

Draft

**BOARD OF COMMISSIONERS
WORK SESSION** May 11, 2015

**ALEXANDER COUNTY
STATE OF NORTH CAROLINA**

PRESENT: Larry Yoder, Chairman
Ryan Mayberry, Vice-Chairman (arrived at 6:13 PM)
Milton H. Campbell
Josh Lail
Ronnie Reese

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

The Alexander County Board of Commissioners held a work session on Monday, May 11, 2015 at the Administration Building downstairs conference room, Taylorsville, North Carolina.

CALL TO ORDER

Chairman Yoder called the meeting to order at 6:04 PM.

INVOCATION & PLEDGE OF ALLEGIANCE

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

ADOPTION OF AGENDA

Commissioner Campbell made a motion to adopt the agenda as presented. Commissioner Reese seconded the motion, which passed unanimously.

BUDGET ORDINANCE AMENDMENT #45

Rick French, County Manager, reviewed Budget Amendment #45 to increase the Emergency Services Department budget for a grant awarded by the Hazardous Materials Emergency Planning Grant Program (federal grant passed through NC Department of Public Safety, NC Emergency Management).

Commissioner Reese made a motion to approve Budget Amendment #45. Commissioner Lail seconded the motion, which passed unanimously.

2014-2015 BUDGET REVIEW / 2015-2016 BUDGET DISCUSSION

Rick French, County Manager, reported that 2014-2015 budget expenditures currently totaled \$36,233,212 and revenues totaled \$33,774,344, which left \$2,458,777 coming out of fund balance to balance the budget (equal to 10 cents on the tax rate); however, he noted that, due to delayed sales tax collections (3 months behind), staff would not have an accurate total for the amount needed from fund balance until late September 2015. As of June 20, 2014, the fund balance totaled \$6,550,180 or 19% but that amount will drop to \$4,091,412 to balance the 2014-2015 budget year. He advised that the LGC liked to see counties our size with a fund balance of at least 28%.

The Board reviewed tax rates, valuation of property, tax collection percentages, available fund balance, general fund expenditures, etc. from 1990 to 2014 that showed less than 5% growth since the last revaluation 8 years ago. The Tax Office has recommended a revenue neutral calculation of 2.7 cents for property taxes for 2015-2016. Sales tax revenues are ahead approximately 7% from this time last year and departmental revenue has increased. The hold harmless amount currently totals \$914,000 compared to \$768,000 last year and \$763,000 two years ago.

Mr. French reviewed departments with significant budget request increases for the upcoming year as follows, noting that all requests for the 2015-2016 budget totaled \$41,581,697:

- Elections – continued payment for state-mandated voting equipment.
- Public Buildings –increases in utilities mainly due to the CVCC Applied Technologies facility.
- Sheriff's Department – requested 5 new positions and 14 vehicles with equipment, 8 current part-time employees must be offered medical insurance due to having exceeded the 30-hour per week average specified by the Affordable Care Act.
- Detention – requested two vehicles with equipment and 4 new part-time positions, increases in contracted services.
- Emergency Services – replacement of ambulance and QRV vehicle, requested 4 new employees to create an additional shift during peak times based on last year's EMS study performed by the WPCOG.
- 911 Communications – requested 4 supervisor positions, additional equipment, and salary increases.
- Human Resources – increases in retiree insurance premiums.

- School System – requested an additional \$980,724 (\$6,380,724 total) to cover the loss in funding due to decreased student enrollment and to provide a 1 to 1 environment for teachers and students in grades 6-8 in both middle schools (technology). Projected requests for upcoming budget years include \$7,016,324 for 2016-2017 and \$7,997,048 for 2017-2018.

Another increase impacting the upcoming budget includes transitioning from self-funded to fully-funded for employee medical insurance which will result in higher premiums. Mr. French explained that fully-funded rates were fixed no matter the amount and types of claims as opposed to self-funded costs being based on claims, which had a negative impact on the County's budget for 2014-2015. The only projects included in the upcoming budget are the CVCC Applied Technologies Project and Phase II of Rocky Face Park.

Mr. French advised that the only way to balance the 2015-2016 budget was by either using more fund balance or increasing the property tax rate, noting that 10 cents was needed replenish the fund balance, 2.7 cents was needed to be revenue neutral, and 4 cents was needed to fund the School System request.

Chairman Yoder questioned the benefit of asking all departments to cut their budget requests by 10%. Mr. French suggested the Board review his recommended budget on May 26th before taking such action but added that several ways to cut costs would be no new positions, equipment, or projects, no COLA for employees, and to freeze all hiring (and not filling positions once they become vacant).

Commissioner Campbell requested pie charts of the County's expenditures and revenues for the public's viewing at the May 26th meeting.

ADOPTION OF UPCOMING BUDGET MEETING SCHEDULE

Rick French, County Manager, recommended cancelling the June 1st meeting and scheduling additional meetings on June 8th and June 22nd, all at 6:00 PM at the CVCC / Alexander Center. A regular meeting is already planned on June 15th. He reviewed the following budget schedule:

- May 26th – County Manager's recommended budget provided and presentations by department heads
- June 8th – Budget public hearing
- June 15th – Budget work session if needed
- June 22nd – Adoption of the 2015-2016 budget

Commissioner Lail made a motion to cancel the June 1st meeting and hold meetings on June 8th, June 15th, and June 22nd as requested. Vice-Chairman Mayberry seconded the motion, which passed unanimously.

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

Commissioner Lail made a motion to enter into Closed Session at 7:37 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 Reese seconded the motion, which passed unanimously.

ADJOURNMENT

There being no further discussion, Chairman Yoder made a motion to adjourn at 8:09 PM. Commissioner Campbell seconded the motion, which passed unanimously.

Larry G. Yoder, Chairman

Jamie M. Starnes, Clerk to the Board