

Draft

**BOARD OF COMMISSIONERS
WORK SESSION** May 29, 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 work session on Thursday, May 29, 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

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

2014-2015 BUDGET DISCUSSION

Rick French, County Manager, presented a revised 2014-2015 budget proposal of \$34,544,007, totaling \$1 million less than the current budget that stands at \$35,543,515 and including a 4-cent property tax increase. Of the \$38,389,041 in budgetary requests by department heads, capital items included in the 2014-2015 budget are:

- Bulletproof vests for the Sheriff’s Department (\$20,125)
- Replacement ambulance for EMS (\$130,000)
- State required upfitting to an Animal Control truck (\$4,500)
- Mezzanine barrier for the Detention Center in Contingency (\$127,821)
- \$22,500 for technology needs (reduced from \$133,000 requested)
- EMS Pilot Program in Contingency (\$50,000)
- New 2-person Purchasing Department to begin January 1, 2015

- Funding for WPCOG assistance with overlay districts and code enforcement

He also provided the number of employees by department (full, part-time, and temporary) and suggested this number be capped with approval of the 2014-2015 budget, noting that vacancies occurring throughout the year would be reviewed on a case by case basis. There are no fee increases included in the budget with the exception of a 5% water rate increase.

Also presented was a letter from concerned parents requesting a line item for the Compensatory Education Program at the CVCC / Alexander Center and allotted funds.

Several commissioners mentioned how the Affordable Care Act would affect part-time employees, noting that it was crucial for them to not exceed the allowed number of hours. Mr. French assured the Board that staff continually worked with department heads and monitored the number of part-time hours worked; however, he advised that, other than capping the number of positions allowed, staff had no control over these issues at the Sheriff's Department.

Commissioner Ferguson was concerned that the Sheriff's Department would not be receiving replacement vehicles for the second year and also lack of 4WD capability. He asked if revenue generated over that which was budgeted (\$574,875) for housing of out-of-county inmates could be used towards the purchase of vehicles. The Board agreed. Discussion was held regarding contracts with other counties for housing of inmates as well as a change in the state misdemeanants program that could possibly generate additional revenue for Alexander County. The contract with Caldwell County is up for renewal in November.

Chairman Yoder reported that he had received numerous calls from employees regarding the possibility of furlough days being enforced and asked Mr. French to elaborate on how such would affect the budget. Mr. French replied that 5 furlough days taken several years ago only saved approximately \$143,000 and did not affect any emergency services departments. He advised that he did not recommend furlough days because it could not be enforced fairly and especially when surrounding counties were considering COLA's for employees. Commissioner Jennings agreed.

When considering the number of small departments and full-time employees, Vice-Chairman Mayberry felt there was no way to reduce or consolidate departments to which Mr. French agreed but noted that getting a handle on part-time employees would help.

In discussing expenses, Vice-Chairman Mayberry compared operational costs for the old jail and the new detention center, noting that operating the new facility had increased the County's expenses tremendously equal to at least 8 cents on the property tax rate. Mr. French agreed that, although several things had contributed, the Detention Center was the largest expense (expenses and debt); however, he mentioned that the plan had been to address the increasing expenses over time with tax increases but that the Board had chosen to use fund balance instead. Commissioner Moose added that the Board had spent several million dollars on items other than the Detention Center. She pointed out that the fund balance was 29% two years ago but that the Board had continued to spend.

Vice-Chairman Mayberry also expressed concerns with spending \$80,000 each year to provide the License Plate Office and questioned whether the service should be continued. It was noted that the lack of vehicle dealerships in the county contributed to the low revenue generated. Commissioner Ferguson was aware of only one County department that was self-sufficient which was the Health Department. Chairman Yoder also added that Alexander County did not have hotels and restaurants to generate additional revenue.

Mr. French asked for direction on how to prepare the budget ordinance for the June 2nd meeting where the budget would be considered.

Chairman Yoder felt a 4-6 cent increase would be needed for 2014-2015 as well as another 5 cents for the next two years to increase the fund balance to an acceptable level, also when considering revaluation next year.

The consensus of the Board agreed to move forward with a budget ordinance containing a 6-cent tax increase.

Commissioner Jennings inquired how the additional 6 cents would affect the fund balance. Jennifer Herman, Finance Director, responded that the fund balance would still fall with the tax increase but that it would not drop below the 8% floor required by LGC.

ADDITIONAL COMMENTS

The Board thanked Mr. French, the Finance Department, and the department heads for their efforts with the 2014-2015 budget.

Chairman Yoder requested information on how the tax increase would affect the school system related to the Low Wealth Funding revenue.

ADJOURNMENT

There being no further discussion, Chairman Yoder made a motion to adjourn at 7:26 PM. Commissioner Ferguson seconded the motion. The Board voted unanimously in favor of the motion.

Larry Yoder, Chairman

Jamie M. Starnes, Clerk to the Board