

Draft

**BOARD OF COMMISSIONERS  
WORK SESSION** May 27, 2008

**ALEXANDER COUNTY  
STATE OF NORTH CAROLINA**

**PRESENT:** Larry G. Yoder, Chairman  
William L. Hammer, Vice-Chairman  
Wes Bolick  
Harold M. Odom  
W. Darrell Robertson

**STAFF:** Rick French, County Manager  
Jennifer Herman, Finance Director  
Jamie Starnes, Clerk to the Board

The Alexander County Board of Commissioners held a work session on Tuesday, May 27, 2008 in the County Administration Building Conference Room, Taylorsville, North Carolina.

**CALL TO ORDER**

Chairman Yoder called the work session to order at 6:00 PM.

**2008-2009 BUDGET HIGHLIGHTS**

Rick French, County Manager, reviewed the proposed 2008-2009 budget, which included the following information:

- The proposed 2008-2009 Alexander County budget totals \$31,984,502 or 2% less than the current year.
- No property tax increase is recommended. Growth is very flat at only 1.5%.
- The ¼ cent sales tax approved by referendum on January 8, 2008 began producing revenues in April at an estimated \$500,000 each year.
- Health insurance for employees is increasing by 15%.
- 6 full-time positions have been requested, but only 3 are recommended to include a Risk Management Specialist, a clerical position for the Sheriff's Department, and an Information Technology position.
- A 2 ½ COLA is included in the budget effective August 2008.
- Several current employees will be transferred into other departments – the 911 Addressing Coordinator into Information Technology, a maintenance position to the Garage, and several grounds maintenance employees into Recreation.

- The vacant Animal Control Director position will not be filled and the Solid Waste Enforcement Officer position and budget will be phased out and duties will be transferred to Josh Mitchell, Solid Waste Director.
- The budget includes funds for the remaining \$250,000 plus interest for the purchase of 25 acres in the Alexander Industrial Park for economic development purposes.
- \$220,000 is budgeted for fuel costs. Fuel costs should be less for 2008-2009 since the Transportation Department, one of the 4 largest fuel consumers, is no longer included in the budget.
- \$977,000 is included for Medicaid expenses. This number has decreased from \$1.8 million in 2006-2007 and \$1.3 million in 2007-2008.
- \$5 million is budgeted for the school system.
- Funding of \$2,400 for the Hickory Airport found in Special Appropriations will be transferred to Contingency.
- The Rescue Squad will receive \$71,703. This increase is due to funding for a full-time position that will benefit EMS.
- Landfill tipping fees will increase to \$60 per ton effective August 1, 2008 due to increases from the state and the need to purchase 65 of property adjacent to the landfill for a buffer area.
- Water rates will increase to a base rate of \$18 and a volume rate of \$3.15 per thousand gallons. This is in response to a 4.1% increase from the City of Hickory.

Commissioner Robertson requested that Mr. French compare the tipping fee increase to fees charged by neighboring counties.

## **BUDGET PROGRESSION RELATED TO JAIL PROJECT**

Mr. French reviewed revenue and expenditure projections associated with the jail project in each of the following budget years:

### **2008-2009**

*Revenues* – ¼ cent sales tax to generate \$500,000

*Expenditures* – architect's fee projected at \$500,000

### **2009-2010**

*Revenues* – ¼ cent sales tax to generate \$500,000; however, County will lose \$240,000 from Article 42 sales tax, 60% of which goes to the school system

*Expenditures* – architect's fees undetermined, new debt for jail at \$1 million each year for 15 years, new debt for NE water project at \$250,000 each year

### **2010-2011**

*Revenues* – ¼ cent sales tax to generate \$500,000

*Expenditures* – architect's fees undetermined, jail debt at \$1 million, water debt at \$250,000

**2011-2012**

*Revenues* – ¼ cent sales tax to generate \$500,000 and \$475,000 from Federal Marshall's Program to house federal inmates

*Expenditures* – jail debt at \$1 million, jail operation costs estimated at \$1.3 million per year, water debt at \$250,000

The Board discussed the cost to construct the jail. Mr. French noted that the County could not borrow more than \$10 million in one calendar year without the penalty of a higher interest rate. Commissioner Robertson asked Jennifer Herman, Finance Director, to research the possibility of a bank advancing funding to the County for the jail project similar to a home construction loan.

Mr. French also noted that he would be talking with Representative Ray Warren about an additional sales tax for capital costs to help with revenues.

At this time, Commissioner Bolick exited the meeting. The time was 6:40 PM.

**DEPARTMENTAL BUDGET DISCUSSIONS**

Mr. French reviewed each departmental budget recommendation for 2008-2009, comparing them with the current budget year.

Departments with budgets less than 2007-2008

Governing Body  
Planning (no funds needed for Comprehensive Plan)  
Elections  
Finance  
Register of Deeds  
Economic Development  
Public Buildings (less employees that will shift to Recreation and Garage)  
Sheriff's Department (still includes 4 vehicles, new clerical position, and training)  
Jail  
Resource Center  
Fire/Emergency Services  
Inspections  
EMS  
Animal Control (no Director budgeted)  
Cooperative Extension  
Veteran Services  
Bethlehem Library (no monthly rent)  
Senior Center  
Schools (less debt owed on auditorium)

Departments with budgets more than 2007-2008

Tax Office (more funds for contracted services)

Information Technology (addition of 911 Addressing Coordinator and new position)  
Garage (additional employee transferred from Public Buildings)  
Court Facilities (for metal detectors and funding to take over phone system)  
911 Communications  
Forestry  
Health Department  
Human Resources (County Interpreter had to be classified as employee, addition of  
Risk Management Specialist, retiree insurance increased)  
Soil & Water  
Medical Examiner  
DSS  
Recreation (additional mowing employees from Public Buildings and contracted services  
to part-time employees)  
Library  
CVCC (for portion of Recruitment Specialist salary)

Mr. French stated that there would not be a budget for the Transportation Department in 2008-2009 due to the creation of the Western Piedmont Regional Transit Authority but that the County would contribute \$9,000 in 2008-2009 for WPRTA. He also informed the Board that the Tax Office, Public Buildings, and DSS had requested additional positions which were not being recommended and noted that plans were to offer the Risk Management Specialist position to the last hired inspector since the work load for inspectors had greatly decreased.

Mr. French reviewed funding found in the Special Appropriations budget for the Rescue Squad, Red Cross, Chamber of Commerce, and Carolina Land & Lakes. He stated that \$37,000 would be provided to Smoky Mountain LME for mental health services.

Ms. Herman explained that the County would be leaving the NCACC Worker's Compensation pool and joining with a private company to save \$24,000 on the annual premium and \$40,000 on the deductible. She also noted that the County had left the NCACC Property and Liability Pool last year. Ms. Herman informed the Board that the property and liability insurance premium would increase slightly this year due to the addition of property.

## **HOSPITAL**

Mr. French informed the Board that he had met with Clint Canady and representatives from Med Capital Advisors LLC who were interested in demolishing the current hospital building and constructed some type of urgent care / emergency room facility as well as a small surgical clinic in Bethlehem.

## **BOARD / STAFF COMMENTS**

Chairman Yoder inquired about the Emergency Assistance line item found in the Fire/Emergency Services budget. Ms. Herman explained that those funds were used to aid

citizens in need after the 2005 tornado until FEMA responded and noted that those funds had not been used since. Chairman Yoder discussed moving that money into contingency.

Chairman Yoder also expressed concerns with appropriating \$25,000 toward the Chamber of Commerce and \$4,000 to Carolina Land & Lakes. Mr. French suggested placing the \$4,000 in Contingency for the time being and asking representatives from Carolina Land & Lakes to attend a meeting to discuss their request. The Board agreed. The Board also felt they needed to be more involved in the on goings at the Chamber. Commissioner Robertson requested a copy of the Chamber's budget.

Mr. French discussed some concerns and suggestions mentioned by Chairman Yoder after the last Finance Committee Meeting including not providing a COLA to County employees in the 2008-2009 budget and using that revenue toward the jail project as well as eliminating all new positions. Chairman Yoder requested the Board's views.

Commissioner Robertson stated that Alexander County was already behind in employee pay and would be even further behind if no COLA was provided. He also expressed concerns with increasing fuel and grocery prices.

Commissioner Odom stated that a COLA would be much harder to provide in future budgets than in the 2008-2009 budget due to the jail project. He also noted that providing no COLA could result in unhappy employees which could affect work production.

## **POLICY UPDATES**

Mr. French distributed a Motor Vehicle & Mobile Equipment Policy that outlined how vehicle accidents are to be handled as well as vehicle checklists to be completed for every County vehicle. He also stated that the policy regulated mobile phone use in vehicles. Mr. French stated that this policy would be considered by the Board in June.

As part of the County Wellness Program that began last fall, staff will be asked to take part in an on-site health screening. Mr. French explained that employees that did not wish to participate in the Wellness Program in some way would possibly be required to pay a portion of their health insurance beginning in the 2009-2010 budget year.

Mr. French also stated that random drug testing would begin for all safety sensitive positions beginning July 1, 2008. However, he noted that any employee involved in accidents would still be drug tested as before.

## **CLOSING COMMENTS**

Mr. French stated that the budget public hearing would be held on Monday, June 2, 2008 and that the budget was scheduled for adoption on June 16, 2008. End of year budget amendments will be approved at an additional meeting on June 23, 2008.

Commissioner Robertson thanked Mr. French and Ms. Herman for their work in preparing the 2008-2008 budget.

**ADJOURNMENT**

There being no further discussion, the work session was adjourn at 8:15 PM.

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Larry G. Yoder, Chairman

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Jamie M. Starnes, Clerk to the Board