hospital Operations Committee which shall be responsible for monitoring the operations of Stokes Reynolds Memorial Hospital ("Hospital"); and, monitoring compliance with the lease of the Hospital by the Lessee of the Hospital.

The **Hospital** Operations Committee shall consist of nine voting members appointed by the Board of Trustees for two year terms. Membership of the Committee shall include the following: Chairman of the Board of Trustees who shall serve as Chairman of the Committee; one elected official from each municipality located in Stokes County; Five at large members who shall be chosen to insure representation from all geographical areas of Stokes County. All members should have some experience in general business and/or hospital or medical business matters. Nominations for the elected officials shall be made by the respective governmental entities; and nominations for the at large members shall be made by the Board of Trustees **based on recommendations received from the Hospital Operations Committee**. There shall be two non-voting members of the Committee consisting of the Stokes County Health Director and the Administrator of Stokes-Reynolds Memorial Hospital / **Lessee of the Hospital**.

The **Hospital** Operations Committee shall oversee the general operations of Stokes-Reynolds Memorial Hospital, and monitor compliance by the Lessee with the terms and conditions in the lease of the Hospital by the Lessee. The Operations Committee shall meet at least quarterly, and make regular reports to the Board of Trustees regarding hospital operations and lease compliance, at such times as requested by the Board of Trustees. The Operations Committee shall also make such recommendations to the Board of Trustees as it deems necessary to improve hospital operations and compliance with the terms and conditions of the Hospital lease.

## ARTICLE IX

### General Provisions

Section 1. Management of Corporate Funds. No funds received by donation, bequest or any other means shall be diverted from the use to which they may be assigned by the donor, testator or testatrix, unless said use is contrary to or in conflict with the purposes of the Corporation, and no funds shall be used for any purpose other than to effect the purposes of the Corporation.

Section 2. Records. The Corporation shall keep at the principal office of the Corporation complete and correct records and books of accounts and shall keep minutes of the proceeding of the Board of Trustees or any committee appointed by the Board of Trustees.

Section 3. Exempt Activities. Notwithstanding any other provision of these bylaws, no member, trustee, officer, employee or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt from Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist, or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.

Section 4. Indemnification. When by reason of the fact that he is or was serving as a trustee of the Corporation; or as a Committee Member acting at the request and direction of the Board of Trustees; or, at the request of the Corporation and while a trustee, as a director, officer, trustee or agent of another corporation, trust, partnership, joint venture or other enterprise, whether for profit or not for profit, any person is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or

investigative, such person and his personal representative shall be entitled to indemnification or reimbursement by the Corporation for any expenses or liabilities proceeding, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding not to have acted in good faith or to have been liable or guilty by reason of willful misconduct in the performance of duty. "Expenses" and "liabilities" shall include, without limiting the generality thereof, reasonable expenses of defense or participation, including attorneys' fees, and the amount of any judgment, money, decree, fine, penalty or reasonable settlement.

Expenses incurred by a person who is or was a trustee of the Corporation in defending an action, suit or proceeding described herein may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall be ultimately determined that he is entitled to be indemnified as authorized by these Bylaws.

Section 5. Fiscal Year. The fiscal year of the Corporation shall commence July 1 and end June 30 of each year. After the end of each fiscal year and before October 30 the Board of Trustees shall receive a full and detailed report of the receipts and disbursements during the preceding fiscal year. This report shall be in the form of an audit prepared by a firm of independent certified public accountants appointed by vote of the Board of Trustees as a portion of the Stokes County Audit.

Section 6. Amendment of Bylaws. Subject to the prior or contemporaneous approval of the Member, these Bylaws may be amended, or they may be repealed and new bylaws adopted, by the vote of a majority of the whole Board of Trustees at any regular or special meeting, provided, however, if the meeting be a special one, that proper notice has been given of the intention to take action on any such proposal for modification of the Bylaws.

Stokes-Reynolds Memorial Hospital is currently being operated by a Lessee pursuant to the terms and conditions set forth in a Lease Agreement between the Lessee and Stokes County and Stokes-Reynolds Memorial Hospital, Inc. In the event that the Corporation shall assume operation of Stokes-Reynolds Memorial Hospital at any time in the future, these bylaws shall be amended as necessary to reflect the Hospital operation according to the then current DNV Accreditation and CMS Conditions of Participation.

Section 7. Conflicts of Interest Policy. The Board of Trustees and all Committees of the Board shall develop and implement a written conflicts of interest policy designed to require full disclosure by trustees and officers of situations and associations that might constitute conflicts of interest with the Corporation's objectives. In addition, the Board of Trustees and Committees shall include a Conflicts of Interest Agenda item at each meeting of the Board and/or Committee.

\* \* \* \* \*

I, \_\_\_\_\_, the duly elected, qualified and acting Secretary of Stokes-Reynolds Memorial Hospital, Inc., do hereby certify that the foregoing are the Bylaws of Stokes-Reynolds Memorial Hospital, Inc., adopted by action of the Board of Trustees duly taken effective as of February 10, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation as of the 10<sup>th</sup> day of February, 2020.

(CORPORATE SEAL)

\_\_\_\_\_  
Secretary



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: VI.c.**

**Arts Place Lease**

Contact: Jake Oakley

**Summary:**

The Arts Place lease needs to be renewed and an amendment is needed due to the current lease does not address sub-leasing to a for profit business. The proposed amendment drafted by County Attorney Browder is attached as well as the current lease.

**ATTACHMENTS:**

Description	Upload Date	Type
Stokes Arts Place Lease Amendment	1/21/2020	Cover Memo
Current Arts Place Lease	1/21/2020	Cover Memo

**AMENDMENT TO LEASE DATED DECEMBER 1, 2013 BETWEEN THE COUNTY OF  
STOKES NORTH CAROLINA AND THE STOKES COUNTY ARTS COUNCIL, INC.**

The undersigned parties hereby amend the lease dated December 1, 2013 between the County of Stokes North Carolina and the Stokes County Arts Council, Inc. for the property located at 500, 502, and 504 N. Main St. in Danbury, NC as follows:

The sixth paragraph of Section 5 entitled "Arts Council Responsibilities" is hereby deleted and replaced with the following:

The Arts Council may sublet office and/or retail space within the leased premises to individuals or organizations as long as the use of said space is compatible with Arts Council purposes and activities. All revenue from subleases shall be retained by the Arts Council and applied to operational and maintenance expenses of the Arts Council.

Except as amended herein, said lease shall remain in full force and effect.

County of Stokes North Carolina, Lessor

By: \_\_\_\_\_  
Andy Nickelston, Chairman of Board of Commissioners Date

Stokes County Arts Council, Inc., Lessee

By: \_\_\_\_\_  
President Date

State of North Carolina  
Stokes County

I, \_\_\_\_\_, a Notary Public of the County and State aforesaid certify that Andy Nickelston, Chairman of the Board of County Commissioners and \_\_\_\_\_ personally appeared before me this day and acknowledged the execution of the foregoing Amendment to Lease.

Witness my hand and official seal this \_\_\_\_\_ day of January, 2020.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

This lease is made and entered into effective December 1, 2013 by and between the County of Stokes, North Carolina, a body politic and political subdivision of the State of North Carolina (hereinafter called the "County") and The Stokes County Arts Council, Inc., a non-profit corporation organized and existing under the laws of the State of North Carolina, having its principal office in the Town of Danbury, North Carolina (hereinafter called "Arts Council")

Whereas, County is the owner of three tracts of real property, located in the Town of Danbury, Stokes County, North Carolina, hereinafter described, known as the Arts Council Office/Art Market, more fully described by the physical address of 500, 502, 504 N. Main Street, Danbury, NC 27016.

Whereas, the parties have agreed to enter into this lease agreement for the above described property based on the terms and conditions set forth below.

Now therefore, in consideration of the premises and other good and valuable consideration, the sufficiency of which the parties hereby acknowledge, the County hereby leases to the Stokes County Arts Council the property described herein on the following terms and conditions:

1. **Leased Space:** Arts Council will lease all of the Arts Council Office/Art Market space located at 500, 502, and 504 N. Main St. in Danbury, NC.
2. **Term of Lease:** Five (5) years commencing on December 1, 2013 and ending midnight on November 30, 2018, unless sooner terminated by written mutual consent of both parties. The term of the lease shall be automatically extended for five (5) additional five year terms, unless sooner terminated by written mutual consent of both parties. At the conclusion of the extended 25 year term, the lease shall automatically renew annually, thereafter, without termination or modification to conditions, unless through written mutual consent by the County of Stokes and Stokes County Arts Council.
3. **Lease Payments:** Arts Council shall pay the County annual rent of \$1.00 (One Dollar) for the right to occupy the Leased Premises. Lease payment shall be due and payable the first day of July each year of the Lease term.
4. **County Responsibilities:** The County will maintain the exterior of the leased property, which responsibilities will include, maintenance and repair of building structure, roof, and HVAC system. All maintenance and repairs shall be performed in a workmanlike manner. The County will also provide general day to day custodial maintenance and minor interior maintenance not exceeding \$500 per occurrence by the County Public Works Department, upon agreement between Arts Council Director and Public Works Director. The County will keep in force comprehensive liability and hazard insurance in such amounts and against such hazards as may be necessary or desirable and will insure the Leased Premises against fire and windstorm for the use and benefit of the Arts Council. If the building shall be damaged by fire or other casualty, and such damages are minor in nature, the same shall be repaired by Stokes County directly, or from the proceeds of insurance coverage, as quickly as is reasonable possible. If the property is damaged to such an extent as to render the same unfit for use or occupancy, this Lease shall terminate and the proceeds of

insurance coverage shall be paid to the County, and the Arts Council shall be relieved from further liability under the Lease.

5. **Arts Council Responsibilities:** Except for the County's obligations to maintain the Leased property as set forth in paragraph 4, the Arts Council agrees to maintain the property in good condition, normal wear and tear excepted. Arts Council will properly secure the Leased property and will promptly notify the County of any damage or repairs needed in the property.

Arts Council shall be responsible for providing insurance against fire, theft, water or other damage for its personal property, including fixtures installed on the property. Arts Council shall also be responsible for providing insurance against fire, theft, water or other damage for the personal property of its employees, agents, invitees, and guests, including but not limited to all exhibits owned by third parties that the Arts Council displays in the property.

The County of Stokes agrees to waive monthly water/sewer payments for the leased properties for the length of the lease term. The Arts Council shall be responsible for the payment of other utility bills for electrical, heating/air, and telephone.

County shall lease and Arts Council accepts the property in its "As Is" condition. County makes no warranties or representations regarding the property and no warranties are implied. Arts Council shall hold County harmless for any defects in the property created by Arts Council during its tenancy

Arts Council shall not use or permit the use of the property in violation of any present or future applicable law of the United States or of the State of North Carolina, or in violation of any present or future applicable municipal ordinance or regulation. Arts Council, upon written consent of County, may, but at Arts Council's own cost and expense, and in a good workmanlike manner, make such alterations and improvements on the property as Arts Council may require for Arts Council's use and without, however, materially altering the basic character of the property and the building or improvements thereon or weakening any structure on the property. In addition, any approved improvements shall be done under consultation with a competent/qualified architect and according to a general plan of organized restoration.

Arts Council shall have the ability to sublet office space within the property to non-profit/service organizations, with sublet revenue retained by the Arts Council in support of operational costs of leased property.

All revenue generated through the use of leased property, including but not limited to retail sales, admission charged programs, sublet of space, class instruction, and Arts Council organized programs, and shall be retained by the Arts Council in support of operational costs of leased property.



Stokes County, Lessor

By: Ernest Lankford

Chairman of the Stokes County Board of Commissioners  
Title of Officer

Stokes County Arts Council, Inc., Lessee

By: Ellen J. Peric

President  
Title of Officer

**STATE OF NORTH CAROLINA  
STOKES COUNTY**

I, Darlene M Bullins, Notary Public of the County and State aforesaid,

certify that Ernest Lankford- Chairman of the Board of Commissioners and

Ellen J. Peric - President personally appeared before me this

day and acknowledged the execution of the foregoing Lease.

Witness my hand and official seal this 26th day of November, 2013.

Notary Public

My commission expires 9-27-2014

LAW OFFICES  
OF  
**J. TYRONE BROWDER**  
JEFFERSON SQUARE, SUITE A  
153 JEFFERSON CHURCH ROAD  
KING, NORTH CAROLINA 27021

J. TYRONE BROWDER  
tybrowder@windstream.net

NICHOLAS J. OVERBY  
nicholas.overby@gmail.com

MAILING ADDRESS:  
P. O. BOX 550  
KING, NC 27021  
TELEPHONE (336) 983-3798  
(336) 983-6084  
TELEFAX (336) 983-8341

TO: County Manager Rick Morris


CC: Darlene Bullins, Clerk to Board

FROM: County Attorney J. Tyrone Browder

DATE: November 5, 2013

RE: Lease Approval - Lease between the County of Stokes and The Stokes County  
Arts Council, Inc. effective December 1, 2013

This memorandum serves as documentation that the above-referenced Lease has  
been approved as to Form and Legal Sufficiency.



J. Tyrone Browder  
County Attorney



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: VI.d.**

**Budget Goals Meeting Dates**

Contact: Shannon Shaver

Summary:

Possible Budget Goals Meeting Dates:

Thursday March 5, 2020

Thursday March 12, 2020

Thursday March 19, 2020

The Commissioners will need to approve dates for the upcoming Budget Goals Meetings. These dates are just suggestions and the Board will need to decide on how many Goals Sessions they believe they will need. Last year there were 2 Goals Sessions held.



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: VI.e.**

**Proposed Solar Farm Resolution**

Contact: Commissioner Rick Morris

Summary:

**ATTACHMENTS:**

Description	Upload Date	Type
Solar Farm Resolution	1/22/2020	Cover Memo



**RESOLUTION ESTABLISHING A THREE YEAR MORATORIUM ON APPROVAL OF LARGE SCALE SOLAR FARMS OF \_\_\_\_\_ ACRES OR LARGER**

**WHEREAS**, The Stokes County Board of County Commissioners (BOCC) recently approved the county's first large scale commercial solar farm; and

**WHEREAS**, there were many questions and concerns expressed during the zoning process as to the potential negative impacts of this solar farm on the environment and other aspects of the community; and

**WHEREAS**, the questions posed to the solar farm developer by the BOCC were answered but with general answers that were inconclusive as to the actual negative environmental impacts that might be caused by the large-scale solar farm; and

**WHEREAS**, there is a major concern with tying up large areas of rural agricultural land for the decades to accommodate a commercial solar farm; and

**WHEREAS**, there are concerns with ruining the natural scenic beauty of Stokes County; and

**WHEREAS**, it's very difficult to quantify the benefits that would be afforded a county other than the individual property owners by a large-scale solar farm when no such facilities have been located in the county; and

**WHEREAS**, a commission has been appointed to develop a set of state standards for commercial solar farms in North Carolina and that report is not due for two years;

**WHEREAS**, a \_\_\_\_\_ year period is needed to study the positive and negative impacts of large scale commercial solar farms; and to develop standards for said solar farms;

**NOW, THEREFORE, BE IT RESOLVED**, that effective upon approval of this resolution the Stokes County BOCC hereby imposes a \_\_\_\_\_ year moratorium on the approval of any new large scale commercial solar farms of \_\_\_\_\_ acres or larger within the boundaries of Stokes County; but not including the areas under the jurisdiction of the City of King, and Towns of Walnut Cove and Danbury;

**BE IT FURTHER RESOLVED,** The Stokes County Government will utilize all legal means necessary to enforce this moratorium until evidence and experience can be gained as to the actual impacts, positive and negative, of large-scale commercial solar farms and their impact on a scenic rural agricultural based county like Stokes County, N.C.

Adopted the \_\_\_\_\_ of \_\_\_\_\_ by the Stokes County Board of Commissioners.

\_\_\_\_\_  
**Andy Nickelston- Chairman**

\_\_\_\_\_  
**Ronnie Mendenhall – Vice Chairman**

\_\_\_\_\_  
**Rick Morris- Commissioner**

\_\_\_\_\_  
**Jimmy Walker – Commissioner**

Attest:

\_\_\_\_\_  
**Jamie Yontz- Commissioner**

\_\_\_\_\_  
**Shannon Shaver – Clerk to the Board**



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: VI.f.**

**Feasability Study for Wellness Center**

Contact: Commissioner Jimmy Walker

**Summary:**

A request was made to place this item on the Agenda to discuss moving forward with a Feasibility Study for a Wellness Center. The Board will need to discuss moving forward, what they would like to see in a feasibility study, and how they would like to proceed with the process of hiring a company to complete this.

This study will most likely fall under the amount required to bid out so it will be up to the Board on whether they want to create and RFP or solicit a company to complete the study.



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: VII.a.**

**Resolution Authorizing Sale of County Issued Service Side Arm**

Contact: Sheriff Mike Marshall

Summary:

**ATTACHMENTS:**

Description	Upload Date	Type
Resolution Authorizing Sale of County Issued Side Arm	1/21/2020	Cover Memo





*Stokes County*  
*Purchasing Department*

Memorandum

To: Stokes County Board of Commissioners

From: Glenda Pruitt, Support Services Supervisor & The Sheriff Mike Marshall

Date: January 21, 2020

Re: Resolution sale of service side arm

The attached resolution pertains to the sale of one Smith & Wesson Model M & P 40 caliber semi-auto handgun, serial number DWJ3323 and holster to retiring Sergeant Wilson Arnold "Bubby" Blankenship.

North Carolina General Statute 20-187.2 (a) permits the County to sell service issued side arm to retiring law enforcement officers at a price determined by the Board of Commissioners.

**Resolution authorizing sale of County issued service side arm:  
(North Carolina General Statute 20-187.2.A)**

WHEREAS, Wilson Arnold "Bubby" Blankenship is retiring from the Stokes County Sheriff's Department on January 11, 2020; and

WHEREAS, Wilson Arnold "Bubby" Blankenship has been a dedicated fulltime law enforcement officer to the citizens of Stokes County from November 2, 2002 through January 11, 2020; and

WHEREAS, North Carolina General Statute 20-187.2 (a), permits Stokes County to donate the badge worn at no cost, and to the sell service issued side arm to retiring law enforcement officers, at a price determined by the Board of Commissioners; and

THEREFORE, THE BOARD OF COMMISSIONERS OF STOKES COUNTY RESOLVES THAT:

1. The Sheriff of Stokes County is authorized to present to the family of Wilson Arnold "Bubby" Blankenship his Stokes County Sheriff's Department issued badge at no cost.
2. The Sheriff of Stokes County is also authorized to sell a Smith & Wesson M&P 40 handgun, serial number DWJ3323 and holster at a set price of \$1.00 to the family of Wilson Arnold "Bubby" Blankenship after securing a permit as required by North Carolina General Statute 14-402 or 14-409.

Adopted this the January 27, 2020.

\_\_\_\_\_  
**Andy Nickelston- Chairman**

\_\_\_\_\_  
**Ronnie Mendenhall – Vice Chairman**

\_\_\_\_\_  
**Jamie Yontz- Commissioner**

\_\_\_\_\_  
**Rick Morris - Commissioner**

\_\_\_\_\_  
**Jimmy Walker – Commissioner**

Attest:

\_\_\_\_\_  
**Shannon B. Shaver – Clerk to the Board**



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: VII.b.**

**County Buildings and New Restructuring Request-Budget Amendment #70**

Contact: Jake Oakley

**Summary:**

At the last meeting the Board was presented with a proposal for how to utilize some existing county buildings and save money on the new Storage/Maintenance Building approved in the budget by decreasing the size.

The estimated amount provided at that meeting was \$37,612.68. After the meeting an additional quote for grading was sought and will result in a savings of \$800.00. The company providing this quote will also dig the trench needed for the electrical work which will cut \$971.42 from the electricians quote. There were additional costs cut from the garage on Mountain Rd. , some that can be completed by Public Works, the bathroom was cut completely as it was deemed unnecessary for a storage facility, and some additional items may need to be added but can wait until the budget. These cuts total \$3,379.58 with the total savings being \$5,149.68. Attached you will see Budget Amendment # 70 in the amount of \$32,463.00.

**ATTACHMENTS:**

Description	Upload Date	Type
County Buildings and New Restructuring	1/7/2020	Cover Memo
Budget Amendment #70	1/21/2020	Cover Memo

# COUNTY OF STOKES

**Jake M. Oakley**  
County Manager  
cmanager@co.stokes.nc.us



**Shannon B. Shaver**  
Assistant County Manager /  
Clerk to the Board  
sshaver@co.stokes.nc.us

**Phone** (336) 593-2407

**ADMINISTRATION**

**Fax** (336) 593-2346

Post Office Box 10 • 1014 Main Street • Administration Building • Danbury, NC 27016

**January 13, 2020**

**To:** Chairman and Members  
Stokes County Board of Commissioners

**Re** County Buildings, New & Re-structuring

**From:** Jake M. Oakley, County Manager

Over the past several months, Department Heads, Sheriff Mike Marshall and Myself have met concerning the use of vacant buildings and the New Maintenance Building budgeted in the 19/20 FY budget. The following buildings have been discussed and are being presented for your consideration.

**1. LifeBrite House, 1120 Hospice Drive.**

This is the house at the top of the hill that is in LifeBrites control through contract leasing of the County Hospital. After further inspection and talking with LifeBrite concerning their usage of the property and their willingness to allow Emergency Services to move in this structure; we found that this would be a cost-effective strategically located EMS station in providing emergency services for the Danbury area.

See attached cost estimates for upgrades and maps for your viewing.

**2. Old County Garage, 304 Main Street.**

This building was selected to be the new storage area for all hard copy documentation for each department's retention plan, which is mandated by the state. Separate individual stall areas will be constructed for each department for ease of access. Public Works Director Mark Delehant has advised that the county employees can complete this work and that the materials needed should cost less than \$5,000.00.

See attached map for location.

**3. Newly Purchased Fulp property, 1286 NC 8 & 89 Hwy.**

This building will be used to house all of Emergency Services Equipment for the Fire Marshal, EMS, and the Sheriff's Office with an additional storage area available if needed.

See attached cost estimates for upgrades and maps for your viewing.

**4. Fueling Station, New Gas Fleet Cards, see attached example cards.**

During the budget process the proposed Fueling Station was removed. The two (2) locations discussed were in Danbury at 1286 NC Hwy. 8 & 89 and Autumn Square located at 3169 NC Hwy. 8 south. Over the first six (6) months of this budget year our Purchasing Agent, Glenda Pruitt has found that using a Fueling Card (Wex Fleet) would better serve the county fleet in a more efficient manner and allow the county personnel operating these vehicles to fuel at many locations using local businesses. My request is that the Board move forward with allowing the county fleet to use these cards for their fueling needs. Glenda and I will go into more detail during the Commissioners Meeting about Wex Fueling Cards.

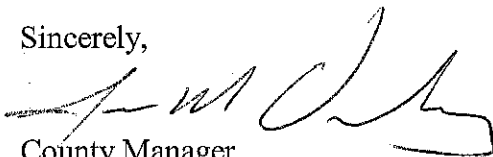
See attached information related to fuel cards.

**5. New Maintenance Building and site location, maps attached for your viewing.**

This building was budgeted in the 2019-20 budget at a cost of \$500,000. Utilizing our county buildings in a more efficient manner will allow us to design a Maintenance building with less square footage at a much lower cost. Constructing this facility closer to county utilities (water / sewer) behind the new Jail and in an area already graded for additional parking for county vehicles will result in additional savings. While it is hard to quote an exact number we believe this could save as much as \$200,000.00.

See attached map for location.

Sincerely,

A handwritten signature in black ink, appearing to read 'J M Oakley', written over a horizontal line.

County Manager  
Jake M. Oakley



## STOKES COUNTY EMERGENCY SERVICES

106 Old Church Road  
P.O. Box 20  
Danbury, NC 27016  
Office (336) 593-5409 Fax (336) 593-5412  
[bgentry@co.stokes.nc.us](mailto:bgentry@co.stokes.nc.us)

December 31, 2019

To: Jake Oakley, County Manager

From: Brandon Gentry, Director

Reference: Moving EMS Station from Hospital

Jake,

I would like to make a request to move the current EMS Unit 5 from Lifebrite Hospital to a house located on the same property of the Hospital. The reason for this request is that in 2005 the county added the 5th EMS Unit to provide better services and placed the crew inside the hospital. The crews have 3 patient rooms, one of the rooms has a desk, couch, recliner, small refrigerator, and microwave. The other 2 rooms have a bed for the employees. Unlike other stations we have for the employees this station has very little room, and no kitchen. Moving to the house on the same property will have some cost to it. I will list below some items that will have to be addressed before we could move the EMS Station to the house permanently.

Grading for Carport **\$2,800.00**

Carport 18x36 Metal **\$7,000.00**

Refrigerator, range, non-vent hood, microwave, dishwasher, couch, 2 recliners, kitchen table and 4 chairs, and TV **\$5,086.76**

Wiring for carport and shorelines at the ambulance for charging **\$2,737.30**

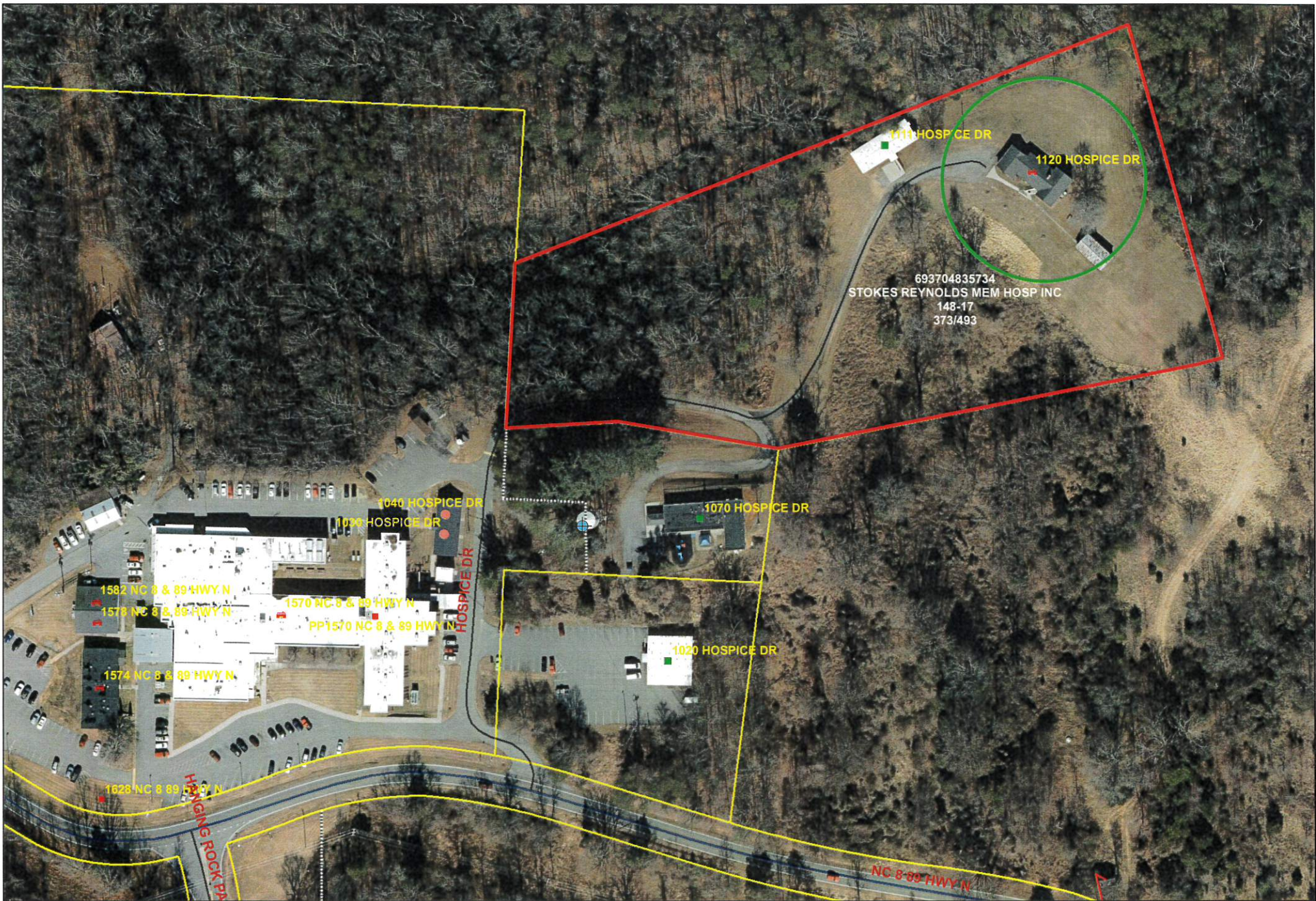
River street **\$ 455.00**

Repairs to house, sheetrock, painting, light fixtures, get all exit lights working, cleaning all carpet, and gravel. **\$2,000.00**

Total cost to move:

**\$ 20,079.06**





**Disclaimer**

This map was prepared using the most reliable sources from government and private industry sources. There are no guaranties (implied or expressed) regarding this map by the Stokes County Mapping/GIS Department. Furthermore, the Stokes County Mapping/GIS Department shall not be held responsible to any party; under any circumstance for damages arising from the use or misuse of this map. Any and all errors brought to our attention will be corrected in later revisions.

8x11 L

Stokes County GIS Mapping

Tax Map

1:1,800

0 37.5 75 150 225 300 Feet

Printed Date: 12/31/2019







Disclaimer  
This map was prepared using the most reliable sources from government and private industry sources. There are no guaranties (implied or expressed) regarding this map by the Stokes County Mapping/GIS Department. Furthermore, the Stokes County Mapping/GIS Department shall not be held responsible to any party, under any circumstance for damages arising from the use or misuse of this map. Any and all errors brought to our attention will be corrected in later revisions.

8x11 P

Stokes County GIS Mapping

Tax Map

1:600

0 12.5 25 50 75 100

Feet

Printed  
Date: 12/31/2019







## STOKES COUNTY EMERGENCY SERVICES

106 Old Church Road  
P.O. Box 20  
Danbury, NC 27016  
Office (336) 593-5409 Fax (336) 593-5412  
[bgentry@co.stokes.nc.us](mailto:bgentry@co.stokes.nc.us)

December 31, 2019

To: Jake Oakley, County Manager

From: Brandon Gentry, Director

Reference: Garage at Mountain Rd. and Hwy 89

Jake,

I would to request the building that the county has just purchased from Mr. Fulp. I would like to place all Emergency Management equipment inside of that building for storage. We have several trailers that need to be inside a building to protect them from the elements. A lot of equipment we have received over the years from grants and home land security funds would be inside a building out of the elements. If this building will be placed under Emergency Management I would need some funds for some repairs to the building. I will list them below.

Upgrade lights to LED **\$3,471.51**  
Exit light to meet fire code **\$1,868.12**  
LED Wall packs for exterior flood lights **\$1,873.46**  
30 amp RV plug for Command Trailer **\$720.56**  
Gravel in parking lot and around back of building **\$3,000.00**  
Some painting **\$500.00**  
Bathroom repairs **\$800.00**  
Door locks **\$300.00**

**Total Cost \$ 12,533.62**





Disclaimer

Stokes County GIS Mapping

Tax Map

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8x11 L

1:848  
0 15 30 60 90 120  
Feet

Printed  
Date: 12/31/2019





# THE WEX FLEET CARD



FUEL



SERVICE



ROADSIDE



FLUIDS



PARTS

## DRIVING YOUR FLEET—and your business

### FUEL



Card acceptance is subject to independent owner/operator participation and subject to change without notice.

### SERVICE



For more information, visit  
[www.WEXinc.com](http://www.WEXinc.com)



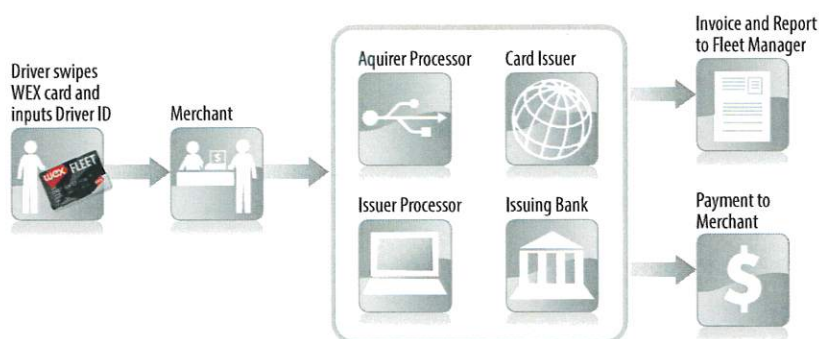
## WHY WEX?

WEX is the leader in fleet industry payments. We issue cards for **11.4 million vehicles**, executed **517 million fuel transactions** in 2017 alone, and now have over **500,000 customers**. With 30+ years experience in the payments industry, we have the tools to help fleets of all sizes effectively manage their vehicles. **Our customer retention rate is 97%**, illustrating high satisfaction.



## PROPRIETARY NETWORK

Our proprietary network means that we own the back-end rails that power each transaction. Every time your driver swipes a card, we process the transaction, capture the data, and ensure that you have the information you need to manage your budget — and control driver spend. We don't run on someone else's rails — which means we get you key insights into your business' spend that others can't provide.



## PRODUCT TYPE CONTROLS

With WEX's technology, you can achieve tighter controls than with generic bank cards. Our leading **WEX Online** account management system allows you to control what types of products your drivers buy, and when they buy them. For example, if you want your drivers to purchase no more than \$50 per transaction, on Mondays and Wednesdays, from 9am-5pm, just set the limits and let our system do the rest. You can even decide if you want to open up purchases to fluids, vehicle maintenance, and soft drinks. Or, just limit them to fuel only. It's that easy to reduce the risk of card misuse or fraud.\*



By hours of the day



Dollars per day of the week



By days of the week



Dollars per transaction



Product category

\*Actual savings may vary.





## LEVEL III DATA CAPTURE

WEX cards capture transactions electronically with **99.8% Level III data capture** — vital information beyond the basics. You will see odometer readings that show miles per gallon and help identify irregular purchases. Driver Identification Numbers will clearly show you “who” bought what, when and where. Product detail will tell you which product types were purchased. With greater information, you can make decisions and gain control over your budget.

ACCOUNTABILITY ——— INFORMATION CAPTURING CAPABILITIES ——— SAVINGS



## SUPPORT FOR ALTERNATIVE FUELS

Fleets of all sizes are exploring alternative fuels as part of their vehicle mix. Whatever your choice, our goal is to ensure that you can purchase fuel with your WEX card — and get robust reporting on all transactions. We are actively working to expand our network of alternative fuel merchant locations — from electric charging stations to more conventional fuels. Our **WEX Online** directory includes over 4,500 alternative fuel locations where the WEX card is accepted.



## AWARD-WINNING CUSTOMER SERVICE

Our award-winning customer service center has been **ranked #20** in the Top 100 Call Center List. Our customer service center is fleet focused, U.S.-based, and open 24/7. A skills-based call-routing system means a direct connection to the person best suited to assist you.



## ACCEPTANCE

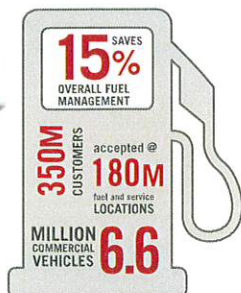
With acceptance at more than **95% of all U.S. retail fueling locations**, plus more than 45,000 service locations, you keep your drivers on the road and on the job. Our universal acceptance assures that you have access to a fuel station when you need it, as well as the critical data your business demands.

# OTHER WEX PRODUCTS



## WEX FLEET CARD

WEX is an industry leader in fleet management solutions



## WEX TELEMATICS

Wireless vehicle management system

Pinpoints vehicle location, activity, odometer reading, preventative maintenance schedules, reduces vehicle misuse, flags driver behavior



## WEX FUEL ADVISORS

Total bulk fuel management  
Maximize market price fluctuations  
Optimize bulk fuel expenses



**BOOST REVENUE**  
**REDUCE COSTS**  
**DRIVE EFFICIENCIES**

## WEX VIRTUAL

WEX is a top-ten issuer of commercial payment purchasing solutions and single-use, virtual account, and AP solutions



## WEX rapid! PayCard®

ePayroll program, which benefits the employer and employee, eliminates paper checks and check cashing fees

\*Actual savings may vary.



For more information, visit  
[www.WEXinc.com](http://www.WEXinc.com)





Project Area  
Proposed maintenance  
building  
and parking

Disclaimer  
This map was prepared using the most reliable sources from government and private industry sources. There are no guaranties (implied or expressed) regarding this map by the Stokes County Mapping/GIS Department. Furthermore, the Stokes County Mapping/GIS Department shall not be held responsible to any party, under any circumstance for damages arising from the use or misuse of this map. Any and all errors brought to our attention will be corrected in later revisions.

Stokes County GIS Mapping

Tax Map

1:1,800



Printed  
Date: 12/31/2019



8x11 P



## STOKES COUNTY-BUDGET AMENDMENT

BE IT ORDAINED by the Stokes County Board of Commissioners that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020.

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	GENERAL FUND			
	Public Buildings			
100.4190.590	Improvements	\$ 586,024.00	\$ 32,463.00	\$ 618,487.00
		<u>\$ 586,024.00</u>	<u>\$ 32,463.00</u>	<u>\$ 618,487.00</u>
	Capital Reserve Fund			
201.4190.013	Public Buildings	\$ 185,307.00	\$ (32,463.00)	\$ 152,844.00
201.9810.000	Transfer to General Fund	\$ 593,796.00	\$ 32,463.00	\$ 626,259.00
		<u>\$ 779,103.00</u>	<u>\$ -</u>	<u>\$ 779,103.00</u>

This budget amendment is justified as follows:

To transfer funds from Capital Reserve for the EMS station at hospital \$18,328, Old County Garage \$5,000 and Garage on Mt. Road (Fulp Property) \$9,135.

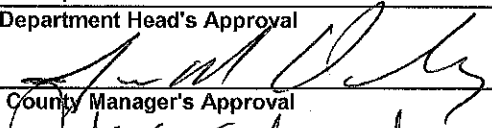
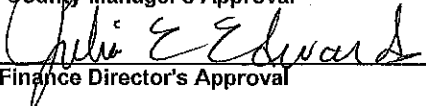
This will result in a net increase of \$32,463.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received in this fiscal year.

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	GENERAL FUND			
100.3982.960	Transfer from Capital Reserve Fund	\$ 593,796.00	\$ 32,463.00	\$ 626,259.00
	TOTALS	<u>\$ 593,796.00</u>	<u>\$ 32,463.00</u>	<u>\$ 626,259.00</u>

SECTION 2. Copies of this amendment shall be furnished to the Clerk of the Board of Commissioners, Budget Officer and to the Finance Director.

Adopted this 27th day of January, 2020

Verified by the Clerk of the Board

N/A	
Department Head's Approval	Date
	1-21-2020
County Manager's Approval	Date
	1/21/20
Finance Director's Approval	Date





**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: VII.c.**

**Stokes County Board Fees**

Contact: Andy Nickelston

**Summary:**

This item was discussed at the January 13th meeting and it was decided to increase the pay from \$30.00 to \$40.00 and pay the same rate to all Boards including the newly reinstated DSS Board and Board of Health. The Stokes County Board Fees Schedule also includes the Fire Commission (Budget Meetings Only), Watershed Commissioners, Board of Adjustments, Planning Board, and Board of Elections. The current rate per meeting is \$30.00. The old schedule and amended schedule are attached for your review.

**ATTACHMENTS:**

Description	Upload Date	Type
Stokes County Board Fees Schedule	12/26/2019	Cover Memo
Amended Board Fees Schedule	1/21/2020	Cover Memo

## STOKES COUNTY BOARD FEES SCHEDULE

EFFECTIVE 07/01/91	MEETINGS	MILEAGE
BOARD OF ELECTIONS	\$30 PER MEETING \$100 ELECTION DAY	YES
PLANNING BOARD	\$30 PER MEETING	NO
BOARD OF ADJUSTMENTS	\$30 PER MEETING	NO
WATERSHED COMMISSIONERS	\$30 PER MEETING	NO
EFFECTIVE 04/04/94		
FIRE COMMISSION	\$30 PER MEETING BUDGET MEETINGS ONLY	Yes

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## STOKES COUNTY BOARD FEES SCHEDULE

<b>EFFECTIVE 07/01/91</b>	<b>MEETINGS</b>	<b>MILEAGE</b>
BOARD OF ELECTIONS	\$40 PER MEETING \$100 ELECTION DAY	YES
PLANNING BOARD	\$40 PER MEETING	NO
BOARD OF ADJUSTMENTS	\$40 PER MEETING	NO
WATERSHED COMMISSIONERS	\$40 PER MEETING	NO
<b>EFFECTIVE 04/04/94</b>		
FIRE COMMISSION	\$40 PER MEETING BUDGET MEETINGS ONLY	YES

**AMENDED 01/27/2020**



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: VII.d.**

**Appointments - Stokes Nursing Home Community Advisory Committee and Stokes Adult Care Home Community Advisory Committee**

Contact: Shannon Shaver

**Summary:**

The appointments were presented at the meeting on January 13th and moved to the Action Agenda. These appointments have been advertised.

**Stokes Nursing Home Community Advisory Committee:**

Susie Grabs  
Sylvia Grogan  
Nora Lankford  
Mary Lawson  
Myra Morgan

This leaves 1 vacancy on the committee.

**Stokes Adult Care Home Community Advisory Committee:**

Gregory Hairston  
Diann Joyce  
Jewel Mabe

This leaves 4 vacancies on the committee.



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: VII.e.**

**Stokes County Community Child Protection and Child Fatality Prevention Team Members  
-Appointments**

Contact: DSS Director Stacey Elmes / Health Director Tammy Martin

**Summary:**

The Stokes County Community Child Protection and Child Fatality Prevention Team's Annual Report for 2019 was presented at the January 13th meeting for your review with a request to approve the attached list of team members on the next meetings Action Agenda. This team members appointment request was moved to the Action Agenda at the next meeting.

**ATTACHMENTS:**

Description	Upload Date	Type
Stokes County Community Child Protection and Child Fatality Prevention Team Annual Report 2019	1/7/2020	Cover Memo



**Stokes County**  
**Department of Social Services**

Post Office Box 30  
Danbury, North Carolina 27016

[www.co.stokes.nc.us](http://www.co.stokes.nc.us)

(336)593-2861 • Fax (336)593-9362 • Courier # 09-16-01

*Stacey S. Elmes*  
Director

**MEMORANDUM**

**TO:** Shannon Shaver, Assistant County Manager & Clerk to the Board

**FROM:** Stacey Elmes, Director, Stokes County Department of Social Services  
Tammy Martin, Director, Stokes County Health Dept./Family Health Center

**DATE:** January 2, 2019

**RE:** Stokes County Community Child Protection and Child Fatality Prevention Team, Annual Report – 2019

In accordance with North Carolina General Statutes, please find attached the Annual Report for 2019 for the Stokes County Community Child Protection and Child Fatality Prevention Team. General statute require that this report be submitted to the Board of County Commissioners annually.

We would ask that the attached list of team members be officially appointed by the Board of County Commissioners so we request that this aspect of the report be placed on an upcoming action agenda.

As always, thank you for your continued support.

# ***Stokes County Community Child Protection and Child Fatality Prevention Team Annual Report 2019***

*Prepared December 31, 2019*

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## **Introduction**

The Community Child Protection Team and the Child Fatality Prevention Team formally merged in November 2011. During 2019, the CCPT/CFPT team met four times. All meetings were held at the Stokes Family Health Center in Danbury. On average, twelve people attended each meeting.

## **Related North Carolina General Statutes**

N.C.G.S. 7B-1406 provides for Community Child Protection Teams (CCPTs) to be established in each county. Such teams were established as one means for the state and local communities to form a partnership to strengthen child protection.

Per statute, each CCPT shall: (1) Review, in accordance with the procedures established by the director of the county department of social services under G.S. 7B-1409:

- a. Selected active cases in which children are being served by child protective services;
- b. Cases in which a child died as a result of suspected abuse or neglect, and 1. A report of abuse or neglect has been made about the child or the child's family to the county department of social services within the previous 12 months, or 2. The child or child's family was a recipient of child protective services within the previous 12 months.

Each CCPT shall submit annually to the Board of County Commissioners recommendations, if any, and advocate for system improvements and needed resources where gaps and deficiencies may exist.

N.C.G.S. 7B-1407 identifies who shall comprise the CCPT. Each local team shall consist of representatives of public and nonpublic agencies in the community that provide services to children and their families and other individuals who represent the community. Local teams that review the records of additional child fatalities are required to have five additional team members. [Attached to this report is a list of team members for Stokes County.]

## **Local Team Strengths**

- Low turnover rate among team members.
- Low turnover rate among team leadership.
- Strong team participation by appointed members.
- Diverse membership from multiple disciplines.

## **Meeting Highlights**

During case reviews, it was evident that there continues to be problems with lack of transportation, lack of substance abuse/mental health treatment nearby, and lack of helpful and timely services for alcohol abusers. As far as transportation, there has been quite a bit of assistance using county funds in order to help folks get to mental health appointments or substance use appointments. Getting folks to take advantage of available resources is a problem.

The team continues to spend quite a bit of time discussing the drug epidemic and the impact that it is having on our families and children in Stokes County. Funding has been appropriated by our Board of County Commissioners for the following: medication storage/lock boxes, continuation of 2-1-1, funding for substance abuse prevention/treatment for adolescents, narcan kits for law enforcement and EMS, a detective position with the sheriff's department for enforcement dealing with drug abuse, and a position with the Department of Social Services to assist individuals in getting the right resources for treatment. While these are all steps in the right direction, we still have a long ways to go.

The team reviewed zero fatalities between the months of January 2019 and December 2019.

Number of Children	Cause of Death

The following recommendations continue to be important:

- Stokes County residents could benefit from better/easier access to substance abuse and mental health assessment and treatment. Transportation to/from this treatment is also a huge barrier.
- All social workers working in the county will continue to educate new parents on safe sleeping for newborns, specifically discouraging the practice of placing any items in a crib with a newborn.
- Stokes County Department of Social Services and Stokes Family Health Center will work on increasing awareness for county residents of resources available at both departments.
- Awareness in the schools regarding suicide, alcohol, drugs, mental health issues, driver safety, etc. continues to be of utmost importance.

#### **Recommendations Made to the State Community Child Protection Team Coordinator**

- Assistance in developing resources in rural counties.
- Information on how local gaps in services can be addressed beyond what the local team has already done.
- Regional CCPT meeting held quarterly or twice a year to share ideas among local agencies.

#### **Recommendations for the Board of County Commissioners**

- Continue to support efforts by service providers to make resources such as transportation and mental health/substance abuse treatment available to Stokes County citizens.
- Formally appoint the individuals listed on the attached sheet to serve on the team, as required by N.C.G.S. 7B-1407.

#### **Conclusion**

In conclusion, our Community Child Protection and Child Fatality Prevention Team remains focused on the task of identifying system deficiencies in Stokes County as they relate to child abuse and neglect. We continue to be satisfied with the merger of the Community Child Protection and Child Fatality Prevention Teams and are confident that our joint efforts will make an even greater impact on our ability to enhance child safety in our community. Our goal is to make Stokes County a safer place for all of our children and families. We welcome your input and, most importantly, your continued support.

Respectfully Submitted,



Stacey Elmes  
Director, Department of Social Services  
Co-Chair, CCP&CFP Team



Tammy Martin  
Director, Stokes County Health Dept./Family Health Center  
Co-Chair, CCP&CFP Team

Attachments



# Stokes County Community Child Protection and Child Fatality Prevention Team **2020**

Team Members	Address	Team Position (**indicates position required by statute)	Appointed by:	E-mail
Stacey Elmes – Co-Chair	Stokes County DSS Post Office Box 30 Danbury, NC 27016	**Director of the county department of social services	County Commissioners	<a href="mailto:selmes@co.stokes.nc.us">selmes@co.stokes.nc.us</a>
Tammy Martin – Co-Chair	Stokes Family Health Center Post Office Box 187 Danbury, NC 27016	**Director of the local department of public health	County Commissioners	<a href="mailto:tmartin@co.stokes.nc.us">tmartin@co.stokes.nc.us</a>
Marsha Marshall	Stokes County DSS Post Office Box 30 Danbury, NC 27016	**Member of the DSS Director's staff	DSS Director	<a href="mailto:msmarshall@co.stokes.nc.us">msmarshall@co.stokes.nc.us</a>
Sheriff Mike Marshall or Detective Anna Keaton	Stokes County Sheriff's Department Post Office Box 118 Danbury, NC 27016	**Local law enforcement officer	County Commissioners	<a href="mailto:mmarshall@co.stokes.nc.us">mmarshall@co.stokes.nc.us</a> ; <a href="mailto:akeaton@co.stokes.nc.us">akeaton@co.stokes.nc.us</a>
Ricky Bowman or Quentin Harris	District Attorney's Office Post Office Box 179 Danbury, NC 27016	**Attorney from the district attorney's office	District Attorney	<a href="mailto:c.ricky.bowman@nccourts.org">c.ricky.bowman@nccourts.org</a> <a href="mailto:quentin.e.harris@nccourts.org">quentin.e.harris@nccourts.org</a>
Jeannie Easter	YVEDDI Post Office Box 83 Danbury, NC 27016	**Executive director of the local community action agency or his designee	Executive Director – Community Action Agency	<a href="mailto:jeaster@yveddi.com">jeaster@yveddi.com</a>
Brad Rice	Stokes County Schools Post Office Box 50 Danbury, NC 27016	**Superintendent or his designee	School Superintendent	<a href="mailto:brad.rice@stokes.k12.nc.us">brad.rice@stokes.k12.nc.us</a>
Reid Thornburg	Cardinal Innovations	**Local mental health professional	Local Management Entity	<a href="mailto:Reid.Thornburg@cardinalinnovations.org">Reid.Thornburg@cardinalinnovations.org</a>
Jaime Kehoe	Guardian ad Litem Program Post Office Box 250 Danbury, NC 27016	**Guardian ad Litem Coordinator	Guardian ad Litem Office	<a href="mailto:Jaime.L.Kehoe@nccourts.org">Jaime.L.Kehoe@nccourts.org</a>
Dr. Sam Newsome	Post Office Box 1129 King, NC 27021	**Local health care provider/ County medical examiner	Chief Medical Examiner	<a href="mailto:samnewsome75@gmail.com">samnewsome75@gmail.com</a>
Brandon Gentry	Stokes County EMS Post Office Box 20 Danbury, NC 27016	**Emergency medical services provider or firefighter	County Commissioners	<a href="mailto:bgentry@co.stokes.nc.us">bgentry@co.stokes.nc.us</a>

# Stokes County Community Child Protection and Child Fatality Prevention Team **2020**

Judge Bill Southern		**District Court Judge	Chief District Court Judge	<a href="mailto:southern@alumni.unc.edu">southern@alumni.unc.edu</a>
Ronda Jones	1930 Snow Hill Church Road Danbury, NC 27016	Community Representative	County Commissioners	<a href="mailto:Rondaworks1@gmail.com">Rondaworks1@gmail.com</a>
Jessica Smith	YVEDDI Headstart PO Box 309 Booneville, NC 27011	**Representative of a local child care facility or Head Start program	DSS Director	<a href="mailto:JBrindle@yvheadstart.com">JBrindle@yvheadstart.com</a>
Dee Caruthers	1263 Lakeshore Lane Mt. Airy, NC 27030	**Parent of a child who died before reaching the child's 18 <sup>th</sup> birthday	County Commissioners	<a href="mailto:deesonias2008@gmail.com">deesonias2008@gmail.com</a>
Additional Appointees	Address	Team Position	Appointed by:	E-mail
Commissioner Jimmy Walker	126 Jefferson Church Rd. King, NC 27021	County Commissioner	County Commissioners	<a href="mailto:jwalker@co.stokes.nc.us">jwalker@co.stokes.nc.us</a>
Rusty Slate or Tiffany Cone	Department of Juvenile Justice Post Office Box 51 Danbury, NC 27016	Juvenile Services	County Commissioners	<a href="mailto:rusty.slate@ncdps.gov">rusty.slate@ncdps.gov</a> <a href="mailto:tiffany.cone@ncdps.gov">tiffany.cone@ncdps.gov</a>
Joe Rick	Parenting Path 500 Northwest Blvd. Winston Salem, NC	Prevention Agency	County Commissioners	<a href="mailto:Joe.rick@parentingpath.org">Joe.rick@parentingpath.org</a>
Pam Hooker 336-413-4713	1229 Hall Road Westfield, NC 27053	Community Representative	County Commissioners	<a href="mailto:pamhooker@gmail.com">pamhooker@gmail.com</a>
Evelyn Lemons	1024 Volunteer Road King, NC 27021	Community Representative	County Commissioners	<a href="mailto:evelyn.lemons@gmail.com">evelyn.lemons@gmail.com</a>
Joanie Spencer	Stokes County Health Dept.	SIDS Counselor	County Commissioners	<a href="mailto:jspencer@co.stokes.nc.us">jspencer@co.stokes.nc.us</a>
Tamara Veit	Stokes Friends of Youth	Community Representative	County Commissioners	<a href="mailto:tamara@sfoy.org">tamara@sfoy.org</a>
Team Coordinator:	Address	Team Position	Appointed by:	E-mail
Hayley Shelton	Stokes Family Health Center Post Office Box 187, Danbury, NC	Team Coordinator	Team Co-chairs	<a href="mailto:hshelton@co.stokes.nc.us">hshelton@co.stokes.nc.us</a>



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: VII.f.**

**Closed Session Policy and Procedures**

Contact: Andy Nickelston

**Summary:**

This item was discussed by the Board at a previous meeting and there was interest in the Board on establishing a policy and it was later found a policy had been established in 2014. The Board discussed the policy and it was requested that the section about posting the released minutes to the website be changed to state that the minutes would be posted to the website. This item was moved to the Action Agenda for the 27th.

**ATTACHMENTS:**

Description	Upload Date	Type
Closed Session Information	12/3/2019	Cover Memo
Closed Session Policy	12/30/2019	Cover Memo
Amended Closed Session Policy	1/21/2020	Cover Memo

# **Quick-Reference Guide to Closed Sessions**

## **General Requirements for Closed Sessions**

- Comply with notice requirements for the meeting, even if the entire meeting will consist of a closed session.
- Begin the meeting in open session.
- Adopt a motion to go into closed session.
- State in the motion the authorized purpose(s) for the closed session. There is no legal requirement to include the statutory citation; a description of the provision that authorizes the closed session is sufficient.
- In two special cases, include additional information in the motion. (See italicized information in the list on the following page.)
- Ensure that everyone attending the closed session is legally authorized to be present. The public body may, in its discretion, decide who may attend a closed session, except in three circumstances listed on the next page.
- Return to open session after completing the closed session.
- Create minutes and a general account of the closed session.
- Determine whether minutes and the general account may be withheld from the public to avoid frustrating the purpose of the closed session.

## **Requirements for Specific Types of Closed Sessions**

### **To protect confidential or privileged information (G.S. 143-318.11(a)(1))**

- *Motion must state the name or citation of the law that renders the information confidential or privileged.*
- Attendance is limited to people who legally have access to the confidential or privileged information.

### **To consult with an attorney to protect the attorney-client privilege (G.S. 143-318.11(a)(3))**

- *For discussion of existing litigation, the motion must identify the parties to the lawsuit.*
- The attorney must participate in the meeting to provide legal consultation with the public body.
- The public body may instruct the attorney about pending matters, including approving a settlement.
- Settlements approved in closed session must be reported to the public body in open session within a reasonable time after the settlement is concluded.
- Attendance is limited to people who are within the attorney-client privilege.

### **To discuss the location or expansion of industries or other businesses in the area served by the public body (G.S. 143-381.11(a)(4))**

- Approval of specific economic development incentives, contracts, or expenditures must occur in open session.
- Must involve specific prospects, not general policies or speculative projects.

**To establish the public body's negotiating position for acquisition of real property or employment contracts or instruct staff or agents about the negotiation (G.S. 143-381.11(a)(5))**

- Cannot be used to discuss the *sale* of property by the public body, unless it is an exchange in which the unit acquires real property.
- Discussion of *which* property to acquire is not allowed in closed session.
- The public body, *upon request*, must disclose, before it enters the closed session, (1) the property's current owner, (2) the property's location, and (3) the purposes for which the public body intends use the property.
- The public body may agree on a final position as an instruction to a staff member or agent.

**To address personnel matters (G.S. 143-381.11(a)(6))**

- Discussion must be about one or more individual employees and cannot involve general policy issues.
- Cannot be used to discuss independent contractors, except possibly the unit's contracted attorney.
- Cannot be used to discuss members of the public body itself or any other public body, including applicants for appointment to any public body.
- Session can be used to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee.
- Final action to make an appointment, discharge, or removal must be made in open session.
- If the discussion involves confidential information or records (which it often does), attendance is limited to those who have legal access to the confidential information or records.



## Rule 5. Closed Sessions

(a) **Motion to Enter Closed Session.** The board may enter a closed session from which the public is excluded only upon a motion duly made and adopted in open session. The motion to enter closed session must cite one or more of the permissible bases for closed session listed in paragraph (b) of this rule. A motion to enter closed session under subparagraph (b)(1) or (b)(2) must contain the additional information specified in those provisions.

(b) **Bases for Closed Session.** A closed session is permissible under the following circumstances and no others:

- (1) To prevent the disclosure of information that is privileged or confidential under the law of North Carolina or of the United States or that does not constitute a public record within the meaning of Chapter 132 of the General Statutes. The motion to enter closed session must name or cite the law that renders the information confidential or privileged.

**Comment:** Subparagraph (b)(1) restates G.S. 143-318.11(a)(1). Chapter 132 of the General Statutes comprises the state's public records law.

This exception applies not only to records that must be withheld from public inspection because they are confidential, but also to non-confidential records that fall outside the public records law's definition of "public records." For example, under G.S. 132-1.7(a), the term "public records" does not cover security plans or detailed plans or drawings of public buildings and infrastructure facilities. The board may enter closed session to review such plans or drawings, even though they are not confidential, and, thus, their disclosure would not violate the law.

- (2) To consult with the county attorney or another attorney employed or retained by the county in order to preserve the attorney-client privilege. If the board expects to discuss a pending lawsuit with its attorney, the motion to enter closed session must name the parties to the lawsuit.

**Comment:** Subparagraph (b)(2) restates G.S. 143-318.11(a)(2). The open meetings law expressly prohibits a public body from discussing general policy matters when it goes into closed session to consult with its attorney. Additionally, the mere presence of the county attorney at a board meeting is not grounds for a closed session. Unless the board is going into closed session for the purpose of consulting with its attorney on a specific legal issue, it should not invoke the attorney-client privilege as a basis for closed session.

The board may enter closed session under subparagraph (b)(2) to consider and give instructions to the attorney regarding any claims, litigation, and other legal proceedings brought by or against the board. If the board considers or approves a settlement in closed session, then (unless the settlement resolves malpractice claims against a public hospital) the settlement's terms must be reported to the board in open session and entered into the board's minutes as soon as possible within a reasonable time after the settlement is reached.

The handling or settlement of claims or legal proceedings is not the exclusive basis for going into closed session to preserve the attorney-client privilege. The

board may enter closed session to discuss any legal issue with its attorney. This exception may be used only if the attorney is present for the closed session, either physically or by electronic means.

- (3) To discuss matters relating to (a) the location or expansion of industries or other businesses in the area served by the county or (b) the closure or realignment of a military installation. The board may reach agreement in closed session on a tentative list of economic development incentives to be offered in negotiations, but the approval of the signing of any economic development contract or commitment and the authorization of the payment of economic development expenditures must take place in open session.

**Comment:** Subparagraph (b)(3) restates G.S. 143-318.11(a)(4).

- (4) To establish or instruct staff or agents concerning the county's position in negotiating the price or other material terms of an agreement to acquire real property by purchase, exchange, or lease.

**Comment:** Subparagraph (b)(4) restates part of G.S. 143-318.11(a)(5). If requested to do so, the board must disclose the following information before going into closed session: (a) the current owner of the property, (b) the property's location, and (c) the use to which the board intends to put the property.<sup>13</sup>

Neither G.S. 143-318.11(a)(5) nor this rule permits a closed session to discuss the sale of county property, whether real or personal. Similarly, neither provision authorizes a closed session to discuss the purchase or lease of personal property.

- (5) To establish or instruct staff or agents concerning the amount of compensation or other material terms of an employment contract.

**Comment:** Subparagraph (b)(5) restates part of G.S. 143-318.11(a)(5).

- (6) To consider the qualifications, competence, performance, character, fitness or conditions of appointment or employment of a public officer or employee or prospective public officer or employee, except when the individual in question is a member of the board or other public body or is being considered to fill a seat on the board or other public body. Final action to appoint or employ a public officer or employee must take place in open session.

**Comment:** Subparagraph (b)(6) restates part of G.S. 143-318.11(a)(6). The board may not go into closed session on this basis to consider general personnel policy

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13. *Boney Publishers, Inc. v. Burlington City Council*, 151 N.C. App. 651, 657 (2002).



issues. It likewise in most circumstances may not enter closed session to discuss a member or prospective member of the board or any of the board's appointed bodies.

- (7) To hear or investigate a charge or complaint by or against a public officer or employee. Final action discharging an employee or removing an officer must occur in open session.

**Comment:** Subparagraph (b)(7) restates part of G.S. 143-318.11(a)(6). This basis for closed session is largely self-explanatory, except insofar as grievances against individual board members or members of appointed bodies are concerned. It might allow the board to go into closed session to hear such a grievance, but because a board member's or an appointed board member's competence, performance, character, and fitness may not be considered in closed session, any discussion of the substance of the grievance and any action taken against the member in response to the grievance would probably have to take place in open session.

- (8) To plan, conduct, or hear reports concerning investigations of alleged criminal misconduct.

**Comment:** Subparagraph (b)(8) restates G.S. 143-318.11(a)(7).

- (9) To view a law enforcement recording released pursuant to G.S. 132-1.4A.

**Comment:** General Statute 132-1.4A sharply restricts the circumstances in which a law enforcement agency may disclose (make available for listening or viewing) or release (provide a copy) audio and visual recordings captured by body-worn cameras, dashboard cameras, or other recording devices operated by or on behalf of the agency or its law enforcement personnel in the performance of their duties.<sup>14</sup> The open meetings law allows a public body to which such a recording has been released to review it in closed session.<sup>15</sup>

- (10) On any other basis permitted by law.

**Comment:** Over the years, the General Assembly has added to the list of grounds on which a public body may meet in closed session. Subparagraph (b)(10) spares the board from having to amend Rule 5 if future legislation further expands the list.

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14. See Frayda Bluestein, *Answers to Questions About North Carolina's Body-Worn Camera Law*, COATES' CANONS: NC LOC. GOV'T L. BLOG (July 20, 2016), <http://canons.sog.unc.edu/answers-questions-north-carolinas-body-worn-camera-law> (discussing impact of laws governing access to audio and visual recordings captured by law enforcement agencies' body-worn cameras and dashboard cameras).

15. G.S. 143-318.11(a)(10).

**(c) Closed Session Participants.** Unless the board directs otherwise, the county manager, county attorney, and clerk to the board may attend closed sessions of the board. No other person may attend a closed session unless invited by majority vote of the board.

**Comment:** The open meetings law does not specifically address who may attend a closed session. The board will usually want its manager, attorney, and clerk to be there, but the board may in its discretion exclude them, except that the attorney must be included when the closed session is being held to preserve the attorney-client privilege. All other non-members should be excluded from closed session, except when their presence is reasonably necessary to aid the board's deliberations. Note that in certain situations closed session attendance must be restricted due to the confidential nature of the matters under consideration. When, for instance, the board meets in closed session to consult with its attorney, the board risks waiving the attorney-client privilege if it allows someone to attend who is not covered by the privilege. Likewise, if the board enters closed session to examine county personnel records that are confidential under G.S. 153A-98, it must exclude anyone who is not authorized to access those records.

**(d) Motion to Return to Open Session.** Upon completing its closed session business, the board shall end the closed session by adopting a duly made motion to return to open session.

**Comment:** The open meetings law does not list adjournment among the actions that a public body may take in closed session. Accordingly, the board must return to open session following the conclusion of a closed session, even if adjournment is the only remaining item of business.

**(c) General Accounts of Closed Sessions.** In addition to minutes, the board must keep a general account of each closed session. The general account must be sufficiently detailed to provide a person not in attendance with a reasonable understanding of what transpired. The board may combine the minutes and general account of a closed session into one document, so long as the document contains both a complete record of actions taken and the level of detail required for a general account.

**Comment:** According to the open meetings law, "when a public body meets in closed session, it shall keep a general account of the closed session so that a person not in attendance would have a reasonable understanding of what transpired."<sup>22</sup> This wording plainly requires more than a mere record of actions taken. Concerns about whether the general account of a closed session is sufficiently thorough should be referred to the county attorney.

As paragraph (c) recognizes, it is common for the board of county commissioners to incorporate the minutes and general account of a closed session into a single record. There is no legal problem with that practice, so long as the record includes any actions taken by the board in closed session and enough information about what was discussed to satisfy the statutory standard for a general account.

**(d) Sealing Closed Session Records.** Minutes and general accounts of closed sessions shall be sealed until unsealed by order of the board or, if the board delegates the authority to unseal to one or more staff members, in accordance with guidelines adopted by the board. The sealed minutes and general account of any closed session may be withheld from public inspection, so long as public inspection would frustrate the purpose(s) of the closed session.

**Comment:** Although the open meetings law allows a public body to withhold the minutes and general account of a closed session from public inspection for as long as necessary to avoid frustrating the purpose of the closed session,<sup>23</sup> the state's public records law presumes that documents made or received in the transaction of public business must be made available for inspection and copying. The board therefore should not assume that closed session records are automatically sealed without action on its part.<sup>24</sup> By adopting paragraph (d), the board decides that all of its closed session records will be sealed initially and remain so until they are unsealed by the board or by staff members to whom the board has delegated the

authority to make such determinations pursuant to certain guidelines. Staff persons who might be entrusted with the responsibility of reviewing and unsealing closed session records include the county attorney, the county manager, the clerk to the board, or some combination thereof.

The board's guidance to staff members on unsealing closed session records should probably direct them to review those records at regular intervals and unseal them as appropriate, even when no request to inspect or copy the records is pending.<sup>25</sup> Such periodic reviews can reduce the likelihood that closed session records will impermissibly remain under seal beyond the point at which their release would no longer frustrate the purpose(s) for which the board entered closed session.

## Proposed Policy - Release of Closed Session Minutes

County Manager Rick Morris presented the following proposed policy for the Release of Closed Session Minutes prepared by the staff as directed by the Board of Commissioners:

### **Request for Closed Session Minutes**

This policy addresses the recording and release of "closed session minutes" by the Stokes County Board of County Commissioners.

North Carolina General Statute 143-318.10 requires the release of closed session minutes when the release of those minutes will no longer frustrate the purpose of the topic being discussed in closed session. Prior to the release of closed session minutes, the minutes must be carefully reviewed to ensure only appropriate portions of the minutes, as required by General Statutes, are made public. The process for review and release of closed session minutes is outlined below:

1. For all closed sessions held after the date of adoption of this policy, the Clerk to the Board shall submit closed session minutes that are requested to be released to the County Attorney for review and determination if all or a portion can be released for public inspection.
2. County Attorney shall return closed session minutes to the Clerk with recommendation of what should be released for public inspection.
3. Clerk shall submit a copy of County Attorney's recommendation to each Commissioner for review.
4. If all Commissioners agree with the recommendation of the County Attorney, they shall so notify the Clerk, who will put the release of the minutes on the Consent Agenda for action by the Commissioners in open session.
5. If any Commissioners disagree with the recommendation of the County Attorney, the items of disagreement shall be resolved in a closed session.

In addition to the review process described above, there are other considerations that are included in this policy on the recording and release of closed session minutes. These policy considerations are addressed individually below:

- **Recording of Closed Session Minutes**
  - General Statutes allow for recording closed session minutes in detail or by use of a general account that captures the major points of the closed session discussion
  - If official action is taken in a closed session, a detailed account of the action must be taken
  - The Stokes County Board of County Commissioners will use the "general account" approach for recording closed session minutes unless official action is taken
- **Periodic Release of Closed Session Minutes**
  - For all closed sessions held after the date of adoption of this policy, the Stokes County Board of County Commissioners will release closed session minutes once per quarter if closed session activity has taken place and minutes have been approved for release by the review process described in this policy
- **Posting of Closed Session Minutes to the Website**
  - It will not be the policy of the Stokes County Board of County Commissioners to routinely post closed session minutes on the website as is done with the county's open session minutes

- **Timeliness of Closed Session Minutes Release**

- The County's objective will be to release closed session minutes in a timely and reasonable period of time in accordance with the quarterly release provision of this policy
- It should be noted; however, that the review and release of closed session minutes competes directly with many other administrative priorities that must be completed by a limited administrative and legal staff
  - The actual time to release closed session minutes upon request may vary and will be directly impacted by the volume of other administrative tasks being performed by county staff at any given time

- **Cost for Request of Closed Session Minutes**

- The fee per page of closed session minutes will be the same as for other public information requests that are provided in hard copy

**Closed Session Minutes for Closed Sessions held prior to the adoption of this Policy**

Closed session minutes for any closed sessions held prior to the adoption of this Policy shall be reviewed for release only upon specific request.

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**Closed Session Minutes for Closed Sessions held prior to the adoption of this Policy**

Closed session minutes for any closed sessions held prior to the adoption of this Policy shall be reviewed for release only upon specific request.

Adopted on October 27, 2014

Amended on January 27, 2020



**Board of County Commissioners  
January 27, 2020  
6:00 PM**

**Item number: VII.g.**

**JCPC Expansion Funds Allocations -Budget Amendment #67**

Contact: Shannon Shaver

Summary:

**ATTACHMENTS:**

Description	Upload Date	Type
JCPC Expansion Funds Allocations	1/7/2020	Cover Memo
Budget Amendment #67	1/21/2020	Cover Memo





# North Carolina Department of Public Safety

## Adult Correction and Juvenile Justice - District 17

Roy Cooper, Governor  
Erik A. Hooks, Secretary

Reuben F. Young, Interim Chief Deputy Secretary  
Rusty Slate, Chief Court Counselor

December 30, 2019

Stokes County Board of Commissioners  
Danbury, N.C. 27016

Commissioners

The Stokes County Juvenile Crime Prevention Council received notice of expansion funds for FY 2019-2020 to address Raise the Age program needs in our County in the amount of \$ 21,087. We sent out the request for proposals on September 18, 2019, heard proposals on November 19, 2019, and voted at our December 17, 2019 meeting. The recommendations are as follows:

Stokes Friends of Youth-Anger Management	\$ 1,759.00
Stokes Friends of Youth-Mediation/Conflict Resolution	\$ 2,358.00
Insight-Hanging Rock Circles	\$ 16,970.00
Total	\$21,087.00

Please note that these expansion funds do not require a County match this fiscal year. If I can be of further assistance, please contact me at 336-326-6482.

Sincerely

Rusty Slate, Chief Court Counselor

[illegible]

## STOKES COUNTY-BUDGET AMENDMENT

BE IT ORDAINED by the Stokes County Board of Commissioners that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020.

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	Special Appropriation			
100.5830.690	Stokes Friends of Youth	\$ 105,784.00	\$ 4,117.00	\$ 109,901.00
100.5830.690	Insight	\$ 23,098.00	\$ 16,970.00	\$ 40,068.00
		<u>\$ 128,882.00</u>	<u>\$ 21,087.00</u>	<u>\$ 149,969.00</u>

This budget amendment is justified as follows:

To appropriation additional funding from JCPC expansion funds.

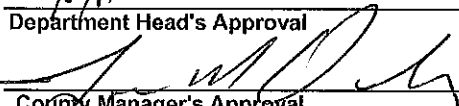
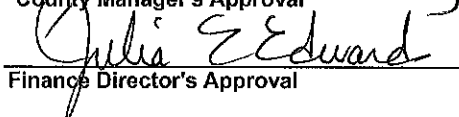
This will result in a net increase of \$21,087.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received in this fiscal year.

Account Number	ACCOUNT DESCRIPTION	CURRENT BUDGETED AMOUNT	INCREASE (DECREASE)	AS AMENDED
	GENERAL FUND			
100.3301.361	Juvenile Crime Prevention Council	\$ 136,010.00	\$ 21,087.00	\$ 157,097.00
	TOTALS	<u>\$ 136,010.00</u>	<u>\$ 21,087.00</u>	<u>\$ 157,097.00</u>

SECTION 2. Copies of this amendment shall be furnished to the Clerk of the Board of Commissioners, Budget Officer and to the Finance Director.

Adopted this 27th day of January, 2020.

Verified by the Clerk of the Board

N/A	
Department Head's Approval	Date
	1-21-2020
County Manager's Approval	Date
	1/21/20
Finance Director's Approval	Date