

Draft

**BOARD OF COMMISSIONERS**  
**REGULAR MEETING**     June 15, 2009

**ALEXANDER COUNTY**  
**STATE OF NORTH CAROLINA**

**PRESENT:**    W. Darrell Robertson, Chairman  
                  Wes Bolick, Vice-Chairman  
                  Larry Yoder

**ABSENT:**     Ryan Mayberry  
                  Harold M. Odom

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

**MEDIA:**      Rick Gilbert, Apple City Broadcasting  
                  Micah Henry, The Taylorsville Times

The Alexander County Board of Commissioners held a regular meeting on Monday, June 15, 2009 in the Catawba Valley Community College / Alexander Center Multipurpose Room, Taylorsville, North Carolina. A quorum was present.

**CALL TO ORDER**

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

**INVOCATION & PLEDGE OF ALLEGIANCE**

Margo Mosley, Family & Consumer Sciences Agent / Cooperative Extension, gave the invocation and also led the Pledge of Allegiance to the Flag.

Ms. Mosley stated that she worked with children and adults on health, nutrition, and wellness issues such as food safety, gardening, and preserving. She informed the Board that she was holding classes this summer to teach children how to cook and would schedule a similar class in the fall for adults, which would also focus on saving money and eating healthy. She also noted that citizens could contact her for information related to mold and mildew problems, housing, saving money, and basic budgeting.

The Board thanked Ms. Mosley for the services she provided to the citizens.

### **\*\*\*SPECIAL RECOGNITION\*\*\***

The Board recognized the ACHS Softball Team, coached by Monte Sherrill, who recently won the state championship in Raleigh. Commissioner Yoder congratulated the team and conveyed his appreciation for the way the team represented themselves and ACHS.

Coach Sherrill introduced the team members present who included Megan Laxton, Kayla Brown, Delaney Fox, Kirsten Morris, Lauren Elder, Stephanie Krider, Brittany Loudermilt, Sam Caudle, Jessica Childers, and Jordyn Setzer. Also introduced was Kylie Hamby, Assistant Coach. Coach Sherrill stated that he was extremely proud of the players and their self-sacrifice for the team and he discussed how disciplined and respectful the girls were.

Commissioner Yoder gave each player and coaches a County pin.

### **COMMISSIONER'S REPORT**

Chairman Robertson stated that Commissioner Odom was at home recuperating from surgery and that Commissioner Mayberry was out of town with his family.

### **ADOPTION OF AGENDA**

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

### **PUBLIC HEARING: 2009-2010 ALEXANDER COUNTY PROPOSED BUDGET**

Rick French, County Manager, provided the following information for the 2009-2010 Alexander County proposed budget:

The 2009-2010 proposed budget for the Alexander County General Fund is \$29,735,942 or 8.7% less than the 2008-2009 budget which totaled \$32,579,099. This is a decrease of \$2,843,157.

There is a 7-cent tax rate increase proposed. The property tax would increase from 53.5 cents to 60.5 cents. The state average property tax rate is 62.71 cents in North Carolina.

Sales tax numbers for Alexander County continue to worsen with each report from the North Carolina Department of Revenue. The direct impact of the recession coupled with the change of sales tax formula by the state of North Carolina cost Alexander County over \$1,000,000 for 2008-2009, excluding the new Article 46 one-quarter cent sales tax. Sales tax revenue is projected to fall another \$1.7 million for the 2009-2010 budget year. The change in sales tax was approved by the North Carolina General Assembly as part of the Medicaid Swap. The change was from per capita to point of sale.

In conjunction with the Medicaid Swap, counties were penalized to hold both schools and towns harmless from the loss of sales tax dollars. Alexander County has budgeted \$482,300 in school hold harmless. These funds may only be used for capital or debt service. Also, Alexander County budgeted \$100,350 in Town hold harmless. Together, this represents over two cents of the tax increase.

Alexander County is also being required by the North Carolina Department of Environment and Natural Resources to purchase additional property at the County landfill. The cost of the property in question will result in budgeting nearly \$185,000 each year for three years. This represents three quarters of one cent on our tax rate.

Alexander County has budgeted \$308,677 in order to contract with Caldwell County for additional jail space over the next year. This represents over one cent of the tax increase.

Alexander County will budget \$250,000 to be added to fund balance for better financial stability. The \$250,000 will be set aside each year. The fund balance for Alexander County is currently 9.2% and needs to be more in the 15% - 18% range. The North Carolina Local Government Commission mandates an 8% minimum fund balance, but strongly recommends counties keep fund balances much higher.

There are no new employees proposed in the County budget. County employees will be taking 5 unpaid furlough days throughout the year, which should save \$143,000. Furlough days will be scheduled around holidays for the most part. Two County positions were eliminated in the budget. Positions were eliminated at the animal shelter and senior center. There are no merit funds, cost-of-living, or holiday bonus budgeted. All employees hired on or after July 1, 2009 will not be subject to longevity or retiree insurance programs. All positions that become vacant on or after July 1, 2009 will have to be approved by the County Manager before advertised. Some positions will not be filled after they become vacant. All employee travel is reduced by 25% across the board and must be preapproved.

Unlike other years, all County budgets will be frozen on July 1, 2009. All purchases will have to be preapproved in writing by the County Manager prior to purchase. Every County dollar that can be saved will be saved.

There are no funds in the County budget for a new jail. Several projects are currently underway and should be completed during the 2009-2010 fiscal year. The Northeast Water Project will be completed as will Hopewell Church Road. The Vashti Road Water Project which is funded 100% with grant funds should be completed during the year.

Alexander County has applied for ARRA (stimulus) funds for a number of projects and equipment. Several requests have been made in the law enforcement area. ARRA funding will be sought to construct a new fire department in Bethlehem. Alexander County has applied for 3 water projects which are currently being considered for ARRA funding. Water projects in the communities of Wittenburg, Ellendale, and Bethlehem have also been applied for. Alexander County is also reviewing energy projects which

would qualify for ARRA funds. Alexander County has hired a consultant to assist in this process.

Alexander County Schools funding has been dramatically cut by the state of North Carolina. County funds will not be reduced one penny. In fact, the funding for school resource officers, which has been shared 50/50 between the schools and County, will be picked up 100% by the County due to school budget shortfalls.

Water rates will be increased by 8%. The City of Hickory is increasing water rates to Alexander County by 4%. The 4% is needed to assist for more water projects. The County currently has nearly 4,600 water customers. Sewer rates will be increased \$5 monthly for capital reserve. Several other operating fees will be increased to cover increased costs, such as Senior Center rental. The Alexander County Building Services Committee recommended a number of fees related to inspections be increased. There are no increases in landfill fees proposed.

The 2009-2010 budget is a forecast of the revenues we expect to receive and the expenditures we expect to make. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Jennifer Herman, Finance Director, presented a slide show containing information related to the budget, which included:

- County comparison for Davie, Scotland, Yadkin, and Alexander Counties for 2007-2008 general fund expenditures, June 30, 2008 fund balance available, 2007-2008 property tax rate, and revenue generated by one cent on the property tax rate at 100% collection.
- Property tax rate from 1990 to 2010 (proposed). The tax rate was at its highest in 2001 at 65 cents.
- Property valuation from 2004 (\$1,995,114,274) to 2010 (\$2,556,950,548 estimated).
- General fund expenditures versus property tax revenue from 2002 (\$22,453,094 vs. \$9,048,059) to 2010 (\$29,735,942 vs. \$15,213,500 estimated).
- Changes in property valuation, public safety expense, and human services expense from 2004 to 2010 (proposed).
- Allocation of sales tax revenue from 2004 (\$4,353,466 county portion / \$1,372,823 school portion) to 2010 (\$3,397,200 county portion / \$1,249,800 school portion / \$482,300 school hold harmless / \$98,700 town hold harmless estimated).
- Register of Deeds and Building Inspections revenue decrease from 2004 (\$291,062 ROD / \$187,900 BI) to 2010 (\$205,000 ROD / \$120,550 BI estimated).

- Interest income on investments from 2004 (\$31,979) to 2010 (\$72,000).
- General fund expenditures for 2009 (projected) and 2010 (recommended):
  - Human Services - \$10,139,850 for 2009 and \$9,222,183 for 2010
  - Education - \$5,206,350 for 2009 and \$5,206,450 for 2010
  - Public Safety - \$5,836,283 for 2009 and \$5,988,987 for 2010
  - General Government - \$4,876,132 for 2009 and \$4,205,045 for 2010
  - Debt Service - \$2,117,000 for 2009 and \$1,823,000 for 2010
  - Environmental & Economic Development - \$834,177 for 2009 and \$1,098,657 for 2010
  - Cultural & Recreation - \$964,439 for 2009 and \$910,636 for 2010
- Recreation expense versus revenues for 2004 (\$191,323 E vs. \$18,680 R) to 2010 (\$443,150 E vs. \$83,000 R estimated).
- Dusty Ridge Park Phase II Project at a cost of \$107,922 – 54% paid by County and 46% paid by PARTF grant money.
- Jaycee Park Project at a cost of \$32,048 – 52% paid by County and 48% paid by LWCF grant money.
- Library expenses versus state aid revenue for 2004 (\$340,589 E vs. \$95,692 state) to 2010 (\$467,486 E vs. \$88,959 state estimated).

Chairman Robertson stated that the County had been operating as lean as possible for several years. He noted that the John Locke Foundation had compared all NC counties' tax structures and found that 71 counties had property tax rates higher than Alexander County. He also discussed the state's continual reduction of county revenues, first with inventory tax reimbursements, then Article 44, and then changing Article 42 from per capita to point of sale which severely hurt smaller, rural counties. Chairman Robertson also reported that the state was proposing to transfer responsibility of secondary roads, a program managed by the state since 1931, to counties which would force the Board to increase the property tax rate by 12 cents. He stated that the tax rate increase was necessary to continue to provide necessary services.

Commissioner Bolick felt that strategies needed to be developed to bring retail businesses into the county to help boost the economy. He also urged citizens to shop locally so their sales tax dollars benefited this county.

Commissioner Yoder preferred to increase sales taxes instead of property taxes; however, he explained that the County had to get permission from the state to enforce a sales tax increase, which was not always given. He stated that the Governor was still holding lottery revenue to balance the state's budget and noted that larger cities and counties were getting stimulus money, which would have to be paid back sooner or later.

Chairman Robertson called the public hearing to order and requested any public comment. The following comments were heard:

## **Public Comment**

Larry Parsons alluded to a recent newspaper article stating that the County had an average growth in property values of 1.3% from 2004 to the present, but he pointed out that his property value increased by 37.7% during the last revaluation and would increase another 13.1% with the proposed tax increase. He also asked how much the County spent on illegal aliens, noting that the immigrants that were here illegally and not paying their dues should be dealt with accordingly.

Chairman Robertson replied that staff did not knowingly spend anything for illegal immigrants and that the Board had approved a resolution in the past to not budget for that purpose. However, he was not aware of how much was unknowingly spent throughout the year.

Edsel George felt that money needed to be managed better. He stated that the reason the sales tax revenues had decreased was because people had lost jobs, hours had been cut, and that people couldn't afford to pay more taxes. Mr. George pointed out that he purchased 4 ½ acres of land for \$9,000 in 1989 and used it as a pasture for cows - it was appraised at \$56,000 last year. He felt that the County was never satisfied.

Larry Riddle built a home on 5 acres in Illinois in 1979 and paid less than \$1,000 in property taxes. He stated that he paid \$3,500 the last year he lived there, approximately 6 years ago. In Alexander County, he pays less than \$800 for 1 ¾ acres and a home and he couldn't understand why people were complaining.

R.W. "Sarge" Watson asked the Board to consider the senior citizens who could not afford to buy their medication now before raising the tax rate.

Charles McGinnis pointed out that the entire country was suffering from the economy; however, felt there was always a way to make things better. He understood that services would be cut if the property tax rate wasn't increased but noted that everyone had experienced a service cut at some point. Mr. McGinnis also expressed his concerns with two commissioners not being present.

Robert Hoover informed the Board that someone recently asked him what county taxes were because he had never paid them since he had rented the same house for 27 years. Mr. Hoover pointed out that only the land owners paid these taxes.

David Bentley, president of Sugar Loaf recreation and chairman of Recreation Advisory Board, felt that it was a bad decision for the County to take over recreation. In relation to the budget and expense to the County, he explained that communities paid half of the contract for referees, \$15,000 for utilities, and fees for tournaments which equaled \$21.22 per \$30 sign-up fee or roughly 70% per child. He stated that the County would also have to pay for equipment and possibly staff for concessions because people would not volunteer if the County took over recreation as planned. Mr. Bentley also noted that he

had spoken with 6 other counties and did not find one where the County completely handled recreation.

Chairman Robertson addressed Mr. Bentley's comments by stating that there had been some miscommunications and that recreation would not function without the communities and the County both being involved. He noted that a lot of the concerns would be cleared up in time and that both parties would make sure the kids had the best system.

Judy Moose stated that she had lived here for 65 years and had paid taxes since she was 21 years old. She has had 3 children and 8 grandchildren education in the school system. She felt that the budget could be cut deeper and that services should be cut before a tax increase was enforced.

Burkie Jennings discussed the economy and the increase in gas taxes, insurance policies, etc. and stated that he lived on a fixed income and had lost half of his investments. He stated that the budget had very little personnel cuts and pointed out that the County spent approximately \$9 million for personnel. Mr. Jennings urged the Board to spend the taxpayers' money wisely.

Chairman Robertson thanked everyone for attending and those who spoke. He stated that the final vote of the proposed budget had been scheduled for Wednesday, June 24, 2009 to allow time to receive any changes in the state budget.

## **DUKE ENERGY PROJECT**

Cregg B. Parks, Duke Energy Engineering Specialist, informed the Board that an existing 7.2kV underground cable crossing the Middle Little River was damaged by a contractor's backhoe in October which would need to be replaced. Duke Energy has proposed to install a new cable by directional bore method adjacent to the existing cable.

He explained that the existing cable crossed Middle Little River behind Rink Dam and that access to the cable was by a private drive off Fox Ridge Lane. Duke Energy has informed all necessary state agencies and will begin once approval has been received from each of them, sometime this summer. Mr. Parks stated that the work would not create an outage or affect citizens in any way.

Commissioner Yoder made a motion to acknowledge the need for repair of the cable and also to give Duke Energy permission to proceed. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

Commissioner Yoder asked Mr. Parks to inform the local radio and newspaper when the work was scheduled to begin.

## **PROPOSED ROCKY FACE PARK PROJECT**

David Icenhour, Economic Development Director, informed the Board that the Rocky Face Park Planning Committee was working toward the completion of a Parks and Recreation Trust Fund grant application for \$500,000 to be submitted in February 2010. Members of the committee, in addition to himself, include Rev. Mark Dula, Trena Warren, Kent Herman, Dan McClure, Wendell Kirkham, Alisha Hayes, Robert Campbell, Rick French, Jon Presnell, Sam Erwin, George Brown, Leslie Meadows, and Jason Williams.

He explained that the 300-acre environmentally protected site was owned by Carolina Land & Lakes RC&D who was willing to donate the property to the County so that it could be transformed into a park. The property will serve as the match for the grant so no property tax money will be used. Several ideas for the park discussed by the committee have been trail improvement, handicap accessibility, picnic shelters, a wetland site, signage of rare flora, and an amphitheater.

Mr. Icenhour announced that the committee planned to hold a public meeting at Rocky Face Baptist Church on July 9, 2009 at 7:00 PM to allow citizens the opportunity to hear ideas and provide their input.

## **SOLID WASTE MANAGEMENT PLAN & RESOLUTION**

Josh Mitchell, Solid Waste Director, presented a resolution to accept and endorse the Solid Waste Management Plan of 2009 for Alexander County. He explained that N.C.G.S. 130A-309.09A(b) required each unit of local government to update the 10-year Comprehensive Solid Waste Management Plan at least every 3 years. He also noted that the Solid Waste Department had completed a long-range planning effort to evaluate the appropriate technologies and strategies available to manage solid waste effectively.

Chairman Robertson requested “full-time” be omitted from paragraph #10 in the Solid Waste Management Plan.

Commissioner Yoder made a motion to approve the resolution. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

## **BOARD APPOINTMENTS & REAPPOINTMENTS**

Rick French, County Manager, presented the following appointments and reappointments to County boards and committees:

**Joint Nursing & Adult Care Advisory Committee** – Appoint Da-Vida Roseman, Kathy Durmire, and Calvin Dick for a one-year term. Reappoint Eunice Carr for a three-year term.

**Senior Center Advisory Committee** – Appoint Nan Campbell, Judith Fay, Micki Earp, and Chris Howes for a two-year term.

**Region E Aging Committee** – Appoint Dean Eggers to a two-year term.

Commissioner Bolick made a motion to approve the appointments and reappointments as presented. Commissioner Yoder seconded the motion. The Board voted unanimously in favor of the motion.

## **BUDGET ORDINANCE AMENDMENTS #58 & #59**

Rick French, County Manager, discussed the purpose of Budget Amendments #58 and #59, which included the following information:

Budget Amendment #58 – To reduce funding for the Juvenile Crime Prevention Council programs due to state budget cuts. To increase the Governing Body budget for health insurance claims and liability and property insurance claims.

Budget Amendment #59 – To transfer funds to close out the 2003 Homeland Security grant project.

Commissioner Bolick made a motion to approve Budget Amendments #58 and #59. Commissioner Yoder seconded the motion. The Board voted unanimously in favor of the motion.

## **OTHER BUSINESS**

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

- A. Russell Greene, Emergency Services Director, and our consultant from McGill Associates are working on an ARRA stimulus application for the Bethlehem Fire Department. The application is due on July 10, 2009.
- B. Bids for the Hopewell Church Road Water Project will be opened on Tuesday, June 23, 2009.
- C. Our next meeting is scheduled for Wednesday, June 24, 2009 at 6:00 PM to adopt the budget.
- D. The first furlough day for County employees is Monday, July 6, 2009 in conjunction with the July 4<sup>th</sup> holiday.

## **CONSENT AGENDA**

- A. Minutes from the May 27, 2009 work session and minutes from the June 1, 2009 Regular Commissioners' Meeting.
- B. Home and Community Care Block Grant SFY 2010.

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

**CLOSED SESSION – N.C.G.S. 143-318.11(a)(1, 4, 5, & 6) TO PREVENT THE DISCLOSURE OF CONFIDENTIAL INFORMATION, ECONOMIC DEVELOPMENT, CONTRACTUAL, & PERSONNEL**

Chairman Robertson made a motion to enter into Closed Session at 7:47 PM to prevent the disclosure of confidential information and to discuss economic development, contractual matters, and personnel issues pursuant to N.C.G.S. 143-318.11(a)(1, 4, 5, & 6). Commissioner Yoder seconded the motion. The Board voted unanimously in favor of the motion.

**ADJOURNMENT**

There being no further business, Commissioner Yoder made a motion to adjourn at 8:48 PM. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

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W. Darrell Robertson, Chairman

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Jamie M. Starnes, Clerk to the Board