

Draft

BOARD OF COMMISSIONERS
REGULAR MEETING May 25, 2016

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

PRESENT: Ryan Mayberry, Chairman
Milton H. Campbell, Vice-Chairman
Josh Lail
Ronnie Reese
Larry Yoder

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

The Alexander County Board of Commissioners held a regular meeting on Wednesday, May 25, 2016 at the CVCC / Alexander Center in Room 103, Taylorsville, North Carolina.

CALL TO ORDER

Chairman Mayberry called the meeting to order at 6:00 PM.

INVOCATION & PLEDGE OF ALLEGIANCE

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

ADOPTION OF AGENDA

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

2016-2017 ALEXANDER COUNTY PROPOSED BUDGET

Rick French, County Manager, provided the following Budget Message for the 2016-2017 proposed budget:

The proposed budget for the Alexander County General Fund totals \$38,284,170. There is no proposed tax increase, no change in fees, and no cost-of-living increase for County employees. The current revised 2015-2016 budget totals \$38,648,095. A total of

\$43,608,033 was requested from County departments, the School System, and other organizations.

Last year, the General Assembly approved additional sales taxes for 79 counties as part of the sales tax expansion. The effects of the sales tax expansion will begin with the 2016-2017 budget year. Alexander County's estimated revenue was \$1.3 million and could only be expended in three areas including economic development, education, and community colleges. However, SB846 was filed two weeks ago in the legislature. This bill, if passed, would impact sales tax distributions and create uncertainty for FY 2016-2017 according to the NCACC. In brief, the bill would:

- 1. Repeal the \$17.6 million State appropriation, which was included as part of last year's local sales redistribution plan to be distributed to all 100 counties. The repeal would be effective July 1, 2016.*
- 2. Change the adjustment factor applied to the half-cent sales tax and use tax levied under Article 40 (and to a portion distributed under Article 42) from the current adjustment factors set out in statute, and instead adjust according to the county economic tier. The adjustment factor for tier one counties would be 1.10; 1.00 for tier two counties, and 0.90 for tier three counties. This change would be effective July 1, 2017.*

The bill is currently assigned to the Senate Finance Committee and has not yet received a hearing.

A total of \$1 million is budgeted in revenue designated as new sales tax. The funds are distributed in Contingency and are recommended as an increase to the Board of Education. This is the only new funding available to the Board of Education as Alexander County will receive less than 1% new growth in property tax revenue or \$203,000. Growing our tax base continues to be our number one challenge in Alexander County.

Of the \$43,608,033 in budgetary requests received, capital items included in the 2016-2017 budget are as follows:

- \$369,000 proposed increase for the Board of Education making their appropriation a total of \$6 million plus \$150,000 for the debt service on the auditorium. Alexander County has increased BOE funding by \$1 million since the 2012-2013 budget year.*
- \$235,000 capital outlay for 4 vehicles for the Sheriff's Department with camera systems, emergency lights, sirens, radios, rifle, shotgun, AED, and other emergency equipment.*
- \$54,840 for a replacement inmate transport vehicle to replace a 2000 Dodge van with 163,000 miles.*

- *\$131,404 for 4 EMT/Paramedic positions to work a 12-hour rotation schedule.*
- *\$145,000 for a new Type III ambulance to replace a 2008 ambulance with over 200,000 miles.*
- *\$50,000 for new EMS protective turnout gear to replace out-of-date turnout gear that is more than 10 years old and does not meet OSHA standards.*
- *\$25,000 for an impact ventilator in EMS to replace an older unit that is over 7 years old.*
- *\$55,000 for a new telephone system at DSS to replace the current system that can no longer handle the volume of incoming and outgoing calls. The current system goes down in the middle of calls and must be rebooted repeatedly. Please note, only \$37,521 of the cost is County funding.*
- *\$39,867 for a new Animal Services truck to replace the current truck that badly needs repairs and has over 171,000 miles. Cost includes bed mount unit, totally enclosed for full size. Bed mount would allow for safer transport of larger animals.*

Three additional employees are being recommended including one building inspector (\$50,000), transitioning a part-time EMS administrative position to full-time effective January 2017 (\$13,000), and one additional staff person at Rocky Face Park needed due to a new community building to be constructed in Phase 2 this summer – position to start in October 2016 (\$20,000).

Please note there are several departmental concerns/issues that are currently being discussed with DSS and the Senior Center.

There are a number of projects that will begin or be completed in the 2016-2017 budget year including:

- *CVCC / Alexander Applied Technologies Center.*
- *Rocky Face Park (Phase 2).*
- *Shurtape Sewer Project.*
- *Taylor Togs Building – EDC, Workforce Development, and conference room.*
- *Former EnergyUnited Water Corporation property transferred to Alexander County – building will be used for community which includes present uses.*

Water rates will be changed from the current rate structure to outside City of Hickory rates. Staff is currently working on a water tap incentive for the upcoming budget year.

The public hearing for the 2016-2017 proposed budget is scheduled for our June 6, 2016 Commissioners' Meeting which will begin at 6:00 PM in Room 103 at the CVCC / Alexander Center.

He added that revenue from the Town of Taylorsville was included in the budget proposal for County-provided planning services beginning in July and he mentioned that a budget request from Park Place Humanity, a broadband feasibility study, and a tax assessment program had not been included but could be added later as budget amendments.

Vice-Chairman Campbell reported that the Finance Committee was recommending the appropriation to the School System be increased by \$400,000 to aid with operating expenses as discussed at prior meetings and he hoped that the Board would continue replacing 4 Sheriff's Department cars each year. He also felt a funding agreement between the County and School System would be beneficial in the future.

Commissioner Yoder agreed with Vice-Chairman Campbell, noting that the Board had agreed to replace an ambulance each year as well.

Commissioner Lail urged the public to review the County's proposed budget by visiting the Administration Office or requesting a copy.

PUBLIC COMMENT

Chairman Mayberry requested a Public Comment Period be added to the agenda and made a motion to adopt the agenda as amended. Commissioner Lail seconded the motion, which passed unanimously.

The following comments were heard:

Rev. Steve Dagenhart, Calvary Baptist Church, felt the citizens had voiced their preference on alcohol sales in Alexander County by voting down the past two ABC referendums and suggested the supporters of another referendum be asked to gather the signatures of 35% of all registered voters as outlined by State law.

Rev. Jeff Chapman, Little River Baptist Church, asked the Board to consider the values of the citizens who placed them in the position of County Commissioner instead of caving to the pressures of a few, pointing out that the last two ABC referendums were defeated by a majority of voters. He also noted that for every dollar generated from alcohol sales in NC there was a corresponding expenditure of \$21.42 for the cost of alcohol related problems.

Rev. Gary Jennings pointed out that, although the Bethlehem 1 & 2 and Wittenburg voting precincts had voted in favor during the March 19, 2013 ABC Referendum, only 13.46% of the registered voters in those precincts had actually visited the polls. He also stated that if every registered voter in those 3 precincts signed a petition to bring forth

another referendum, they would only have 30% of the necessary 35%. Rev. Jennings felt holding yet another referendum sent mixed signals to the youth of the county who participate in D.A.R.E. programs and he asked the Board to give the citizens their voice back by requiring the proponents to obtain a petition signed by 35% of the voters.

Tim Wilson, Store Manager of Lowes Foods in Belle Hollow and former manager of the Bethlehem location, stated that the sale of alcohol products would increase revenue and basket size, noting that baskets in the Belle Hollow store were 23% larger than those in Bethlehem. Other positives mentioned by Mr. Wilson included attracting more vendors to the store, increased operating hours resulting in additional jobs, increased traffic for neighboring businesses, and opportunity for residents to shop locally.

Glenn Mays gave several alcohol related statistics including:

- Number of alcohol related vehicle crashes in NC decreased from 13,584 in 2000 to 10,831 in 2014 even though only two NC counties are currently “dry.”
- Alexander County has the highest percentage of alcohol related accidents compared to all surrounding counties.
- Alexander County lost more than \$130 million in retail spending to neighboring counties in 2012 and more than \$147 million in 2014.

RESOLUTION FOR SPECIAL ALCOHOL ELECTION

Chairman Mayberry explained that the resolution in question was simply requesting the NC General Assembly to clarify existing laws to determine if the Wittenburg Township comprising of the Bethlehem 1 & 2 and Wittenburg voting precincts could hold a township ABC referendum. He pointed out that these precincts had voted overwhelmingly in favor of alcohol sales during the countywide ABC Referendum held on March 19, 2013 which prompted the Board to investigate the possibility of a township election.

Commissioner Lail reiterated that the possible election would be for the Wittenburg Township only and would not affect any other area of the county.

Vice-Chairman Campbell clarified that this meeting had been scheduled for a Wednesday night to accommodate his work schedule that required him to travel to Virginia once a month.

Commissioner Yoder added that 99% of the emails he received in opposition to the resolution were residents of townships other than Wittenburg. He stated that he would stand by his words spoken 3 years ago that he would not support another countywide ABC referendum without a petition signed by 35% of registered voters; however, he felt the Bethlehem/Wittenburg community should be allowed an opportunity to vote on this issue as a township if they wished to do so. Commissioner Yoder clarified again that the resolution was only asking the General Assembly to determine if a township ABC referendum was possible.

Commissioner Lail made a motion to approve the resolution requesting assistance from the General Assembly regarding a township election. Vice-Chairman Campbell seconded the motion, which passed 4 in favor (Commissioners Campbell, Lail, Mayberry, and Yoder) and one against (Commissioner Reese).

BUDGET ORDINANCE AMENDMENTS #38 - #39 & PROJECT BUDGET ORDINANCE #P-2

Rick French, County Manager, reviewed the purpose of Budget Amendments #38 & #39 as well as Project Budget Ordinance #P-2 as follows:

Budget Amendment #38 – To increase the DSS budget for FY 2016 funding received to provide transportation for the elderly to nutrition sites, doctor appointments, adult daycare, and other needs. To increase the Senior Center budget for additional FY 2016 HCCBG grant funding to purchase chairs for the center.

Budget Amendment #39 – To budget for the transfer of funds from the Jail Project Fund to the FY 2017 General Fund budget (using funds from the January 2011 jail loan proceeds for FY 2017 interest payments on the debt).

Project Budget Ordinance #P-2 – To budget for the purchase of building equipment for the CVCC / Alexander Applied Technologies Project to be paid by ARC grant funds and County funds.

Vice-Chairman Campbell made a motion to approve Budget Amendments #38 & #39. Commissioner Lail seconded the motion, which passed unanimously.

Commissioner Reese made a motion to approve Project Budget Ordinance #P-2. Commissioner Yoder seconded the motion, which passed unanimously.

AGREEMENT EXTENSION WITH THE TOWN OF TAYLORSVILLE FOR BILLING & COLLECTION OF PROPERTY TAXES

Rick French, County Manager, presented a 4-year extension to the agreement with the Town of Taylorsville for the billing and collection of their property taxes effective July 1, 2016 and reported that the County began collecting the Town's taxes in 2010.

Commissioner Yoder made a motion to approve the extension to the agreement with the Town of Taylorsville for the collection of property taxes. Vice-Chairman Campbell seconded the motion with the caveat that the 3% fee charged be revisited in 4 years and adjusted if needed, which passed unanimously.

OTHER BUSINESS

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

- A. There has been some interest in enforcing assessment taxes for road improvements in Alexander County. Staff learned today that counties can only enforce these taxes to bring private roads up to State standards to be accepted into the NCDOT system for maintenance. The process begins with a petition signed by 75% of property owners along a private road (75% of those who sign must also own road frontage property). Mr. French advised that all costs would be incurred by the County before assessing the tax to be repaid by property owners.

Chairman Mayberry asked staff to determine if the County could borrow funds for these types of projects and pay the debt with assessments collected.

Commissioner Yoder was opposed to any County involvement in road construction or improvements and felt doing so would send the wrong message to the State. He pointed out that the General Assembly had considered mandating counties to take over the Secondary Road Paving Program several years ago, which would have resulted in a 12 to 18-cent property tax increase at that time.

- B. The County has been invited to submit full grant applications to the Appalachian Regional Commission for the Alexander Industrial Park Pump Station Project and a broadband feasibility study. Applications are due July 29, 2016.

CONSENT AGENDA

- A. Minutes from the May 2, 2016 Regular Meeting and May 17, 2016 Called Meeting.
- B. Juvenile Crime Prevention Council Certification and Annual Plan for FY 2016-2017.

Commissioner Reese made a motion to approve the Consent Agenda. Commissioner Yoder 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

Chairman Mayberry made a motion to enter into Closed Session at 7:19 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). Vice-Chairman Campbell seconded the motion, which passed unanimously.

ADJOURNMENT

There being no further business, Commissioner Reese made a motion to adjourn at 8:21 PM. Vice-Chairman Campbell seconded the motion, which passed unanimously.

Ryan N. Mayberry, Chairman

Jamie M. Starnes, Clerk to the Board