

Draft

**BOARD OF COMMISSIONERS
CALLED MEETING** February 17, 2014

**ALEXANDER COUNTY
STATE OF NORTH CAROLINA**

PRESENT: Larry Yoder, Chairman
 Ryan Mayberry, Vice-Chairman
 Andrew Ferguson
 James “Burkie” Jennings
 Judy M. Moose

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

The Alexander County Board of Commissioners held a called meeting on Monday, February 17, 2014 at the CVCC / Alexander Center in Room 103, 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 Commissioner Ferguson led the Pledge of Allegiance to the Flag.

COMMISSIONER’S REPORT

Chairman Yoder thanked the local NCDOT staff for their efforts in clearing the roads during last week’s snow storm as did Vice-Chairman Mayberry who also mentioned the Sheriff’s Department and EMS.

Chairman Yoder also congratulated Commissioner Ferguson on his appointment and welcomed him to the Board.

ADOPTION OF AGENDA

Chairman Yoder requested the addition of several appointments and reappointments to County boards and committees as Agenda Item #1A.

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

TRAVEL POLICY AMENDMENT

Rick French, County Manager, presented a request from the Sheriff for an exception to the most recent Alexander County Travel Policy approved December 9, 2013 that would allow 4 full-time detention officers attending mandatory jail school in Wilkes County beginning today through March 10th to be reimbursed for their meals. The current policy, which complies with IRS rules, only allows meal reimbursements with an overnight stay. He explained that the Board could take action in the following ways:

1. Reimburse meals from provided receipts, minus necessary taxes (FICA, state, etc.)
2. Reimburse meals based on per diem rates (\$8 breakfast, \$12 lunch, \$25 dinner).
3. Take no action to change the policy.

After discussion, Commissioner Jennings made a motion to deny the exception with the Travel Policy remaining as is with meal reimbursements only provided with overnight stays. Commissioner Moose seconded the motion. The Board voted 4 in favor of the motion (Commissioners Ferguson, Jennings, Mayberry, and Moose) and one against (Commissioner Yoder). The motion carried.

Commissioner Jennings felt allowing the exception for one department would create requests from others. Vice-Chairman Mayberry stated that allowing the exception worked around the spirit of the IRS law.

BOARD APPOINTMENTS & REAPPOINTMENTS

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

Planning & Zoning Commission – Appoint Dana Benfield and reappoint Cathy Chatham for 2 year terms.

Commissioner Appointments – Appoint Andrew Ferguson to the JCPC (replacing Judy Moose), Library Board of Trustees (replacing Burkie Jennings), and the WPCOG Board alternate (replacing Darrell Robertson). Appoint Larry Yoder to the DSS Board (replacing Darrell Robertson).

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

ECONOMIC DEVELOPMENT INCENTIVE POLICY AMENDMENT

David Icenhour, Economic Development Director, reviewed the proposed amendment to the current Economic Development Incentive Policy previously discussed at the February 3rd meeting that would add incentive grants for job retention as well as for tourism.

The job retention grant (Level 1) would be available for existing businesses investing \$1 million or more in machinery, equipment, or improvement to real property to remain competitive and retain employment. Tourism projects with a minimum investment of \$500,000 will be eligible to recover a percentage of the project's local property tax payments for up to a 10-year period.

He advised that a clause had been added since the February 3rd meeting stating that the investment must be made within a 2-year period.

Vice-Chairman Mayberry made a motion to approve the amendment to the Economic Development Incentive Policy adding grants for job retention and tourism to include the 2-year timeframe clause. Commissioner Moose seconded the motion. The Board voted unanimously in favor of the motion.

SALES TAX UPDATE

Rick French, County Manager, reported that \$1,451,936 had been collected in sales tax revenue for the first 5 months of the 2013-2014 fiscal year which is \$38,000 less than this time last year or 2.5%. This is also 40% of the amount budgeted for 2013-2014 which is \$3,611,000. The hold harmless total is at \$78,113.

2013-2014 BUDGET UPDATE / SPECIAL PROJECTS REVIEW

Rick French, County Manager, provided the following information related to the 2013-2014 budget:

- The current General Fund budget totals \$35,728,287.
- Fund balance as of June 30, 2013 totaled \$7,988,344 or 24%. LGC requires a floor of 8% for counties our size or \$2.4 million (one month's operating expenses) but recommends 25%. A low fund balance affects the County's ability to fund projects.
- A total of \$3,441,606 was taken from fund balance to balance expenditures and revenues for the 2013-2014 budget, which also included funding for several projects that was set aside in Contingency and has not yet been spent – construction of a garage (\$240,000), and evidence building for Sheriff's Office (\$100,000), demolition of the Dayton property (\$100,000), and the match to the Rocky Face PARTF grant (\$225,000) bringing the remaining fund balance to \$4,546,738. The County has two more years to provide the match for the PARTF grant.

- Other items to consider are the \$400,000 loss in revenue from the \$756,000 budgeted for housing out-of-county inmates and a \$500,000 appropriation for possible EDA & ARC grants for the CVCC / Alexander Center.

Mr. French reported that in October 2012, the County approved the purchase of 25 acres and two buildings (former Taylor Togs) for \$1.8 million for the CVCC / Alexander expansion and industry training, future County offices, and possible industrial sites. CVCC has received a \$900,000 Golden Leaf grant to prepare for the welding program at the larger building. A one-time EDA grant of up to \$1.5 million is available to implement the upholstery/sewing program for local manufacturers. He advised that the application was due in March and, if received at the full amount, the County's match portion would total \$400,000 plus \$100,000 for an ARC grant for equipment.

He provided 3-year comparisons for EMS, Sheriff's Department, and Detention Center, noting that EMS salaries were higher (highest in 3 years) than revenues (lowest in 3 years) and that the Sheriff's Department and jail budget would increase significantly for 2014-2015 due to a full year of salaries and benefits for 12 new employees budgeted for this year, costing approximately \$440,000. He also noted that the bulk of the amount taken out of fund balance for 2012-2013 was due to operating costs of the new jail.

Other projects include the Bethlehem/Ellendale Water Project made possible by a 0% interest loan from the State Revolving Loan Fund and paid with water rates as well as the courthouse renovation with the remaining \$1.5 million from the original \$10 million loan for the new Sheriff's Department and Detention Center. However, Mr. French pointed out that this did not include extra costs incurred for holding court in a different location, additional problems due to asbestos, etc. In addition, the 911 Communications system equipment is outdated and will soon need to be replaced and 911 funds do not generate enough revenue to cover the cost entirely.

Therefore, Mr. French asked for the Board's direction on the remainder of the 2013-2014 year in order for staff to prepare for the upcoming budget process.

Commissioner Jennings was in favor of removing the garage, evidence building, Rocky Face PARTF match, and Dayton demolition from the current budget. He also discussed the revenue shortfall at the jail, noting that Alexander County was collecting less revenue with more employees than Ashe County who has the same facility design.

Chairman Yoder was in favor of earmarking \$500,000 for the possible grants and mentioned the County's previous commitment to expand the CVCC / Alexander Center and the request for the training program by local industries. Vice-Chairman Mayberry agreed. Commissioner Moose questioned whether this facility would be supported and utilized by the public and its necessity if employers are training in-house. Commissioner Ferguson questioned the duplication of functions by surrounding colleges and was assured this program would be unique to the surrounding area. He was not opposed provided that the program would not be limited to only welding, upholstery, and sewing. Vice-Chairman Mayberry mentioned that the expansion also included a two-year degree program that could be utilized by high school students.

In response to comments made by Vice-Chairman Mayberry, David Icenhour, Economic Development Director, stated that a training facility would be critical to manufacturers due to an aging workforce and that it would also serve as an economic development tool.

Vice-Chairman Mayberry discussed elimination of employees and services. Mr. French explained that most County departments operated with the minimum amount of employees, some with only one person, and that most had fewer employees now than 5 years ago. He felt cutting jobs would also cut services and would also force the County to pay unemployment.

Commissioner Jennings suggested possibly implementing some efficiency measures to save money such as a motor pool similar to that used by the Charlotte/Mecklenburg Police Department.

Chairman Yoder made a motion to commit \$500,000 to apply for the EDA grant for the CVCC / Alexander Center training facility. Vice-Chairman Mayberry seconded the motion.

Commissioner Ferguson inquired about a formal contractual agreement, upon receipt of grant funding, guaranteeing CVCC's use of funding specifically for implementation of these specific programs. Chairman Yoder pointed out that the Golden Leaf grant was specific to a welding program and felt certain the upholstery/sewing programs would be implemented given the requests from local industries and commitment made by the Board for such. However, he saw no reason that conversation with CVCC could not be held.

With no further discussion, the Board voted 3 in favor of the motion (Commissioners Ferguson, Mayberry, and Yoder) and 2 against (Commissioners Jennings and Moose). The motion carried.

WPCOG EMS STUDY

Rick French, County Manager, provided a contract proposal for technical assistance in the analysis of EMS response times by the WPCOG at a rate of \$3,870 for approximately 75 hours. Response times from February 2008 through February 2014 will be evaluated with the purpose of identifying causes and solutions for poor response times and a better analysis for planning of future crews and base location(s).

Commissioner Jennings made a motion to approve the contract with the WPCOG for EMS response time analysis. Vice-Chairman Mayberry seconded the motion. The Board voted unanimously in favor of the motion.

RESOLUTION OF SUPPORT FOR THE WPCOG INVESTING IN MANUFACTURING COMMUNITIES PROGRAM APPLICATION

Rick French, County Manager, advised that the WPCOG was requesting member local governments to adopt a resolution of support for its application to compete for designation as a

federal Manufacturing Community, which could possibly provide \$1.3 billion in federal dollars to the region.

Commissioner Moose made a motion to approve the Manufacturing Communities designation resolution for the WPCOG. Commissioner Jennings seconded the motion. The Board voted unanimously in favor of the motion.

FACILITY BASED CRISIS PROGRAM

Rick French, County Manager, explained that Smoky Mountain Center was working with Caldwell County and RHA to create a Facility Based Crisis Program at the mental health building in Lenoir serving Alexander, Caldwell, and McDowell counties and providing stabilization services, comprehensive assessment, treatment, post-discharge planning, and relapse prevention. Caldwell County, who is lead agency for grant applications, has committed \$200,000 towards the \$1.2 million in development costs for this facility and is requesting between \$50,000-\$75,000 from both Alexander and McDowell Counties. However, Mr. French advised that properties owned by counties within the former Foothills Mental Health network were being sold, proceeds from which will be used towards the financial commitment.

Chairman Yoder made a motion to move forward as requested. Commissioner Moose seconded the motion. The Board voted unanimously in favor of the motion.

MARCH 2014 MEETING SCHEDULE

Upcoming meetings include a March 10th meeting with the Planning & Zoning Commission, a regular Commissioners' Meeting on March 17th, and 2014-2015 budget presentations on March 24th. All meetings will begin at 6:00 PM in Room 103 of the CVCC / Alexander Center.

OTHER BUSINESS

Rick French, County Manager, provided a draft resolution authorizing county inmates to work on projects benefiting Alexander County to be considered at the March 17th meeting.

Commissioner Jennings requested clarification from the County Attorney as to the County's authority in this program.

Commissioner Moose made a motion to place the resolution on the March 17th meeting agenda as requested. Commissioner Ferguson seconded the motion. The Board voted unanimously in favor of the motion.

CONSENT AGENDA

- A. Budget Ordinance Amendments #28 & #29.
- B. Resolution Approving an Interfund Capital Loan for Equipment Purchase.

Commissioner Jennings made a motion to approve the Consent Agenda. Vice-Chairman Mayberry seconded the motion. The Board voted unanimously in favor of the motion.

CLOSED SESSION – N.C.G.S. 143-318.11(a)(1, 2, 4, 5, & 6) TO PREVENT THE DISCLOSURE OF CONFIDENTIAL INFORMATION, DEGREES/PRIZES/AWARDS, ECONOMIC DEVELOPMENT, CONTRACTUAL, & PERSONNEL

Commissioner Jennings made a motion to enter into Closed Session at 8:09 PM to prevent the disclosure of confidential information and to discuss degrees/prizes/awards, economic development, contractual matters, and personnel issues pursuant to N.C.G.S. 143-318.11(a)(1, 2, 4, 5, & 6). Commissioner Ferguson seconded the motion. The Board voted unanimously in favor of the motion.

ADJOURNMENT

There being no further business, Commissioner Jennings made a motion to adjourn at 8:35 PM. Vice-Chairman Mayberry seconded the motion. The Board voted unanimously in favor of the motion.

Larry Yoder, Chairman

Jamie M. Starnes, Clerk to the Board