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**BOARD OF COMMISSIONERS  
WORK SESSION** May 26, 2015

**ALEXANDER COUNTY  
STATE OF NORTH CAROLINA**

**PRESENT:** Larry Yoder, Chairman  
Ryan Mayberry, Vice-Chairman  
Milton H. Campbell  
Josh Lail (left at 6:50 PM)  
Ronnie Reese

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

The Alexander County Board of Commissioners held a work session on Tuesday, May 26, 2015 at the CVCC / Alexander Center in Room 103, Taylorsville, North Carolina.

**CALL TO ORDER**

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

**INVOCATION & PLEDGE OF ALLEGIANCE**

Commissioner Reese gave the invocation and Commissioner Lail led the Pledge of Allegiance to the Flag.

**ADOPTION OF AGENDA**

Commissioner Reese made a motion to adopt the agenda as presented. Vice-Chairman Mayberry seconded the motion, which passed unanimously.

**2015-2016 BUDGET PRESENTATION**

Rick French, County Manager, presented a proposed General Fund budget of \$37,733,376 for 2015-2016, noting that the current budget totaled \$36,620,332 with an appropriated \$2,766,637 from the Fund Balance, which equates to 11 cents on the property tax rate. The Fund Balance totaled \$6,550,189 as of June 30, 2014 but will be reduced to \$3,783,552 with this amount being taken to balance the 2014-2015 budget. He added that the suggested revenue neutral tax rate

following this year's revaluation totaled 68.7 cents but he recommended a rate of 79 cents for the 2015-2016 budget year, a 12.5-cent increase.

He provided assessed value and tax rate comparisons with several counties and discussed the effects of the Medicaid swap that changed sales tax formulas from per capita to point of sale, which hurt rural counties. He also mentioned the debt and operational costs for the new Law Enforcement and Detention Center (\$3.4 million yearly).

The proposed budget includes the following funding requests:

- \$300,000 match for a Golden Leaf Grant for industry sewer expansion.
- \$381,000 to cover 50% of the request from the School System.
- \$240,000 to replace an ambulance, QRV, cardiac monitors, and other equipment.
- \$231,405 to offer health insurance coverage for one year to 7 part-time Sheriff's Department employees who exceeded eligible hours according to the Affordable Care Act.
- \$221,448 for 4 SUV's for the Sheriff's Department including cameras, computers, lights and sirens, radios, etc.
- \$140,000 for mandated and previously approved voting equipment.
- \$99,300 for technology needs for County departments.
- \$65,000 for 911 Communications equipment replacement.
- \$80,000 for an Economic Development Project.
- \$58,000 for Information Technology system upgrades.
- \$50,000 for utility costs for the CVCC Applied Technologies Project.
- \$40,000 to replace two vehicles for DSS (\$27,335 in County funds).
- \$22,000 to fund the CVCC Compensatory Education Program.

A total of \$41,581,697 was requested by County departments along with 17 full-time and 6 part-time positions as follows:

Full-time positions – 5 at the Sheriff's Department, 4 at 911 Communications, one at DSS, one in Animal Services, 4 at EMS, one in Code Enforcement, and one at the Public Information Office.

Part-time positions – 4 at the Detention Center, one at the Library, and one at Cooperative Extension.

County projects budgeted to begin or be completed during the 2015-2016 year include the CVCC Applied Technologies Project, Rocky Face Park Phase II, and the Bethlehem / Ellendale Water Improvements Project.

Jennifer Hefner, Alexander County Schools Superintendent, gave a slide show that included the following information:

- New Strategic Plan for 2015-2018.

- System priorities – student success, lifelong literacy, professional excellence, collaborative community, transformational technology, and optimal operations.
- Declining student enrollment and its effect on State funding.
- Attempts to meet declining allotments – staff reductions, combining positions, and parking buses.
- Technology needs to prepare for a digital learning environment.
- Facility needs – Taylorsville and Sugar Loaf Elementary Schools, Alternative Learning Program restructuring, moving Head Start into schools, etc.
- School System budget - \$45,308,560 for 2014-2015, percentage of funding sources, and expenditures.

Other items discussed include State sales tax legislation that could convert all local sales taxes into State sales taxes, proposed rate increases for all fire districts, and proposed water rates (1% increase passed along from the City of Hickory, 1% plus rate restructure for the Bethlehem Water System).

Chairman Yoder questioned the feasibility of asking departments to reduce their budgets by 10%. Mr. French felt that was impossible, especially for the one or two person departments, without affecting employee salaries. Commissioner Campbell asked if the County could ask departments to operate at this current level until more revenue was obtained, to which Mr. French replied that there would always be a need to replace equipment and vehicles as well as changes in sales taxes, etc. each year that would prevent any type of stabilization.

Mr. French advised that the budget public hearing was scheduled for June 8<sup>th</sup> and adoption of the budget for June 22<sup>nd</sup>. A work session can be planned for June 15<sup>th</sup> if needed.

## **BUDGET ORDINANCE AMENDMENTS #46 - #50**

Rick French, County Manager, reviewed the purpose of Budget Amendments #46 - #50 as follows:

Budget Amendment #46 – To increase the Governing Body budget to pay for legal services provided by special law enforcement support attorneys related to writs of execution for a large civil process case paid out of fees collected from Sheriff’s civil executions. To increase the Library budget for State grant funding in excess of original estimates. To increase the Senior Center budget for 1) revenues in excess of original estimates and 2) for additional Operations grant funds from the WPCOG for the Adult Life Program. To increase the Tax Office budget for estimate of April/June NCDOT fees to be charged to the County for collection of motor vehicle taxes through the Tax+Tag Together System.

Budget Amendment #47 – To increase the EMS budget for accrued leave payout due to an employee leaving County employment. To increase the Sheriff’s Department budget for accrued leave payouts due to 1) one employee leaving County employment and 2) one employee receiving a comp time payout due to comp time limit being reached.

Budget Amendment #48 – To increase the budget for self-insured group medical due to actual claims paid that exceed the estimated insurance premiums charged to County departments. To increase the EMS budget for estimate of NCACC administrative fee for the EMS Medicaid Cost Settlement Program.

Budget Amendment #49 – To adjust the County Water & Sewer Fund budget based on data from year-to-date revenue reports from the City of Hickory.

Budget Amendment #50 – To adjust the Bethlehem Water Fund budget based on data from year-to-date revenue reports from the City of Hickory.

Vice-Chairman Mayberry made a motion to approve Budget Amendments #46 - #50. Commissioner Campbell seconded the motion, which passed unanimously.

At this time, Chairman Yoder made a motion to excuse Commissioner Lail from the meeting. Vice-Chairman Mayberry seconded the motion, which passed unanimously.

## **OTHER BUSINESS**

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

- A. Staff received a letter from Darren Conner with Park Place Humanity, Inc. in regards to several maintenance and replacement needs at Jaycee Park. This expense is not included in the proposed budget for 2015-2016; however, the Finance Committee will be provided with cost estimates in the near future.
- B. Upcoming budget meetings include a regular meeting with budget public hearing on June 8<sup>th</sup>, a budget work session if needed on June 15<sup>th</sup>, and a regular meeting with adoption of the 2015-2016 budget on June 22<sup>nd</sup>.
- C. The Offering Response date for potential buyers of the Alexander County Home Health Agency is May 29<sup>th</sup> at 5:00 PM.

## **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**

Chairman Yoder made a motion to enter into Closed Session at 7:18 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 Campbell seconded the motion, which passed unanimously.

## **ADJOURNMENT**

There being no further discussion, Commissioner Campbell made a motion to adjourn at 8:18 PM. Vice-Chairman Mayberry seconded the motion, which passed unanimously.

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Larry G. Yoder, Chairman

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Jamie M. Starnes, Clerk to the Board