

Draft

BOARD OF COMMISSIONERS
REGULAR MEETING June 19, 2013

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

PRESENT: James “Burkie” Jennings, Chairman
 Larry Yoder, Vice-Chairman
 Ryan Mayberry
 Judy M. Moose
 W. Darrell Robertson

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

The Alexander County Board of Commissioners held a regular meeting on Wednesday, June 19, 2013 at the CVCC / Alexander Center in Room 103, Taylorsville, North Carolina.

CALL TO ORDER

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

INVOCATION & PLEDGE OF ALLEGIANCE

Chairman Jennings gave the invocation and Commissioner Mayberry led the Pledge of Allegiance to the Flag.

COMMISSIONER’S REPORT

Chairman Jennings thanked Vice-Chairman Yoder for presiding over the June 10th meeting in his absence.

ADOPTION OF AGENDA

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

BUDGET ORDINANCE AMENDMENTS #63 - #68

Rick French, County Manager, discussed the purpose of Budget Amendments #63 - #68, as follows:

Budget Amendment #63 – To budget for FY 2013 salaries and benefits including year-end salary accrual for the first payroll paid in July.

Budget Amendment #64 – To increase the Solid Waste budget for estimated expenses through June 2013. To budget for FY 2013 salaries and benefits including year-end salary accrual for the first payroll paid in July.

Budget Amendment #65 – To adjust the County Water and Sewer Fund budget based on data from year-to-date revenue reports from the City of Hickory. To budget for FY 2013 salaries and benefits including year-end salary accrual for the first payroll paid in July.

Budget Amendment #66 – To adjust the Bethlehem Water Fund budget based on data from year-to-date revenue reports from the City of Hickory.

Budget Amendment #67 – To increase the Fire District Funds for revenues to each fire district from ad valorem taxes.

Budget Amendment #68 – To increase departmental budgets for estimated expenses for the remainder of the 2012-2013 year. To increase the Economic Development budget for video production. To increase budgets for Public Buildings, Garage, and Animal Control for estimated architect expenses. To decrease EMS revenue for the annual Medicaid Cost Settlement being lower than expected.

Commissioner Robertson made a motion to approve Budget Amendments #53 - #68. Vice Chairman Yoder seconded the motion. The Board voted unanimously in favor of the motion.

ADOPTION OF 2013-2014 BUDGET ORDINANCE FOR ALEXANDER COUNTY

Rick French, County Manager, presented the 2014-2014 Alexander County Budget Ordinance for approval, stating that the proposed budget now totaled \$35,481,791 with items added from the June 13, 2013 work session. Although no tax increase is proposed, the budget does include fee increases for EMS and building inspections as well as a 5% water rate increase. He reiterated that the General Fund contained 20 new employees - 12 for the new Alexander County Detention Center, 2 for the Sheriff's Department, one in Human Resources, one in Public Buildings, 3 at DSS, and one at the Bethlehem Library (transitioning a 32-hour position to 40 hours), all beginning July 1st with the exception of the positions for the Sheriff's Department, Human Resources, and DSS which will begin August 1st. An engineer position is also proposed in the Water Fund.

Items added to the budget at the June 13th work session include an additional \$250,000 for the school system, \$75,000 for demolition of the old Dayton property, \$265,000 for construction of a garage, \$100,000 for a storage / evidence building for the Sheriff's Department, and \$308,000

for employee COLA's. Mr. French advised that funding for the 3 projects and the COLA would be placed in Contingency and not released until approval by the Board to move forward.

Chairman Jennings added that the proposed COLA would exclude the County Commissioners and the County Manager.

Mr. French discussed the following projects planned for the 2013-2014 budget year:

- Water System Project - \$3.4 million no interest loan from the state revolving loan fund paid with water revenue. Staff also plans to apply for more funding in September.
- Courthouse renovations - \$1.5 million available from the Jail Project loan for the HVAC system and ADA compliance issues.
- Rocky Face Park - \$225,000 match necessary for PARTF grant to construct playground equipment, community building, and a wetlands project to be paid out over a 2-year period.
- Demolition of old Dayton property, evidence / storage building for Sheriff's Department, and garage.
- Estimates for renovations at the Animal Shelter were higher than expected so the project has been put on hold.

Vice-Chairman Yoder asked for clarification on the amount being taken from the Fund Balance for 2013-2014. Mr. French replied that the amount totaled \$3,361,991, but he noted that funding for items placed in Contingency may not be used, depending on revenue collected throughout the year. He also advised that with the amount of Fund Balance being appropriated, County staff would receive a letter of concern from the Local Government Commission. The County's ability to finance projects may also be affected.

Mr. French discussed the differences in the House and Senate budgets, explaining that the House proposal would net Alexander County a total of 232,000, but the Senate budget will create a loss of 654,000 if approved. He also mentioned the debt service for the Detention Center (\$1 million per year until 2026) as well as the operating budget (\$2.6 million per year) and yearly utilities (\$200,000).

Sheriff Bowman briefly discussed the duties of the positions proposed for the Detention Center as well as an overview of the daily procedures and estimated revenue from housing 40 out-of-county inmates (\$756,000).

Commissioner Mayberry felt the number of employees being proposed for the Detention Center was unnecessary and stated that similar facilities operated with less; however, he noted that he would agree to that number. He also addressed the expenses related to the facility, noting that the Board could not continue to dip into Fund Balance each year to operate it. Commissioner

Mayberry felt the Board should be committed to raising some salaries in law enforcement and EMS and not place the funding for COLA's in Contingency.

Commissioner Robertson made a motion to adopt the 2013-2014 Budget Ordinance as presented to include all employees proposed, asking Sheriff Bowman to consider 50 beds instead of 40 beds for out-of-county inmates, and that the projects and COLA placed in Contingency be delayed until at least the 2nd fiscal quarter to determine the financial impact. Vice-Chairman Yoder seconded the motion.

Commissioner Mayberry inquired about the County's revenue since 2008 and if Mr. French projected the need to take more from the Fund Balance during the 2014-2015 budget year. Mr. French replied that there had been little growth which resulted in revenue being flat and stating that unless revenue significantly increased, more would be needed from the Fund Balance next year. With that response, Commissioner Mayberry felt that either the County needed to cut expenses or increase property taxes.

Vice-Chairman Yoder also felt the property tax rate needed to be increased but pointed out that the public had not had the opportunity to speak of such at a public hearing. However, he agreed that the County could not continue to utilize the Fund Balance and felt certain that the Board would have to raise taxes during the next budget year.

Chairman Jennings stated that he would not vote for a tax increase because the citizens were already being taxed to death by the federal, state, and county governments.

After calling for the vote, the Board voted 3 in favor of the motion (Commissioners Jennings, Moose, and Robertson) and 2 against (Commissioners Mayberry and Yoder). The motion passed.

Members of the Board conveyed their appreciation to the Finance Committee, Mr. French, the Finance Department, and all department heads for their work on the budget.

OTHER BUSINESS

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

- A. A tentative date of July 8, 2013 has been set for a meeting with Dr. Garrett Hinshaw, President of CVCC, to discuss the CVCC / Alexander Center expansion.
- B. The 106th NCACC Annual Conference will be held on August 22-25, 2013 in Guilford County.

ADJOURNMENT

There being no further business, Vice-Chairman Yoder made a motion to adjourn at 7:07 PM. Commissioner Robertson seconded the motion. The Board voted unanimously in favor of the motion.

James H. Jennings, Chairman

Jamie M. Starnes, Clerk to the Board