

Draft

BOARD OF COMMISSIONERS
REGULAR MEETING June 6, 2005

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

PRESENT: William L. Hammer, Chairman
 W. Darrell Robertson, Vice-Chairman
 Wesley E. Bolick
 W. Norris Keever
 Larry Yoder

STAFF: Rick French, County Manager
 Jamie Starnes, Clerk to the Board

MEDIA: Gary Herman, The Taylorsville Times

The Alexander County Board of Commissioners held a regular meeting on Monday, June 6, 2005 in the Catawba Valley Community College / Alexander Center Multipurpose Room, Taylorsville, North Carolina.

CALL TO ORDER

Chairman Keever called the meeting to order at 6:00 PM.

INVOCATION & PLEDGE OF ALLEGIANCE

Rev. Paul Schronce, Mt. Herman Baptist Church, gave the invocation and his son, Justin Schronce, led the Pledge of Allegiance to the Flag.

COMMISSIONER'S REPORT

Commissioner Bolick presented a Key to the County to Youth Works, a multi-denominational and non-profit ministry organization, on behalf of the Board of Commissioners.

Mayme McCorison stated that Youth Works was based out of Minneapolis, Minnesota with a secondary office in Birmingham, Alabama. She explained that Youth Works arranged mission trips for junior high and high school students during the summer months to 82 sites in the U.S., Canada, and Mexico as well as 2 sites in Puerto Rico. The students paint houses and do yard work for the unemployed and elderly as well as partner with existing ministries such as Habitat for Humanity and the Salvation Army. Ms. McCorison also mentioned that the students

prepared a program called the Kid's Club that would be held at Jaycee Park this summer in Alexander County. She noted that a group from Canton, Ohio had arrived this week in Alexander County.

Nichol Ellis, Youth Works Site Supervisor, requested the public to contact her or St. Luke's Lutheran Church with any work opportunities for the students.

Johnny Echerd, St. Luke's Lutheran Church, stated that St. Luke's was proud to support and sponsor the Youth Works organization and he thanked the Board for recognizing them.

Commissioner Bolick also stated that the Board of Education had provided the students on the mission trip access to one of the schools to take showers. Commissioner Bolick thanked the Board of Education members present at the meeting for their assistance.

Commissioner Kever stated that he and Rick French, County Manager, attended a NCACC Taxation and Finance Committee Meeting on Thursday, June 2, 2005. He pointed out that there were 8 bills that had been introduced in the General Assembly that would negatively impact property taxes and he urged the public to contact Representative Mark Hollo and Senator John Garwood to state their opposition to these bills. Commissioner Kever stated that one bill, however, proposed a change to the motor vehicle tax collections that would benefit the revenue in the county. He explained that the bill proposed that citizens would pay their vehicle taxes when their license plate was renewed.

ADOPTION OF AGENDA

Commissioner Kever made a motion to adopt the agenda as presented. Commissioner Robertson seconded the motion. The Board voted unanimously in favor of the motion.

PUBLIC HEARING: 2005-2006 ALEXANDER COUNTY PROPOSED BUDGET

Rick French, County Manager, presented several items of interest for the 2005-2006 budget, which included the following:

- The General Fund proposed budget for 2005-2006 is \$26,921,255. This is a 6.3% increase from current year's budget which totals \$25,283,015.
- A proposed 4.5 cent tax increase is included in the budget. The new tax rate would be .51 cents up from the current 46.5 cent tax rate.
- The average tax rate in our region is 56 cents. Surry County's tax rate is 64 cents on the high side and Iredell County's tax rate is 43.5 cents on the low side.
- One cent on the Alexander County tax rate equals \$200,180 in revenue. In Surry County, a penny would generate \$413,092 and \$1,304,535 in Iredell County. Other counties are

Caldwell at \$428,604, Catawba at \$1,263,595, Burke at \$489,196, and Wilkes at \$440,976.

- Growth in tax revenue in Alexander County is less than 1.5% for the second year in a row which equals only \$190,000 in new revenue. The average growth is 4% to 5%.
- The following is a listing of departmental highlights:
 - \$ 400,000 – Increased costs for Alexander County Schools
 - \$ 200,000 – Medicaid costs (mandated)
 - \$ 320,500 – New dental program (grant)
 - \$ 187,800 – Increased costs for DSS (mandated)
 - \$ 299,000 – Local share of Health Department budget
 - \$ 134,000 – New debt for DSS addition
 - \$ 107,500 – Cost of living increase for county employees effective January 2006
 - \$ 99,400 – Increased costs for Transportation
 - \$ 91,000 – Elections capital outlay (mandated)
 - \$ 89,000 – New ambulance
 - \$ 75,000 – 3 new Sheriff's Department vehicles
 - \$ 66,000 – Increased costs for Jail operations
 - \$ 43,400 – Increase in automotive supplies

\$2,112,600 – Total

- A 5% water rate increase is also proposed for water system improvements. County water rates would increase from \$2.66 to \$2.79 per 1000 gallons. The minimum of \$15.20 would remain the same.
- The fee for 911 Communications is proposed to increase from 80 cents to \$1.00 to provide funding for the Communications Project approved earlier in the year. The total cost for this project is estimated at \$560,658.
- There are no increases proposed for landfill fees or fire taxes at this time. The bag limit at convenience sites will be discussed at the next Commissioners' Meeting.
- The costs for air quality assistance through the Western Piedmont Council of Governments (WPCOG) totals \$4,759 and the WPCOG transportation costs are approximately \$6,600.
- County debt totals \$18.8 million. Approximately \$13 million of that debt is for the school system, \$3.6 million is for water projects, and the remaining is set aside for General Fund projects.
- The Fund Balance for the current budget year is 10.8%. Fund Balance totals in other counties include Davie at 29.4%, Catawba at 13.4%, Iredell at 15.3%, Caldwell at 11.8%,

Burke at 14.4%, Surry at 24.2%, and Wilkes at 15.3%. The average for all N.C. counties is 19.5% and the average for counties our size is 26%.

Mr. French stated that the Finance Committee met with the Register of Deeds, the Soil & Water Conservation Board, and the Sheriff to discuss some concerns with their departmental budgets. He noted that since those meetings, a few changes had been made to the budget. He explained that a supervisor position had been removed from the 911 Communications budget and funding from that position was placed into the Sheriff's Department budget for much-needed patrol positions. Mr. French also informed the Board that he had received an email from the Hiddenite Center regarding their funding reduction and he noted that he had also spoken to the Chamber of Commerce Executive Director regarding their funding request.

Presentation by Tax Administrator

Luther Stocks, Tax Administrator, gave a breakdown of property values and land use information, which included the following:

Property Values

- \$1,060,694,377 for residential (64%)
- \$110,685,801 for commercial (7%)
- \$58,914,754 for industrial (4%)
- \$418,459,491 for all other including farms and property above 10 acres not classified as residential, commercial, or industrial (25%)
- Total of \$1,648,754,424

Alexander Land Use Value Info

- 22,932 parcels in land in Alexander County
- 1,853 parcels under state mandated land use
- 8% total parcels under land use
- Assessed value (without land use) - \$211,014,900
- Land use value assessment - \$85,391,400
- Deferred tax value - \$124,623,500

Land Use Value Assessment

- Use Value Assessment is governed by General Statute 105-277.2
- This statute allows property owners with property listed under certain classifications to receive a reduced value assessment on their property.
- Tax appraiser or assessor does the assessment.

Classifications for Use Value Assessment

- Agricultural
- Horticultural
- Forestland

Ownership Requirements

- Natural Person Ownership Requirements
- Owner's Place of Residence
- Entity Ownership Requirements
- Exception to Ownership Requirements

Commissioner Keever asked how much revenue was lost from property tax revenues due to the land use program. Mr. Stocks stated that the land use was determined in 4-year intervals and he explained that the following revenue had been lost from property that had remained under the land use value assessment for the entire 4-year period: \$323,000 for 2001, \$568,000 for 2002, \$565,000 for 2003, and \$571,000 for 2004.

At this time, Mr. French presented a Power Point Slide Show Presentation for the 2005-2006 budget, which included the following information:

General Fund Revenues 2005-2006

- Property taxes – 38%
- Sales taxes – 25%
- Sales and services – 11%
- State grants – 9%
- Federal grants – 8%
- From other funds – 6%
- Fees and permits – 2%
- Other revenues – 1%

General Fund Expenditures 2005-2005

- Human Services– 37%
- Education – 18%
- Public Safety – 15%
- General government – 11%
- Debt service – 7%
- Transfers – 7%
- Other expenditures – 3%
- Cultural and Recreational – 2%

Revenue from 1 Cent Property Tax Increase

- Iredell - \$1,304,535
- Catawba - \$1,263,596
- Burke - \$489,197
- Lincoln - \$475,147
- Wilkes - \$440,976
- Caldwell - \$428,605
- Surry - \$413,092
- Davie - \$294,985
- McDowell - \$253,589
- Alexander - \$200,181

Revenue from Property Tax vs. Sales Tax

- \$200,181 from one cent property tax increase
- \$2,038,800 from one cent sales tax increase

Chairman Hammer called the public hearing to order and requested any public comment.

Public Comment

Bill Chapman, Alexander Soil & Water Conservation Board Chairman, discussed the state's decision to not fund their portion of the Soil & Water Conservation Technician position which was currently split 50/50 between the County and the state. He stated that surrounding counties had budgeted to pick up the state's funding and he urged the Board of Commissioners to do the same. Mr. Chapman gave several reasons why retaining this position was important including the substantial amount of funding brought into the county through the Cost Share Program, CRP contracts, and several grants, which were administered through the Soil & Water Office. He also emphasized that there was \$88,238,000 worth of agriculture production in the county in 2003 and he noted that the Soil & Water staff aided farmers throughout the county to increase this production. Mr. Chapman explained that the Soil & Water Office implemented the Voluntary Farmland Preservation Program and sponsored the Environmental Field Day, the annual Poster/Essay/Speech Contest at local schools, and the Envirothon. He mentioned that the staff was committed to conserving natural resources and he urged the Board to reconsider funding for this position.

Dale Clary, Board of Education Member, briefly spoke on the good working relationship between the Board of Education and the Board of Commissioners. He also discussed the increases in utilities, the need for teachers and classrooms, and the overall ongoing need for school system funding. Mr. Clary stated that the Board of Education would strive to spend the Board of Commissioner's appropriation for 2005-2006 wisely.

Josh Lail, Board of Education Member, also discussed the increasing needs in the school system. He stated that there were currently 45 teacher and teacher assistant, clerical, and maintenance positions that were locally funded. He also stated that employee health insurance had increased 24% in 2001-2002 and would increase another 15% during the next year. Mr. Lail mentioned that retirement costs had increased as well as state salaries for non-certified staff. He conveyed his appreciation to the Board of Commissioners for the help in the past and he asked them to think of the students when making a final decision on the 2005-2006 budget.

Jack Hoke, Superintendent, was proud to report that 89.2% of students were at or above grade level and he felt that adequate funding contributed to the success of students and teachers. He stated that the teacher supplements had been increased from 1% to 6% which had helped to retain more teachers. He also informed the Board that the state used to pay utility costs several years ago but had since placed that responsibility solely with school systems contributing to the need for increased funding. Mr. Hoke mentioned that

the bulk of the auditorium and field house projects had been paid by half-cent sales tax monies set aside for capital projects only and was not the cause for the proposed 4.5 cent property tax increase.

Hayden Bentley, Sheriff, discussed some concerns with his budgets including compensation for the transport of inmates and bailiffs for court cases. He also felt that the 911 supervisor position that had been removed would need to be revisited when the communications upgrade began. He felt it would be crucial to have someone in that position. Mr. Bentley stated that he had met with the Finance Committee regarding these issues, which would be resolved. Commissioner Robertson agreed and noted that the budget ordinance would either be adjusted or budget amendments would be approved for these changes.

Karen Hoyle, DSS Director, presented information for the Child Protective Services, Food Stamp Program, and Medicaid which showed the increases from 2001 to 2005. She also explained the total expenses and share of costs for Administration, Medicaid, Blind Services, WFFA, Special Assistance for Aged, Food Stamps, Adoption Assistance, Foster Care, Energy & Crisis, and Day Care Assistance.

Board and Staff Comment

Mr. French thanked all department heads for their cooperation during the budget process. He also thanked the commissioners, the Finance Committee, and Finance Director Jennifer Herman.

Commissioner Yoder stated that he didn't like property taxes and felt that sales tax should be increased to generate more revenue. He also stated that he was pleased that the Sheriff's budget had included additional officers. He asked that county employees use county equipment as if it was their own he thanked the employees for their cooperation during the budget process. He also thanked Mr. French and Ms. Herman.

Commissioner Bolick stated that his biggest concern this year was safety of the citizens and he felt that had been addressed with the Sheriff's budget. He conveyed his appreciation to county staff involved in the budget as well as the Finance Committee.

Commissioner Robertson also stated that he was not happy about a property tax increase and would have preferred to increase sales tax; however, he noted that the Board had no other options. He thanked County staff, Mr. French, Ms. Herman, and the Finance Department staff for a great job with putting the budget together.

Commissioner Keever stated that there had been 163 amendments made to property taxes by the General Assembly in the last 34 years, 20 of which had occurred during the last 3 years. He stated that property tax rates across the state could be much lower if not for these amendments made by the General Assembly. Commissioner Keever stated that Mr. French and Ms. Herman had done most of the work on the budget and for that he was appreciative.

Commissioner Hammer mentioned that the state was taking money from the schools and putting more costs on the counties which had caused the tax increase. He thanked Mr. French, Ms. Herman, and their staff.

There being no further public comment, Commissioner Bolick made a motion to close the public hearing. Commissioner Keever seconded the motion. The Board voted unanimously in favor of the motion.

SCHEDULING OF AN ADDITIONAL COMMISSIONERS' MEETING FOR JUNE 13, 2005

Chairman Hammer requested the Board hold an additional Commissioners' Meeting on Monday, June 13, 2005 at 6:00 PM in the CVCC / Alexander Center.

Commissioner Robertson made a motion to schedule an additional Commissioners' Meeting on Monday, June 13, 2005 at 6:00 PM in the CVCC / Alexander Center. Commissioner Keever seconded the motion. The Board voted unanimously in favor of the motion.

BOARD APPOINTMENTS & REAPPOINTMENTS:

Commissioner Keever requested the Board reappoint Gladys Hill to the DSS Board for a 3 year term. He stated that Ms. Hill was eligible to serve one more term and had agreed to do so.

Commissioner Keever made a motion to approve the reappointment of Gladys Hill to the DSS Board. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

BUDGET ORDINANCE AMENDMENTS #39 - #43

Rick French, County Manager, discussed the purpose of Budget Amendments #39 - #43, which included the following information:

Budget Amendment #39 – To transfer activity for the financial and personnel software project from the General Fund to a capital project fund since the project is financed with loan proceeds and will take place during two fiscal years.

Budget Amendment #40 – To budget for sponsorship in the Chamber of Commerce golf tournament. To budget for the purchase of a used pickup truck for Animal Control. To increase a transfer from the General Fund to the Capital Improvements Fund for technology needs. To budget for a transfer from the DSS Project to the General Fund to help pay the debt service on the DSS building in 2004-2005.

Budget Amendment #41 – To increase a transfer from the General Fund to the Capital Improvements Fund for technology needs. To budget for a transfer from the DSS Project to the General Fund to help pay the debt service on the DSS building in 2004-2005.

Budget Amendment #42 – To increase the budget for costs associated with waterline construction.

Budget Amendment #43 – To budget for the 911 Communications equipment project in a capital project fund since the project is financed with loan proceeds and grant funds.

Commissioner Bolick made a motion to approve Budget Amendments #39 - #43. Commissioner Keever seconded the motion. The Board voted unanimously in favor of the motion.

OTHER BUSINESS

Rick French, County Manager, discussed the following items during Other Business:

- A. The NCACC has asked each county commissioner across the state to call the offices of at least 5 House members after 6:00 PM on Tuesday, June 7, 2005 and leave a message on their voice mail regarding the need for Medicaid relief. Mr. French stated the goal was for every House member to have several messages left in their voice mail boxes the following morning.
- B. Mr. French asked the Board to consider holding a "Clean Alexander Day" on Saturday, June 25, 2005 to encourage clean up of the county. He stated that citizens would be allowed to take their trash to the convenience sites and to the landfill at no charge. The Board agreed.
- C. The locations of the air quality flags include the Alexander County Senior Center, Shurtape / Shuford Mills, and Bethlehem Elementary School. Mr. French stated that the county was at a yellow level today.
- D. The Taylorsville Fire Department has requested the County waive the cost of the EMS bill acquired during the recent pumper accident since the driver of the pumper is a local volunteer and responds to assist EMS regularly as a First Responder. Mr. French stated it was customary for the Board to waive these bills.

Commissioner Yoder made a motion to waive the EMS bill as requested. Commissioner Keever seconded the motion. The Board voted unanimously in favor of the motion.

- E. Mr. French also pointed out a couple of items attached in his Manager's Report including a memo regarding the Alexander County Mental Health Facility which is vacant. Mr. French stated that several County offices could be placed in this building. Another memo addressed a recent complaint made by Karen Howell to the

Environmental Health Department regarding noxious weeds and rodents at the vacant home located at 94 West Jay Drive.

CONSENT AGENDA

- A. Minutes from the May 23, 2005 Regular Commissioners' Meeting.
- B. Tax Release Requests for May \$674.32 and Tax Refund Requests for May \$3,920.05.

Commissioner Keever made a motion to approve the Consent Agenda. Commissioner Robertson seconded the motion. The Board voted unanimously in favor of the motion.

CLOSED SESSION – N.C.G.S. 143-318.11(a)(1, 5, & 6) TO PREVENT DISCLOSURE OF CONFIDENTIAL INFORMATION, CONTRACTUAL, & PERSONNEL

Commissioner Keever made a motion to enter into Closed Session at 7:55 PM to prevent the disclosure of confidential information and to discuss contractual matters and personnel issues pursuant to N.C.G.S. 143-318.11(a)(1, 5, & 6). Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

ADJOURNMENT

There being no further business, Commissioner Robertson made a motion to adjourn at 8:50 PM. Commissioner Yoder seconded the motion. The Board voted unanimously in favor of the motion.

William L. Hammer, Chairman

Jamie M. Starnes, Clerk to the Board