

Draft

BOARD OF COMMISSIONERS
REGULAR MEETING June 7, 2010

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

PRESENT: Larry G. Yoder, Chairman
 Ryan Mayberry, Vice-Chairman
 Wes Bolick
 Harold M. Odom
 W. Darrell Robertson

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

MEDIA: Micah Henry, The Taylorsville Times

The Alexander County Board of Commissioners held a regular meeting on Monday, June 7, 2010 in the CVCC / Alexander Center Multipurpose Room, Taylorsville, North Carolina.

CALL TO ORDER

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

INVOCATION & PLEDGE OF ALLEGIANCE

Chairman Yoder gave the invocation and also led the Pledge of Allegiance to the Flag.

*****SPECIAL RECOGNITION*****

James (Burkie) Jennings introduced his friend Bob Epting, who serves on the Parks & Recreation Trust Fund board. Mr. Jennings mentioned Mr. Epting's passion for preserving historical locations as well as his assistance with the PARTF grant for Rocky Face Park.

Mr. Epting began by thanking others who played a role in obtaining the grant for Rocky Face Park including the staff at Carolina Land & Lakes, specifically Dan McClure and Wendell Kirkham, as well as David Icenhour, Economic Development Director, and Sam Erwin, WPCOG. He stated that he was fortunate to have been in a position as a trustee of the PARTF board to explain the importance of the park. Mr. Epting felt that Rocky Face was an iconic symbol of the people of the county and that the park would be a great resource.

Chairman Yoder presented Mr. Epting with a Key to the County for his efforts.

ADOPTION OF AGENDA

Chairman Yoder requested that Agenda Item #6 (Bids for Cardiac Monitors) be removed and consideration postponed until a later date.

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

PUBLIC COMMENT

There was no one present to speak during the Public Comment Period.

SPECIAL ANNOUNCEMENT

Rick French, County Manager, announced that Alexander County had been selected to operate the License Plate Agency for the county, which has been closed for the past several months. Plans are to have staff trained and the office open by the end of August or first of September 2010. He noted that the License Plate Agency would be operated in conjunction with the Tax Office.

PUBLIC HEARING: 2010-2011 ALEXANDER COUNTY PROPOSED BUDGET

Rick French, County Manager, provided the following information for the 2010-2011 Alexander County proposed budget:

The 2010-2011 general fund proposed budget for Alexander County is \$29,044,630, down \$1,434,723 or 4.7% from the 2009-2010 budget. The 2009-2010 budget is \$30,479,353. It is also important to note that the 2010-2011 budget is almost \$3 million less than the 2008-2009 budget of \$31,998,502. That is a 9.2% decrease over 2 years.

Sales tax numbers for Alexander County continue to worsen (like last year) with each report from the North Carolina Department of Revenue. The direct impact of the recession coupled with the change of the sales tax formula by the state of North Carolina will decrease sales tax dollars over \$1.3 million or 33% from the same time last year. County sales tax revenues are declining in spite of the Article 46 quarter-cent sales tax. In addition, Article 42 switched to a point-of-origin allocation method in October 2009. Beginning with the January 2010 distribution, this sales tax revenue decreases so much that there's nothing left for the County's portion. To meet the school debt service set-aside requirements, it will take all of the County's Article 42 plus additional money transferred from the General Fund. \$71,957 has been taken from the General Fund

through the May 2010 distribution. Article 39 is reduced each month for the town hold harmless amount.

So in reality, Alexander County receives sales tax from three sources: Article 39, Article 40 and Article 46. A total of \$3,071,100 is budgeted for 2010-2011 in sales tax revenue.

There is no tax increase proposed in the 2010-2011 budget. There are no increases in landfill fees. Water rates will increase 2% to offset the 2% increase from the City of Hickory.

There are 242 full-time employees in the budget. That's 4 less full-time employees than the current 2009-2010 budget. Social Services has 65 full-time employees followed by the Sheriff's Department with 29 employees, EMS with 28, and the Health Department with 27. That is 62% of the county employees in these 4 departments.

According to the North Carolina Institute of Government's most recent salary data, Alexander County employee salaries average 10% - 15% less than surrounding counties. For example, a deputy in Alexander County averages \$27,777 compared to Caldwell at \$30,611; Wilkes \$29,950; Iredell \$37,214; and Catawba \$37,918. A detention officer in Alexander County averages \$25,522 compared to Caldwell \$29,211; Wilkes \$27,231; Iredell \$32,770; and Catawba \$29,952. A social worker in Alexander County averages \$32,657 compared to Caldwell \$36,365; Wilkes \$34,351; Iredell \$43,857; and Catawba \$40,331. Alexander County and Davie County are similar in population. A deputy's average salary in Davie County is \$30,676; a detention officer is \$31,332; and the social worker is \$38,709.

This is one of the reasons a 2.5% cost-of-living adjustment is proposed for all full-time employees in January 2011. It will be the first cost-of-living adjustment since 2008. It is also important to include the cost-of-living into starting pay grades for recruitment purposes. Please note longevity and retiree insurance is not available to new employees.

A number of capital outlay or capital projects will either be purchased or started during the 2010-2011 fiscal year:

- \$317,000 in water funds is budgeted for the County's match for a North Carolina Rural Center Grant for Church Road.
- \$125,000 is budgeted in contingency for 4 new sheriff vehicles.
- \$79,302 is budgeted for new Register of Deeds software.
- The Vashti Road Water Project is funded with CDBG and Rural Center grant funds. This 6-mile water project will not cost any local dollars.
- The Rocky Face Park Project will be funded with a PARTF grant and the property used as a match. No local dollars will be used.

- \$185,000 is budgeted to continue with the purchase of the landfill property as required by the North Carolina Department of Environment and Natural Resources.
- \$380,000 is budgeted for additional jail space in the Caldwell County jail.

Alexander County will again budget \$250,000 to be added to fund balance for better financial stability. The fund balance in Alexander County is currently 12% and needs to be in the 15% - 18% range. The North Carolina Local Government Commission mandates an 8% minimum fund balance and strongly recommends counties keep fund balances much higher.

Alexander County School funds were once again drastically reduced by the state of North Carolina. Alexander County will fund the schools \$5 million, the same amount as last year. The County will again pick up 100% of the cost of the school resource officers, which has been shared 50/50 between the Schools and County in the past.

Alexander County will investigate USDA funding for community facility projects such as the law enforcement and detention project, courthouse renovations, and other facilities.

The John Locke Foundation recent policy report entitled By The Numbers, What Government Costs in North Carolina Cities and Counties FY 2008 ranked NC counties by combined property tax burden as follows:

	Rank	Previous Rank	Combined Property Tax Burden Per Capita
Alexander	96	95	\$406.13
Catawba	37	32	\$763.24
Caldwell	68	73	\$570.35
Iredell	25	21	\$856.29
Wilkes	85	68	\$582.48
Davie	76	41	\$691.12

Rankings of counties by combined local tax and fee burden:

	Rank	Previous Rank	As % of Income
Alexander	96	99	3.12%
Catawba	28	41	5.10%
Caldwell	71	74	4.23%
Iredell	32	50	5.03%
Wilkes	91	94	3.58%
Davie	83	80	3.74%

The higher the ranking the less burden on the local taxpayer according to the report.

The 2010-2011 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:

- General fund expenses vs. property tax revenue from the 2004-2005 budget through the proposed 2010-2011 budget.
- Allocation of sales tax revenue from the 2004-2005 budget through the proposed 2010-2011 budget.
- Sales tax revenues collected from Articles 40 and 42 as well as amount needed for existing school debt service.

Chairman Yoder called the public hearing to order and requested any comments. There being no comments made, Commissioner Bolick made a motion to close the public hearing. Commissioner Odom seconded the motion. The Board voted unanimously in favor of the motion.

Commissioner Robertson stated that there was an \$800 million shortfall in the state's budget at the convening of the General Assembly's short session last month. He noted that many holes within the state budget had been plugged with stimulus funding, which would be eliminated in 2011, that coupled with health care reform could easily cause a \$2 billion deficit by this time next year.

Commissioner Mayberry felt sure those shortfalls would be passed onto the counties in some way.

Chairman Yoder stressed that he had received many calls from citizens regarding the 2.5% COLA proposed for County employees. He noted that the Finance Committee had met and was recommending that the funds to enforce the COLA be placed in contingency and the sales tax revenues be monitored for a period of 3 months to determine if the COLA was feasible in January. However, he felt it was important to consider how Alexander County employees' pay compared to other counties, noting that the County had in the past lost good employees to other counties because of salaries. Chairman Yoder pointed out that the County budget had been decreased 9.2% over the past 2 years thanks to efforts made by employees.

Commissioner Mayberry felt there were many employees whose pay needed to be increased to compare with other counties but stated that he could not vote in favor of the COLA without examining the sales tax numbers and revisiting the issue later.

Commissioner Bolick advised that Alexander County had once been a training ground and that both Democratic and Republican controlled boards had made efforts to increase pay gradually in

order to retain good employees. He urged his fellow board members to be careful and not allow Alexander County to become a training ground once again.

Commissioner Robertson stated that the last salary survey was done in 1997 and the results were implemented in 2001. He noted that staff had considered conducting yet another study 3 years ago that was postponed because the results could not have been implemented due to the economy. According to the John Locke Foundation, there are 92 counties with a higher cost of government per capita than Alexander County. He felt that needed to be taken into account when considering employee salaries, giving the example of 3 employees in Alexander County doing the job that 5 would do in another county.

Commissioner Odom stated that he was against not allowing the 2.5% COLA for employees and felt the Board could do things to allow that happen. He asked the Board to do all it could to not take that away.

There being no further discussion, the following action was taken:

Chairman Yoder made a motion to schedule a budget work session on Monday, June 14 at 6:00 PM at the County Administration Building. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

Commissioner Robertson made a motion to schedule approval of the budget at the June 21st Commissioners' Meeting. Commissioner Odom seconded the motion. The Board voted unanimously in favor of the motion.

Commissioner Robertson thanked Ms. Herman, Mr. French, and the departments for their efforts towards the budget.

PUBLIC HEARING: CDBG-R #09-R-1956 – EMERGENCY REPAIR HOUSING AMENDMENT

Nancy Coley, WPCOG Community Development Administrator, discussed an amendment to the ARRA CDBG-R program, explaining that the original application proposed to perform emergency repairs on 16 homes owned and occupied by low and very low income citizens in Alexander County. The homeowners were either elderly, handicapped, single parents, or a combination of the three. She stated that before the grant was funded, 3 persons received emergency repairs from the Housing Finance Agency's Urgent Repair Program, some borrowed the money or their churches assisted them with repairs, some moved into nursing homes, and others put their deeds in their children's names which made them ineligible for these funds.

Therefore, emergency repairs were completed on 6 homes and bids have been opened on 4 others. Ms. Coley advised that staff had identified 5 additional homes that could be assisted with CDBG-R funds and she requested the Board's approval to submit an amendment to the NC Department of Commerce to add these homes to the list. She also noted that CDBG-R funds provided 100% of the total project costs.

Chairman Yoder called the public hearing to order and requested any comments. There being no comments made, Commissioner Robertson made a motion to close the public hearing. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

Commissioner Robertson made a motion to approve the amendment adding beneficiaries to the NC Department of Commerce. Commissioner Odom seconded the motion. The Board voted unanimously in favor of the motion.

BETHLEHEM COMMUNITY FIRE & RESCUE CONTRACT

Russell Greene, Emergency Services Director, informed the Board that 4 members of the Bethlehem Fire Department and 3 members of the Alexander Rescue Squad met on June 24, 2010 at his office as requested by the Board at the May 17, 2010 Commissioners Meeting. He felt it was a very productive meeting where many questions and concerns were addressed, including those pertaining to the contract for Bethlehem Fire Department to provide light rescue services. The following items related to the contract were resolved:

- Name will be changed from Bethlehem Fire Department to Bethlehem Community Fire & Rescue, Inc. The charter change has been submitted to the Secretary of State.
- Appendix A will be attached to the contract providing minimum standard requirements of light rescue according to the NC Association of Rescue & EMS.
- “individual members” will be added to Item #7.
- A definition of light rescue and a statement concerning the operation of the two agencies when on the scene together is included in Item #9.
- Added that all personnel will operate within the Incident Command System (ICS) under Item #10.
- Section #19 states that in the event the Bethlehem Fire Department wishes to obtain more equipment and higher level of training, a request would be made to the Board of Commissioners.

Mr. Greene pointed out that approval of the contract would be contingent upon approval of the charter change from the Secretary of State.

Commissioner Bolick asked if this would in any way affect the fire tax for Bethlehem. Mr. Greene replied that it would not change the fire tax, noting that Section #18 outlined that funding would be provided from existing fire tax revenues.

Commissioner Robertson conveyed his appreciation to the fire department and Rescue Squad for taking the time to meet and discuss these issues.

Commissioner Robertson made a motion to approve the contract contingent upon the charter change from the Secretary of State and to add the contract to the Consent Agenda for formal approval once the charter change is received. Commissioner Mayberry seconded the motion. The Board voted unanimously in favor of the motion.

NC GOVERNOR'S HIGHWAY SAFETY PROGRAM LOCAL GOVERNMENT RESOLUTION

Rick French, County Manager, presented a NC Governor's Highway Safety Program Local Government Resolution to continue the grant for the Traffic Safety Project for the Sheriff's Department. He pointed out that this was the second year of the 3-year grant. The grant is funded 70% by the federal government (\$39,157) and 30% by the County (\$16,781).

Commissioner Robertson made a motion to approve the resolution to continue the Traffic Safety Project grant through the NC Governor's Highway Safety Program. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

RESOLUTION AUTHORIZING SEALED BID SALE FOR SURPLUS REAL PROPERTY

Rick French, County Manager, reported that the County owned a one-acre tract of property on Glass Road, known as Tax Parcel #04-6167, which staff wished to sell by advertisement and sealed bid. Therefore, he presented a resolution authorizing the sale of the property by sealed bids to be accepted on Monday, July 25, 2010 at 2:00 PM at the Tax Office. He also asked that a \$2,500 minimum bid be allowed in the resolution.

He explained that this process occurred last year on this same property; however, the bid was too low to consider.

Commissioner Bolick made a motion to approve the resolution authorizing the sale of property as explained. Commissioner Robertson seconded the motion. The Board voted unanimously in favor of the motion.

BUDGET ORDINANCE AMENDMENTS #47 - #53

Rick French, County Manager, reviewed the purpose of Budget Amendments #47 - #53, which included the following information:

Budget Amendment #47 – To increase the Public Buildings budget for air conditioning repairs at the Administration and Alexander Opportunities buildings. To increase the Sheriff's Department budget for a child safety seat grant received from the NC Department of Insurance. To increase the Jail budget for contracted detention estimated costs through June 2010. To adjust the JCPC budget by moving funds between programs to serve more youth before the end of June 2010. To increase the Fire/Emergency

Services budget for January-June 2010 power bills for the leased office. To increase the Animal Control budget for donations received. To increase the Social Services budget for residual Medicaid expense drafts from the County's bank account. To increase the Bethlehem Library budget for donations received for the library expansion.

Budget Amendment #48 – To adjust the estimates for sales tax revenue, Medicaid hold harmless revenue, and school sales tax hold harmless expenses based on year-to-date sales tax revenues.

Budget Amendment #49 – To adjust estimates for school sales tax revenue and school sales tax hold harmless based on year-to-date sales tax revenues.

Budget Amendment #50 – To adjust the Water and Sewer budgets based on data from year-to-date revenue reports from the City of Hickory.

Budget Amendment #51 – To revise the budget for the 2008 Scattered Site Housing CDBG as approved by the Division of Community Assistance.

Budget Amendment #52 – To budget for canceled furlough days and year-end salary accrual for payroll paid in July.

Budget Amendment #53 – To budget for canceled furlough days and year-end salary accrual for payroll paid in July.

Commissioner Robertson made a motion to approve Budget Amendments #47 - #53. Commissioner Odom seconded the motion. The Board voted 4 in favor of the motion (Commissioners Bolick, Odom, Robertson, and Yoder) and one against (Commissioner Mayberry). The motion carried.

OTHER BUSINESS

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

- A. In response to a question raised by Commissioner Bolick at the last meeting, there are 57 potential water customers on the proposed section of the Church Road water line.
- B. The Town of Taylorsville has signed the tax service agreement. The County will provide tax collection services for the Town effective August 1, 2010.

Commissioner Bolick made a motion to approve the County Manager's Report. Commissioner Odom seconded the motion. The Board voted unanimously in favor of the motion.

CONSENT AGENDA

- A. Minutes from the May 17, 2010 Regular Commissioners' Meeting and the May 25, 2010 Work Session.
- B. Tax Release Requests for May \$4,563.97 and Tax Refunds for May \$2,220.25.
- C. Home & Community Care Block Grant SFY 2011.

Commissioner Robertson made a motion to approve the Consent Agenda. Commissioner Mayberry 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 THE PREVENT DISCLOSURE OF CONFIDENTIAL INFORMATION, ECONOMIC DEVELOPMENT, CONTRACTUAL, & PERSONNEL

Chairman Yoder made a motion to enter into Closed Session at 7:25 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, & 5). Commissioner Robertson seconded the motion. The Board voted unanimously in favor of the motion.

Larry G. Yoder, Chairman

Jamie M. Starnes, Clerk to the Board