

**TOWN OF STOKESDALE**  
**8325 Angel-Pardue Road**  
**Stokesdale, NC 27357**  
**JUNE 26, 2020 AT 6:00PM via ZOOM**

**SPECIAL CALLED MEETING: ADOPT FISCAL YEAR 2020-2021 BUDGET &  
ORDINANCES  
FOR THE GENERAL FUND AND WATER ENTERPRISE**

**Attendance: Mayor Flynt, Thearon Hooks, Derek Foy, Jim Rigsbee, Jimmy Landreth, Town Clerk Alisa Houk, Accountant Kim Thacker, Town Attorney Tom Medlin.**

**Mayor Flynt called the meeting to Order**

**Agenda items:**

**1. Approve the 2019-2020 Budget Ordinances**

**2. Vote to Adopt the proposed Town of Stokesdale Budget for Fiscal Year 2020-2021**

**Derek Foy** began by saying I hate to be that guy but he has not had a chance to look at the Budget Amendments and that was not on the agenda. Is it even proper to talk about them? **Alisa** said it is on the agenda it's called the Ordinances. Mayor Flynt said we have to have this done by June 30, 2020. If we don't do it tonight, we have to have another special called meeting. Alisa and Kim can explain it, we went through these. You got a thing from Kim Wednesday maybe. **Derek** said he got the budget amendments today. **Alisa** said Kim and I worked on these and all we did was take money that was already in the budget and showed as overages in some categories and put it in the categories that were under. So, we could balance the 2019-2020 budget. **Alisa** said she is going to let Kim present it, they worked together but Kim was the one that typed it all up last night so I'm sure it is fresher in her head than mine. **Derek** said that is fine but note that he doesn't think it is legal and proper to discuss an agenda item in a Special Called Meeting that is not on the agenda. Alisa read the Meeting title to **Derek** and he said the **Amendments are for 2019-2020**. Alisa said it is her mistake for not typing in that the Ordinances are for 2019-2020 so, okay we will have to call another Special Called meeting next week. **Derek** said okay. **Derek** still wants to hear the Budget Adoption tonight and do the Budget Amendments Tuesday night. John wants to hear both tonight or recess the entire meeting and hear it all Tuesday at 12pm. There was a disagreement on whether to recess this meeting until Tuesday June 30, 2020 at 12pm or hear just the Budget Adoption tonight and hear the Budget Ordinances 2019-2020 on Tuesday. There was argument over a time on Tuesday. Tom told everyone that if we recess, we still can't talk about the Ordinances. This meeting needs to be closed and a New meeting called for Tuesday with the title of the meeting including the dates of 2019-2020 Budget Ordinance Amendments as well as adopting the 20-21 Budget. Tom said it is up to Council whether they are going to hear both on Tuesday rather than adopting the Budget tonight.

**Mayor Flynt called a recess to speak with Tom and Council only to decide what to do.**

**Mayor Flynt reconvened the meeting.**

**Mayor Flynt withdrew his motion to recess until Tuesday June 30, 2020 to hear both the 2019-2020 Budget amendments and adopt the 20-21 Budget.**

**Mayor Flynt motion to call a Special Called Meeting on Tuesday June 30, 2020 at 4:00pm for the sole purpose of reviewing and voting on the 2019-2020 Budget Ordinance Amendments. Thearon seconded the motion. Vote was 5-0 to Hear the call a Special Called meeting Tuesday June 30, 2020 4pm to hear the 2019-2020 Budget Ordinance Amendments only.**

**Mayor Flynt opened the meeting to discussion adoption of the 2020-2021 Stokesdale Town Budget:**

**WATER ENTERPRISE FUND:** Alisa asked Council if they wanted to go back over it line by line or how did they want to proceed. **Derek** asked Alisa if anything had changed. She answered no, nothing has changed since the June 15<sup>th</sup> meeting took place. **Derek** said well you've done the presentation. **Alisa** answered, Yes. **Mayor Flynt** said he has one change. Under Total Water Capital you've got \$30,000. He said we talked about this last time and said we were going to change that to Overhead reallocation/reimbursement. **Derek** said, no this is not a reallocation. **Mayor Flynt** said its not a reimbursement either. **Alisa** spoke up and said in the last meeting you guys agreed to change it to **allocating/reimbursing** and she has already changed it in the Budget message. Alisa read the notes from the last meeting, we are allocating/reimbursing \$130,806.96 from the Water Enterprise to the General Fund and you guys did agree to that in the last meeting. Jimmy Landreth asked if this revised term was voted on. Everyone said yes, but in looking back at the June 15<sup>th</sup> minutes the new term was not voted on. However, Mayor Flynt was the first to agree to go with **allocating/reimbursing**, as Tom suggested. There appeared to be a consensus amount the five to go with this term. Derek did end the conversation with *Derek said for the record reimbursement is his preference. Mayor Flynt said for the record allocation/Reimbursement is his preference. Alisa noted the correction to allocating/reimbursing.* There was more argument about what was said in the June 15<sup>th</sup> meeting. Derek and the Mayor finally agreed on the term allocating reimbursing and leaving the slash between the words out. **Mayor Flynt** said his other question is the only notation we have on the allocating reimbursing of the \$130,806.96, if somebody looks at the Water Enterprise account by itself, they are going to say, what is that? So, the Mayor would like to see when we go back to the General Fund account, he would like to see a column on the spread sheet showing how much is being allocated reimbursed from the Water Account. The Mayor thinks that will show full transparency. **Jim Rigsbee** asked is that not already shown under General Fund Expenses? **Mayor Flynt** said no, not in Water Enterprise. **Jim Rigsbee** said that is what he is looking at and it appears to be listed. **Alisa** said maybe Kim can explain. **Kim Thacker** said it is not a problem she can fix it.

**Mayor Flynt motioned to Approve the Fiscal Year 2020-2021 Town of Stokesdale Budget with a change in the Budget Message to remove the slash between the words allocating reimbursing. And to add a column to each of the Budgets that will reflect the amounts that will be allocated reimbursed between them. Jim Rigsbee seconded the motion.**

**VOTE:**

<b>Mayor Flynt</b>	<b>YES</b>	<b>Derek Foy</b>	<b>YES</b>
<b>Thearon Hooks</b>	<b>YES</b>	<b>Jimmy Landreth</b>	<b>YES</b>
<b>Jim Rigsbee</b>	<b>YES</b>		

**GENERAL FUND BUDGET:** Alisa said again there were not changes to the Budget from the June 15<sup>th</sup> meeting.

**Derek Foy made a motion to approve the General Fund Budget for the Fiscal Year 2020-2021 as proposed. Thearon Hooks seconded the motion for discussion. Thearon Hooks** said there were a couple of items that we didn't include in this budget that we have included in past budgets. He would like an explanation of why they were not included so he will have a better understanding if a citizen should ask him. **Jim Rigsbee** asked him if he had a list of these items? **Thearon Hooks** said one was the Downtown/Town Hall Projects. And Capital Outlay was earmarked for the Town Park only. Thearon is not comfortable with that since we have put moneys in that before unless we have some kind of instrument to go into a dedicated fund and use it. In the past, we've always been able to put monies ahead and if we didn't use it, we put it back in. If we do use it, we are going to be doing budget amendments. Thearon said he would like to see some of that or why it was taken out. Thearon asked Kim if she could help him with this? **Kim Thacker** said I sure can. First of all because we have had to tighten up on the budget because of all the spending that's been done. The Covid-19 has worried all of us, or let her just say it has worried her. Kim said so therefore, if you want to see money go in for things like this then we are going to have to cut expenses. Kim said you tell me where you want to cut expenses. The money we have coming in is \$384,800. Kim addressed the Mayor, John you had said at the beginning of this budget she had investment earnings at \$40 some thousand, John had reiterated that the investment rates were dropping. **Mayor Flynt** said yes, they went from 2.50% down to .25% so if you get \$20,000 this year you will be lucky. **Mayor Flynt** said so that dropped our income. **Mayor Flynt** added the thing to him is do we want to be a Town or not. If you look at Summerfield and Oak Ridge they dipped into their savings. And for example, we have Capital Park Investment of \$18,249.56, we've already allocated or spent \$8,000 of it with Yates for the drainage issues. So, that leaves \$10,249.56 for the park. Mayor Flynt says he thinks that sends a pretty weak message to the Citizens, its like really don't want to do anything but keep the doors open. If we get the \$55,000 grant, we will have to do a budget amendment to match it. We've talked about things like another shelter, buying a storage building, lawn mowers, doing our own landscaping, talked about purchasing additional land. Kim said John that is for you guys to decide. Kim said if you put the \$55,000 in now and we don't get the grant we will have to do a budget amendment to take it out. If we don't put the money in now and we get the grant we will have to do a budget amendment to put the \$55,000 in. Its tit for tat. Kim said we are sitting here discussing budget amendments and yes Thearon, you are correct the less budget amendments we do the better. This is a prefect example of why she has tightened up this budget. Kim said the \$384,800 is what she feels and they voted on as estimated income so that is what she has based our expenses on. If we keep pulling money from undesignated funds not knowing what is going to happen. One year is not going to hurt to just tighten up. She understands why we had to spend money to get things done that had not been done when she came in there were things that had to be done and should have been. Kim said this is her opinion, but its not her decision. Mayor Flynt said we have never gone in a deficit in 30 years. We have \$2.8ml in General Fund, \$1.5 in Water. Kim said John you are going into savings to balance the 2019-2020 Budget. You are going to have to pull \$80,000 out for the 2019-2020 Budget. Kim said she is looking at this from a logical financial perspective but again it is not her decision. Its on you guys. Jim Rigsbee asked Thearon how much money he is talking about? And what kind of projects are you thinking? Thearon said well there were two Capital type projects. One if we get the grant. Jim asked

Thearon for the park? Thearon said yes for the Park. Jim said will I think we all agree that money will have to be pulled. Thearon then said we had talked about some on-site things like purchasing a golf cart. As we grow, we are going to need things like storage buildings, golf cart to get around the grounds instead of having to jump in your car to get down to the park, the cleaning crew could use it to transport trash, etc. Thearon feels like there is a compromise even in a year. he thinks we could earmark somethings even if its later in the year. Give it six months see how the economy is going if its going back up then we could look at some of things. Jim Rigsbee asked Thearon you are talking about Downtown; you are talking about parks. Thearon said no not downtown I'm talking about the park. Jim Rigsbee said if we get the park grant, he is in agreement with making some improvements he feels we can justify what we do with the park grant money if we get it. Jim said if we get it, we can look at what is inside the park grant he doesn't have a problem with making a move and we look at what is best for the Town. So, can we not look at some Capital Outlay in that because you are going to have to have some maintenance to go along with whatever you build. You are going to have to have some kind of vehicle to help with maintenance. Jim Rigsbee thinks that is a direct correlation as we expand the park, we are going to have to have some tools. Thearon thinks we can come together as a group and come to a compromise. The Mayor asked Derek, He said I'm looking back at the March 5<sup>th</sup> Budget meeting he said Derek agreed in his mock up Budget that Derek was looking at a 60-40% spilt and Derek said he could put \$130,000 in Capital Outlay for the park. In another page Derek said he was able to put 70,000 in the water fund for maintenance, and we actually put \$26,000. And now you gone from \$135,000 to \$18,000. What happened Derek? Derek said he doesn't have that document in front of him. Derek said he likely used a higher income figure. He doesn't remember. Derek said he would love to give more to park. Jim Rigsbee then asked so are you looking at putting more money into the Capital Park Outlay? If so, where would you pull it from? Thearon replied well looking at this budget we are on the nickel, if we had to buy a dime item, we may not have the penny tax on it. So, Thearon said he would be willing to earmark matching money up front because this is a one-time chance for us if we get this grant. Jimmy Landreth spoke in and said I don't want to ruffle any feathers, I'm sure I will but just because we are a Town, we spend plenty of money. Jimmy said we spend a lot of money. Jimmy Landreth said I know we have spent a lot of money and he's not going to say positive of negative on how much has been spent in the last year. Jimmy doesn't see why we can't take a little reset. We have the mowing contract that comes up next year, when we redo that he believes we will get some savings out of that. There may be some other things that we can find savings in that we can direct some money into the park. Jimmy Landreth is opposed to putting in upfront, if we get the grant it will be just as easy to pull the money then. I don't like putting money in the budget, right now we've got \$2500 spending limit that has been abused he believes on several occasions and he knows some people don't feel that way and he doesn't want to argue about it. That is just what he feels. He's not talking about the Water System, or the emergency fund. Jimmy Landreth said he will not vote to take any money out of the General Fund unless we get the grant. Mayor Flynt then asked what if the people reviewing the application for the grant ask for a copy of our Budget to make sure we have the funds to match the grant and they look at the budget and say well you have \$18,000 for park improvements. They may say well these people don't really take this serious. They have enough money in savings reserves but if they didn't put enough in their budget to cover their half why should we give them money, we need to go to a Town that is willing to guarantee they have the money available. Derek said John, the due date for the Park Grant application was April 30, they're not asking the Town for a copy of their proposed budget

for the next year. Mayor Flynt said okay, call to question. Jim Rigsbee asked how much are we talking about to match the grant? Our match is \$55,000. Alisa said there is already \$ 18249.56 in there, Mayor Flynt reminded her that \$8,000 is already spent. Jim Rigsbee said couldn't we put the balance of \$55,000 in there and just earmark it. Thearon said that is all he was asking, if we get the grant, we spend it, if we don't get the grant, we put it back in the budget monies. Jim Rigsbee doesn't see where this is a big deal if we earmark it. Derek thinks it's a bad precedence to continue to pull from undesignated funds. Jim Rigsbee replied to Derek and said if we are going to earmark it and not spend it then it's a moot point. Derek asked if someone wanted to make a friendly amendment, then he said I'm not sure what we are voting on. Alisa told them Derek had motioned to accept the General Fund Budget as written and Thearon had seconded it. Jim Rigsbee said he would make a friendly amendment to add the matching grant money under the stipulation that it is earmarked for the match only, no other operating expenses to the Capital Outlay for the Park line item. Jim Rigsbee asked if we could put a subline under it to show that it is there for that only. Jimmy Landreth asked if we can change the budget tonight? Tom Medlin answered yes, you can. Derek Foy said he is going to rescind his motion in favor of Jim Rigsbee to make his motion. Jim Rigsbee repeated his motion to say Jim Rigsbee makes a motion to earmark \$55,000 matching grant designation in a separate line under Expenses, Capital Outlay Park Investments for the purpose of matching the grant only if the grant is approved. Tom Medlin said that is an allocation you are putting down so where is the money coming from? You need to make a change to your income side to make it balance, correct Kim? Kim Thacker said yes, they either need to reduce expenses somewhere or else they are going to have to add \$55,000 to the revenue. Tom asked and that would be on what line? Where would they put the \$55,000 in revenue if they are going to pull it out of savings? Kim answered under the Undesignated Funds. Tom asked what is that number currently and what would it be changed to? Kim said currently that is zero, and would be changed to \$55,000 if that is what they are going to do. Tom addressed Jim Rigsbee and said so your motion is to make those two changes. Jim Rigsbee answered yessir, I do understand that. Tom then asked Jim Rigsbee and to otherwise approve the Budget with those changes, correct? Jim Rigsbee answered correct, yessir. Tom then asked Alisa if she understands the motion and she answered yes. Then he asked is any of the five councilmen didn't understand the motion? Kim asked Jim Rigsbee, she asked Jim you requested to do a separate line item under Park Investment for Capital Outlay? Is that what we are doing or are we adding it into Park Investment? He would rather put it as a separate line so we know it is there and what it is for and everybody is transparent with that amount. Kim was okay with that. Thearon Hooks seconded the motion. The Mayor asked if there was any further discussion, there was none. Mayor Flynt called to question.

**VOTE:**

<b>Mayor Flynt</b>	<b>YES</b>	<b>Derek Foy</b>	<b>NO</b>
<b>Thearon Hooks</b>	<b>YES</b>	<b>Jimmy Landreth</b>	<b>NO</b>
<b>Jim Rigsbee</b>	<b>YES</b>		

Mayor Flynt motioned to Adjourned the meeting at 7:20 pm Thearon Hooks seconded the motion.

VOTE:

Mayor Flynt	YES	Derek Foy	YES
Thearon Hooks	YES	Jimmy Landreth	NO
Jim Rigsbee	YES		

Approved January 14, 2021

Attest *Alisa Hawk* Town Clerk

*John Flynt* Mayor