

Draft

**BOARD OF COMMISSIONERS
WORK SESSION** June 4, 2007

**ALEXANDER COUNTY
STATE OF NORTH CAROLINA**

PRESENT: W. Darrell Robertson, Chairman
Wes Bolick, Vice-Chairman
William L. Hammer
Harold M. Odom
Larry G. Yoder

STAFF: Rick French, County Manager
Jennifer Herman, Finance Director

The Alexander County Board of Commissioners held a work session on Monday, June 4, 2007 in the County Administration Building Conference Room, Taylorsville, North Carolina.

CALL TO ORDER

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

2007-2008 BUDGET REVIEW

Rick French, County Manager, reviewed the proposed 2007-2008 budget, which included the following information:

- The Solid Waste tipping fee will be increased from \$44.33 per ton to \$50.00 per ton. It was agreed to adjust the fee due to increases from Foothills Environmental and the need to replace the floor at the transfer station.
- The City of Hickory water rates will be increasing an additional \$2.00 on the minimum base rate and an additional 5% on the usage rate.
- The fire tax rates will remain the same, allowing fire departments to generate approximately 17% more revenue from the revaluation. Mr. French stated that Bethlehem Fire Department had requested additional funding for a full-time employee which was not being recommended in the budget.
- Several EMS fees will be increased.
- There are 2 bills for Medicaid relief: one for a cap on Medicaid costs and another for a swap proposal for the state to assume the county share of Medicaid costs in exchange for the Article 44 sales tax and Article 40 and 42 food portion tax. The Senate will not pass either bill until after June 30, 2007.
- A 3% COLA will be given to employees effective September 1, 2007.

Mr. French informed the Board that Alexander County had 229 full-time and 101 part-time employees. He stated that the largest departments included DSS with 57 employees, Health Department with 28 employees, Sheriff's Department with 27 employees, and EMS with 22 employees. He also pointed out that 9 more employees would be hired at EMS during the 2007-2008 budget year as well as 2 at the Sheriff's Department and one in Court Facilities to operate the metal detectors. Other new positions include a Communications Supervisor, a Benefits / Wellness Coordinator, a County Engineer, a Jail Supervisor, and an Animal Control employee. Mr. French mentioned that the total number of employees for Alexander County was well below the average of counties similar in size.

He stated that EMS call volume had increased and he presented the following breakdown from 2003-2007:

2003 – 3,746 calls
2004 – 4,017 calls
2005 – 3,968 calls
2006 – 4,748 calls
2007 (January – May 31st) – 2,040 calls

Mr. French stated that a 4th EMS crew had been requested and he noted that adding an additional crew would cost approximately \$350,000 when considering employee pay and the cost of a new ambulance. He noted that plans were to hire 9 additional employees in 2007-2008 and change to a 24/72 schedule.

He stated that the cost for worker's compensation continues to increase. He explained that the cost for worker's compensation at the end of 2006 was \$219,000 and would be at \$307,000 by the end of 2007. He also pointed out that the renewal quote for 2008 was projected at \$422,000. Commissioner Hammer asked if the County would receive a decrease with the implementation of a safety program. Mr. French replied that the County was currently developing a safety program which had resulted in a 1.5% decrease; however, he noted that a decrease of 2.5% was possible.

Mr. French stated that the Rescue Squad had requested a full-time position to respond front line trucks during weekdays. He noted that the Town of Taylorsville would be assisting with the funding for the full-time employee.

He reviewed 4 major projects in the works including the Northeast (Vashti) Water Project, the new jail facility, the hospital / emergency room, and the Aquatics Center. He stated that the County had applied for a 2% State Water Supply loan for the water project. He noted that the General Assembly's decision with Medicaid and the requested additional sales tax would determine what steps were taken with the other projects. He also mentioned that Graham Fields from Elizabeth Dole's office was researching USDA loans for assistance with the jail facility. Commissioner Hammer briefly discussed the jail project and requested that Mr. French as well as Sheriff Hayden Bentley schedule a meeting with representatives from the Federal Marshal

Program to discuss the housing of federal inmates to determine the revenue benefit to the County.

Mr. French distributed copies of a resolution approved in May 2002 to advance the reappraisal schedule from January 1, 2010 to January 1, 2007. He explained that resolution also changed the revaluation schedule to every 4 years beginning this year with the next revaluation taking place in 2011.

Mr. French discussed the proposed tax rate increase from 51 to 53 cents and noted that when considering our growth rate for the past few years (only 1%), the extra 2 cents on the tax rate would only generate enough revenue to pay for the worker's compensation increase only. He stated that another half-cent increase would generate an additional \$130,000 and give the County the ability to help with the cost of the new jail project, economic development, etc. Commissioner Bolick, Yoder, and Odom were in favor of increasing the tax rate an additional half-cent to 53 ½ and Commissioners Robertson and Hammer were in opposition. The majority ruled that the tax rate would be increased from 51 to 53 ½ cents.

Commissioner Yoder asked Mr. French if he or the Finance Department had received any negative comments from departments in regard to the budget. Mr. French replied that he had not received any negative feedback from departments. He noted that department heads understood the budget situation and the County's responsibility to the jail, the hospital, and Medicaid. Commissioner Yoder asked if staff could provide a written breakdown of increases in the 2007-2008 budget along with detailed explanations.

Mr. French stated that the public hearing for the budget would be held on June 11, 2007 and that consideration of the proposed budget would occur on June 25, 2007. He also mentioned that another work session could be scheduled if needed.

OTHER BUSINESS

Mr. French informed the Board that there were currently 2 groups interested in the hospital building, one from Mississippi and another from North Carolina. He explained that one was interested in operating a small hospital and the other was looking at the property for a treatment facility.

ADJOURNMENT

There being no further discussion, the work session was adjourned at 7:40 PM.

W. Darrell Robertson, Chairman

Jamie M. Starnes, Clerk to the Board